

Ofcom- Designing the Broadband Universal Service Obligation
Call for Inputs

Response from Fermanagh and Omagh District Council

i. Introduction

Fermanagh and Omagh District Council welcome the opportunity to respond to Ofcom's '*Designing the broadband universal service obligation*' call for inputs. The Council continues to lobby for a better broadband access and champions the need for the further extension of broadband access especially in relation to the needs of rural Fermanagh and Omagh District Council businesses, residents and communities. The Council has long highlighted the causes of rural disadvantage and equality in regards to the digital divide, not only within Northern Ireland but with other parts of the UK. The Council acknowledges the on-going work of the Government through DCMS and BDUK in tackling the on-going access issues in our area through schemes such as Broadband Connection Voucher scheme; Better Rural Broadband Fermanagh pilot satellite scheme and the Satellite Broadband Support Scheme (Northern Ireland). Whilst these interventions are mainly under the Universal Service Obligation (USO) of a min 2Mbit/s there are still large areas of our district which experience access issues to suitable broadband speeds greater than 2Mbit/s which the proposed USO will provide greater access to more suitable speeds in today's ever driven technological society. Statistics from OFCOM show that businesses are more dependent on telecommunications in the rural areas of NI; similarly, there is a higher uptake across almost all facets of telecommunications amongst the rural population (Smart Phones are the only device that scores higher in urban areas).

Specification and scope of the USO

How should the minimum technical performance of the USO be specified?

The Council agrees that a minimum of 10Mbit/s be specified along with mechanisms in place to uplift this threshold to help future proof advances in the ever changing technological society we live in. This is the minimum required by SMEs within our district to support their sustainability and growth. The importance of these telecoms technologies to rural business is continuously rising and there is a feeling among our businesses of continuously playing catch-up on areas benefiting from extensive and more effective telecomm networks.

How should we ensure the USO is affordable?

The experiences to date of the Better Rural Broadband Fermanagh pilot scheme indicate the majority of consumers in the Fermanagh and Omagh District Council (FODC) area are opting for the lower speed due to affordability and we would recommend a capped pricing structure for affordability.

Should there be a social tariff for broadband services?

The Council would agree that a 'social tariff' would be beneficial as incomes in Northern Ireland in particular more so in our rural district is lower than the rest of the UK and would not restrict this just to people on certain benefits only but include lower income families also.

Demand for the USO

What might the potential demand for the USO be?

The Council would expect demand for the USO to be high within our District based on the initiatives and pilots already taken place within the Council area. Whenever the Broadband Connection Voucher Scheme went live in June 2015 there was unprecedented demand (largest demand outside Belfast city – FODC has the smallest population) within our area with over 300 applications in under 4 months unfortunately the scheme closed in October 2015 with over 200 applicants still within the process.

Satellite broadband is an option but still seen as expensive and less superior compared to fixed line broadband and consumer's preference is for FTTC or FTTP access and demand would be high for this under a min 10Mbit/s USO. Similarly, there is challenges with Fixed Wireless solutions which have different service level parameters and by their nature need more reconfiguring and capacity as customer volume is added. There is a genuine belief based on equality by FODC businesses and residents that Satellite and Wireless Broadband are an infill/temporary solution and that FTTC or FTTP is the equitable/fair solution.

Cost, proportionality and efficiency of the USO

Cost evidence

For many rural parts within our district Fixed Wireless or Satellite broadband technology would seem to be the most efficient and proportionate infill solution at present albeit both these technologies have their limitations compared to fixed line broadband. FODC would recommend that everyone within the district should avail of a fixed line solution under the USO to achieve the min 10Mbit/s USO and these costs should be equitable with other telecom service users.

Consumers facing broadband restrictions especially in rural areas are aware that the cost may vary in proportion to larger urban areas and that a premium may have to be paid to access a proper service. Through working with businesses trying to avail of the Broadband Connection Voucher scheme there seems to indicate a willingness by to work together on a group basis to find solutions which will work within their communities. A successful example of this was the Council delivered fixed wireless broadband pilot scheme in Greencastle and the potential opportunity to work on other pilot schemes in Lisnaskea etc.

Proportionality and definition of a 'reasonable request'

The Council firmly believes that Ofcom should require telecomm providers to support the provision of the best medium to its customers. This would include the provision of fibre access product, and a customer's right to order such a product. Any request from new businesses and residents should be afforded the opportunity to avail of fibre to the cabinet/business and this should be considered a 'reasonable request'.

Ensuring efficiency

There is a need for greater telecoms competition, Ofcom's strategic review supporting dark fibre provision and orchestrating improved access to BT's duct and poles can increase such competition. At this juncture new road infrastructure, new developments, needs to provide ducting that will allow easy access to services that will include telecomm provision.

The universal service provider or providers

How should the universal service provider be designated?

There has to be a clear designation that the USP(s) will be able to demonstrate adequately fulfil obligations within our District which is the most westerly part of the UK.

Funding of the USO and potential market distortions

Funding of the USO

Funding should be similar to the levy under the Climate Change Levy on an industry wide basis as everyone should have the right to avail of adequate broadband service no matter where they live within the UK.

How could any potential market distortions of competition be minimised?

Minimise market distortion by ensuring collaborative use of existing infrastructure and encouraging new infrastructure investment in obvious market failures within the area.

Review of the USO

When, and on what basis, should the USO be reviewed?

We recommend the USO should be reviewed on a regular basis so consumer's needs are taken into account and infrastructure developments on-going so that as

technological changes occur there is not a large variance created and so the recommendation is that this should be reviewed on a three yearly cycle.

Concluding Comments

Fermanagh and Omagh District Council welcome the opportunity to respond to the Broadband USO Consultation. As per the Council's response, access to quality, value for money, effective and efficient telecomms is critical to the sustainability and the growth of local businesses and our communities. It is the Council's view that the access to quality telecoms has genuine implications on rural disadvantage within the District. Further, any telecomms solutions provided to business and residents must be future proofed. Finally the Council would welcome the opportunity for further discussion on the consultation and to be considered into the future with central government on pilot telecomm initiatives.