

Designing the broadband universal service obligation Call for inputs

Introduction/why I respond to this consultation:

This is an input from a non-UK consultancy company, however if UK remains in the EU then your model could be used in other EU countries, so I have taken the liberty to put my ideas forward.

I am a former regulatory affairs manager for alternative telco operators and I have overall 12 years experience from telco industry, both the incumbent and the alternative operators (with focus on internet access provisioning).

I follow the work of Ofcom since I like the work of Ofcom.

I am promoting the idea of USO for internet access/now broadband access for already some time and I believe that it is a good concept for the 21st century with the extreme fast development of the digital economy.

Universal Service Obligation Design Response:

We are seeking views from consumers and industry to inform our analysis of the options for designing and implementing the broadband USO. Responses to this call for inputs will inform recommendations we put to Government. We are requesting input from stakeholders on the following six areas:

Specification and scope of the USO:

Broadband USO should allow:

- remote working,
- on-line management of "life situations"=communication with the local/national administration
- on-line shopping/banking other
- on-line education/classes, courses
- on-line entertainment: like TV reception, radio reception
- on-line communication

The required speed for these services should be defined by technicians with respect to the type of geographical area.

How should we ensure the USO is affordable?

The price should be affordable, however does not have to be average. Living in remote areas/less concentrated areas has its specifics, maybe it is an individual choice and thus it is clear that certain services might be more expensive there, and certain living costs less expensive. So the price for the connection should be affordable, however does not have to be average/uniform.

From business point of view the reason for not being able to get the connection is in many cases the fact that the business case/return on investment does not work for the provider. So the solution should be some combination of the retail price level and some form of subsidy from the local government/county-since the availability of USO BB can bring some revenues to the area/tax revenues, e.g.....

So there may required solutions linked to "local situation".

There should be "social tariff" for BB for low income groups to avoid digital exclusion. However the question is if low income potential users are able to finance/purchase and regularly pay for the terminal equipment they need to run BB connection: phone, PC, tablet.....

For many groups with low income the digital communication may be of high importance and improve their quality of life.

Demand for the USO

What might the potential demand for the USO be?

it can be assumed that the demand for BB USO is the combination of a couple of factors:

- is it needed for everyday life? do we really want it?
- is it just “nice to have”?
- can we afford to pay the regular costs/monthly/yearly?
- can we afford the purchase the terminal equipment?

So to prevent “pushing of BB” on people who do not want it, there should be some local level inquiry done before including any specific area under the USO obligation.

Cost, proportionality and efficiency of the USO

Costs should stay reasonable and reasoned by the above inquiry results.

Any technology that allows for the BB USO delivery should be used to avoid any excessive costs. Regarding concrete costs I do not have available relevant data to make any price indication.

The universal service provider or providers

There could be more solutions employed like:

- local government participation in network construction
 - self-help by inhabitants in network construction
- + provision of the service by an operator

or operators/one or more accross the country.

It does not have to be one operator since there is a number of technical solutions possible.

Funding of the USO and potential market distortions

Market distortion: if the business case does not work for any of the providers/operators, then there is hardly any market distortion.

Funding: it is a very interesting area and should allow for **some innovative solutions:**

There could be some new approaches to funding based on the fact of who is making money on the fact that people are on the network:

- **e-government=government national and local**
- **media companies**
- **entertainment companies**
- **social media companies**
- **on-line shops**
- **and others**

So it is worse considering that these undertakings, that profit from individual people activity on the network, could contribute to the USO financing since it generates more customers/people active on the network for them.

EU funding could be used for this=use the available funds and create USO fund. I generally prefer that EU funds are used for infrastructure investments than for any other individual projects.

I generally support the introduction of BB USO as a follow-up on the tradition of voice USO for the 21st century.