



## Ofcom Consultation on Broadband Universal Service Obligation (USO)

### Submission by MG ALBA

23 June 2016

MG ALBA is short for Meadhanan Gàidhlig Alba (Gaelic Media Scotland) and is the operating name of Seirbheis nam Meadhanan Gàidhlig or Gaelic Media Service.

MG ALBA delivers **BBC ALBA** (the Gaelic language television channel) in partnership with the BBC. BBC ALBA is the first partnership television service to operate under a BBC licence.

BBC ALBA is a success. Audience figures are strong, with average weekly national reach of 15% (MG ALBA, 2016). BBC iPlayer augments viewing, with 100,000 views every week in 2015 (MG ALBA, 2016).

BBC ALBA is an important part of the Scottish broadcast ecology. PACT (the Producers' Alliance for Cinema and Television) has estimated that BBC ALBA accounts for over 50% of all Scottish commissions by hour (PACT, 2010). The channel commissions 87% of its content from Scotland's independent production sector (MG ALBA, 2016)

## Introduction

This submission is in response to Ofcom consultation “*Designing the Broadband Universal Service Obligation*”.

In November 2015, the Government set out its intention to introduce a broadband universal service obligation (USO). This would give everyone a right to a decent broadband connection on request. The Government proposed introducing this universal service obligation in recognition of the increasingly important role broadband plays in people’s lives.

Ofcom has been commissioned by the Department for Culture, Media and Sport to provide technical analysis and recommendations to support the design of the broadband USO. This document seeks views on the design of the broadband USO.

## Background

The Government set out its intention to introduce a broadband Universal Service Obligation (USO) to provide a ‘safety net’ to make sure that households and businesses can get the broadband speeds needed to do business online, access key services or stream live TV. It therefore set out an ambition to give everyone a right to a broadband connection with a download speed of 10Mbit/s on reasonable request.

The Department for Culture, Media and Sport (DCMS) has since published a consultation on the Government’s proposed approach to introducing a new broadband USO. The consultation set out the Government’s intention to introduce primary legislation to give the Secretary of State an explicit power to introduce a broadband USO. The scope of the USO – including the minimum speed, quality and other more detailed requirements and guidance– would then be set out in secondary legislation, which Ofcom would be responsible for implementing.

Ofcom reaffirmed their support for the introduction of a broadband USO in their Strategic Review of Digital Communications. Ofcom highlighted the importance of ensuring that everyone has access to a decent broadband service and committed to work with the Government to implement this obligation. In Ofcom’s view, 10Mbit/s is the appropriate level at present for a broadband USO but have noted that the level of performance delivered by the USO will need to increase over time.

## Purpose and Scope

DCMS has now asked Ofcom to provide technical analysis and recommendations to support the design of the USO. A final report is requested by the end of the year.

Ofcom are seeking views from consumers and industry to inform their analysis of the options for designing and implementing the broadband USO. Responses to this call for

inputs will inform recommendations put to Government. Input from stakeholders is requested on the following six areas:

- Specification and scope of the USO;
- Demand for the USO;
- Cost, proportionality and efficiency of the USO;
- The universal service provider or providers;
- Funding of the USO and potential market distortions;
- Review of the USO.

## MG ALBA Response

### **How should the minimum technical performance of the USO be specified? (Refer to paragraphs 1.7 through 1.9 of the consultation document)**

With regard to paragraph 1.7 – 1.9 of the document MG ALBA note that the maximum distance a premises can be from a fibre enabled cabinet (VDSL2) to maintain a minimum service of 10Mbit/s is in the region of 2.8Km using copper cable. Regardless of any additional capacity to the cabinet, premises which are this distance away will not benefit.

MG ALBA recommend that the technical performance code takes into account premises which are remote from the cabinet and ensure that there is suitable connectivity in place to meet future capacity requirements.

Latency, contention, capacity and other technical parameters should be specified to a level which allows the domestic user to carry out multi-user video streaming, gaming etc which are now the expected norm from a broadband connection.

Minimum download speeds should be able to maintain video streaming services without buffering or displaying any artefacts caused by slow connection speeds. BBC ALBA viewers make regular use of the iPlayer to view previously broadcast content and MG ALBA are eager to ensure that the maximum possible reach for BBC ALBA VOD content is achieved. As a guide, Netflix recommend a minimum of 5Mbit/s for viewing HD content.

MG ALBA have content suppliers who are based in remote and rural areas and, as the broadcast industry is now heavily reliant on the delivery of content as files across the internet, we are eager to ensure the continued viability of this business. To satisfy this requirement a sustained upload speed of not less than 4Mbit/s is required. As well as technical performance the code should also specify that the infrastructure be capable of supporting leased lines capable of supporting a 100Mbit/s.

Wireless network bridge technology is capable of handling speeds in excess of 1Gbit/s over distance and this technology has been in use for several years now supplying remote villages on the Koydart peninsula with high speed broadband from the Isle of Skye. This technology would prove useful in reaching remote clusters where the practicalities of laying cables would bring considerable issues.

### **How should we ensure the USO is affordable? (Refer to paragraphs 1.10 of the consultation document)**

While MG ALBA is not best placed to offer specific measures, we note the importance of affordability. We also note the importance of ensuring pricing such that citizens and consumers in rural areas - particularly where the Gaelic-speaking population is significant such as the Western Isles, are not penalised by virtue of their geography.

It is important for BBC ALBA that no measures are imposed that could have a detrimental effect on online viewing among this population.

**Should there be a social tariff for broadband services? (Refer to paragraph 1.11 of the consultation document)**

No comment.

**What might the potential demand for the USO be? (Refer to paragraphs 1.12 through 1.14 of the consultation document)**

As stated in paragraph 1.12 48% of premises in rural areas cannot achieve broadband speeds in excess of 10Mbit/s and Scotland is one of the areas which is affected disproportionately. The demand for broadband speeds in excess of 10Mbit/s would be high, with most existing households and businesses taking advantage. This would be further increased by those looking to relocate to a rural area but who are disincentivised by lack of reasonable connectivity (business and domestic).

**Cost. Proportionality and efficiency of the USO? (Refer to paragraphs 1.15 through 1.24 of the consultation document)**

The use of optical and wireless technologies to bridge the distance to inaccessible premises will provide a cost-effective and robust solution for the delivery of broadband services. Such equipment has a proven track record in marine environments and is capable of withstanding extreme weather conditions.

MG ALBA notes the innovative community led solutions being piloted by Community Broadband Scotland and urges that the the delivery of the USO is informed by such initiatives on technology: i.e. there may be a basket of technological solutions already tested for the 'last mile' premises.

**The Universal Service Provider or Providers (Refer to paragraphs 1.25 through 1.27 of the consultation document)**

MG ALBA's view is that the consideration of what constitutes a 'reasonable request' must consider the citizenship dimensions of **not** accepting a request: e.g. many significant Gaelic-speaking populations are in hard to reach areas, and as solutions may be physically challenging they may be at risk of being deemed to be disproportionately expensive. However the cost to the Gaelic language of not having its citizens enabled by USO could be hugely significant, not least the population of young Gaelic speakers in these areas. MG ALBA is actively engaging with this demographic to encourage them to communicate using digital media: if the infrastucture impedes this, this will have a detrimental effect on Gaelic usage and the future of the language. This must be considered as part of the decision about what constitutes a 'reasonable request'.

**Funding of the USO and Potential Market Distortions (Refer to paragraphs 1.28 through 1.30 of the consultation document)**

No comment.

**Review of the USO (Refer to paragraphs 1.31 through 1.32 of the consultation document)**

A three year review period would be useful.