



Ofcom Strategic Review of Digital Communications

WiSpire Ltd Evidence

Introduction and Summary

We welcome the opportunity to respond to this consultation and applaud Ofcom for taking a proactive approach to identifying how to ensure the provision of world class digital connectivity for all citizens in the UK. WiSpire is a local provider of high-speed broadband services in Norfolk, jointly supported by the Diocese of Norwich and Archant Ltd, a diverse media business owning a number of regional newspapers and specialist magazines in the UK.

WiSpire's unique commercial proposition is to make use of church towers to deliver wireless broadband. This is achieved through the installation of high-powered Wi-Fi transmitters onto local church towers to deliver high-speed and reliable wireless broadband internet access to local businesses, schools and residents, in areas where broadband speeds are very poor.

We have installed Wi-Fi transmitters in 40 churches and are working closely with the diocese to expand our network to areas that currently do not have, and are unlikely to achieve, acceptable levels of broadband service under BT's fibre rollout plans. Our proposition is to cater for the needs of not only the unconnected, but also the underserved, e.g. people living in rural areas whose broadband speed is below 4 Mbps. We are convinced the business has solid foundations based on our access to church buildings and close partnership with local stakeholders.

The benefits of access to a high-speed broadband Internet connection are well-known and widely supported by the Government's own data. This makes the Government's delay in developing an effective framework to incentivise the rollout of broadband to all UK citizens a significant impediment to progress. We call on Ofcom to make clear in its Strategic Review of Digital Communications (SRDC) that the Government must urgently use policy and regulatory mechanisms to enable 100% broadband connectivity across the UK.

Enabling 100% broadband connectivity demands that the UK confront and address the factors that have contributed to market failure, and which hinder investment and innovation in rural broadband networks. Such impediments derive in part from policymaking biases in the Broadband Delivery UK (BDUK) framework, and as demonstrated by the technological limitations of fibre networks. Overcoming these problems will require a willingness to embrace innovative solutions and better appreciate the role wireless technologies can play.

WiSpire has three main recommendations for Ofcom which we will expand on as part of this response.

1. Target 100% penetration for broadband speeds of at least 10Mbps by the end of 2017.
2. Lift the NGA restrictions currently preventing small innovative players from accessing funding for broadband projects.
3. Reassess BDUK funding, to put an end to the anticompetitive bias towards fibre technologies.



In summary the Government must move beyond its predilection for and resultant dependence on fibre-based networks. The approach discriminates against rural communities since it remains uneconomical to roll out fibre in less populated areas of the country. Wireless technologies must play a much bigger role in the Government's broadband programme. Such networks are capable of cost-effectively delivering broadband access in those areas where a fibre solution is uneconomical, and they allow the Government to achieve 100% broadband penetration.

Regulatory solutions must be identified that incentivise penetration instead of subsidising mere geographic coverage. Where local, market-driven solutions are being developed, these should always be preferred over a top down imposition of funds and technology.

The Case for Wireless

In order to ensure that the UK can provide world class connectivity to all of its citizens, it is necessary to embrace a range of different technologies. To reach the final 5% of people who live in the most rural areas, wireless technologies are often the most practical and cost effective method.

The case for wireless technologies is simple: wireless systems are inherently better suited than terrestrial network systems for providing thin-route communications in sparsely populated areas.

Whereas a significant up-front investment is required to extend a fibre network by digging trenches and laying cables, for wireless signals to achieve a similar coverage area it is only necessary for a transmitter and receiver to be within range of one another, and free from interference.

Target 100% Penetration

Broadband has become an essential utility, as important for modern life and commerce as access to water or electricity, as acknowledged by the Prime Minister in recent comments. The Government should reevaluate its existing broadband rollout targets and shift its focus to reach 100% of the population as quickly as possible.

Lack of clarity around how and when the government aims to connect the final 5% of the population is unacceptable, and risks entrenching the "digital divide" and permanently hobbling economic development in those underserved areas.

Lift NGA Restrictions

State Aid restrictions on European Union funding for rural broadband have created a technicality whereby companies like WiSpire are excluded from access to funding. Instead of basing broadband penetration targets on what incumbent network operators tell them is commercially viable (i.e. that NGA is necessary), the Government needs to be more sensitive to the specific needs of the rural population and focus instead on the long-term interests of the country.

The fact of the matter is that rural communities are not asking universally for superfast broadband speeds, but instead want guaranteed access to basic internet speeds. We propose that the definition of NGA should be expanded to encompass wireless access technologies. Above all Government



should incentivise penetration through market-based solutions, rather than deploying public money in a top-down fashion, merely to provide geographic coverage

Reassess BDUK Funding

As things stand, local authorities are tasked with deploying funds in a model handed down by both EC and central government methodology and which is now discredited by the market distortions and limited success achieved to date.

The choice of technology (i.e. fibre) has been imposed from above rather than being in response to the needs of that community. Money is being burned up to ensure geographic coverage of the most territory, crushing any incentive for local providers to compete both through the augmentation of coverage and on market penetration.

Government needs to ensure that local authorities are empowered both to make their own choices on what technology is best for their areas and to take full account of the penetration delivered to date and the need to approach 100% coverage levels in an appropriate dispersal of the BT refund. These decisions and the results stemming from them should be made in full transparency and with direct input from local stakeholders.

Conclusions

WiSpire is an innovative and dynamic provider of internet connectivity and services, with a solid business model and ambitions to expand across the UK. We ask simply that the anticompetitive bias towards fibre inherent in BDUK and EC funding structures are removed, to level the playing field for small operators, and open up the market for rural broadband services to healthy competition.

We ask that Ofcom incorporate this message within its Strategic Review of Digital Communications and use the regulatory levers at its disposal to challenge anticompetitive bias in rural broadband delivery.