SES

Response to the Designing the broadband universal service obligation - Call for inputs

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

Ofcom states: "10Mbit/s is the appropriate level at present for a broadband USO. This is also the Government's ambition for the USO." For SES, a peak performance of 10 Mbps is fine. The minimum latency for satellite broadband is 650ms round trip. It is also to be noted that SES' customers (ISPs) using our broadband product (AstraConnect) propose different offers not only in terms of speed, but also considering volume, price and the actual quality of service.

2. How should we ensure the USO is affordable?

There should be no funding for the provision of the service, but for a funding CPE ought to be considered. The current scheme in the UK, approved and run by the government (BDUK), is precisely a voucher of up to GBP 500 plus a free wireless router that is worth GBP 50 to provide that 100% of set-up costs are covered.

3. Should there be a social tariff for broadband services?

No opinion

4. What might the potential demand for the USO be?

On average, based on our experience, the introduction of new solutions leads to a quick win of up to 5% of the identified market. For more than 5%, specific incentivising mechanism and marketing may be needed, but this has to be done through an approach that is technology neutral.

5. Cost evidence

The benefits of providing broadband connectivity per satellite is agnostic in terms of the number of connected HHs (households). It means that each additional HH doesn't add a cost to the overall satellite infrastructure. Bringing connectivity by satellite doesn't depend on the distance or the geographical landscape.

6. Proportionality and definition of a 'reasonable request'

No opinion

7. Ensuring efficiency

With satellite, one can define the overall cost upfront, without additional cost per premise: it is therefore highly predictable, without surprising increase in infrastructure cost.

8. How should the universal service provider be designated?

Make any procurement competitive and technology neutral is critical, taking account of the specifics of each technology (avoiding comparing apples with pears).

9. Funding of the USO

No opinion

10. How could any potential market distortions of competition be minimised?

SES understands that the objective is to connect the UK premises that do not offer a business case attractive enough to let it to market only solutions.
It is therefore essential that technology neutrality is well respected in designating universal service providers.

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

The UK should work directly with all existing satellite broadband providers in the market, like the BDUK has done & experienced so far, and not only with one designated service provider. Adding another tier between government and service providers would increase the overall service cost, time to market and funding complexity.