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Dept Strategy and market developments  
Ofcom  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA.

**9<sup>th</sup> September 2010**

Dear Ms Peat,

**RE: FSB response to Traffic Management and 'net neutrality'**

The Federation of Small Businesses (FSB) welcomes the opportunity to respond to the above named consultation.

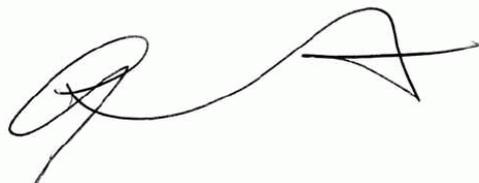
The FSB is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. The FSB is non-party political, and with 213,000 members, it is also the largest organisation representing small and medium sized businesses in the UK.

Small businesses make up 99.3 per cent of all businesses in the UK, and make a huge contribution to the UK economy. They contribute 51 per cent of the GDP and employ 58 per cent of the private sector workforce.

The FSB is concerned about current proposals for traffic management and the abolition of the so called net-neutrality as it could mean an already poor service becoming even worse. Instead the FSB is calling for incentives to upgrade the network across the board to improve the service for all users.

We trust that you will find our comments helpful and that they will be taken into consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Clive Davenport', written over a light grey rectangular background.

Clive Davenport  
Chairman of the Trade and Industry Policy Unit  
Federation of Small Businesses



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**FISB  
response to  
the Traffic  
Management  
and 'net  
neutrality'  
consultation**

**September 2010**

Access to high speed broadband is a crucial issue for small businesses.

In a recent survey 63 per cent of FSB members said they were unhappy with the speed and reliability of their Internet connection and 33 per cent reported noticing particular times of the weekday when broadband Internet speed was slower than usual. <sup>1</sup>

Given these pertinent and already existing problems the focus should be on ensuring a guaranteed symmetric service by boosting capacity across the entire network, not encouraging large companies to pay for a higher speed Internet leaving individuals and small businesses, less able to pay, trailing behind. The Internet has become the world's largest and most successful information system precisely because of the existing net-neutrality.

The FSB's concern is the power of monopolies and their ability to eliminate competition by squeezing out the smaller players. If, for example, larger companies such as Microsoft or BT get a chance to manage the bandwidth, individuals and small businesses will inevitably lose out as they will be less able to pay high charges for high speed Internet.

Therefore the FSB is calling for fairness, transparency and the ability to increase their productivity by being allowed to take advantage of the on-line opportunities that high speed Internet offers.

Net-neutrality ensures an equal balance and distribution of Internet services until the infrastructure has caught up. Keeping net-neutrality in place also incentivises everyone to improve networks across the board and thereby allowing universal upgrading of the network to take place.

FSB recommendations<sup>2</sup>

- ISPs must be obliged to deliver a minimum and guaranteed connection speed of 8Mbps download speed end to end, with guaranteed and consistent upload speed.
- There must be a minimum level of service clearly stipulated in writing and notification of any traffic management that may be applied to the broadband connection.
- It is essential that IP throughput is not subject to traffic management restrictions or throttling for the service the customer requires.
- Small businesses must have confidence in the speed and reliability of their broadband provision. Ofcom must ensure providers give accurate information on connection speeds (IP throughput that is useable by the customer).

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<sup>1</sup> Broadband – Steps for an incoming Government, FSB Report, May 2010

<sup>2</sup> Broadband – Steps for an incoming Government, FSB Report, May 2010

- Ofcom must ensure there is one UK-wide standardisation and technical specification for the method of transmission on fibre for all network providers. This would ensure a cost-effective consistency and reliability in broadband delivery.
- Local and other appropriate authorities must also play a vital overseeing role in infrastructure provisioning and maintenance, especially under and beside all roads.

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### **For further information**

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Federation of Small Businesses

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