



[BSG news](#)



[Industry news](#)



[Broadband statistics](#)



[Diary dates](#)

Welcome to The BSG, the monthly update of BSG activity and news from the Broadband Stakeholder Group. We are keen to provide BSG members with news and information relevant to them. If you have any comments about this edition, likes and dislikes, what you would like to see more or less of, please send them to Peter Shearman, T 020 7331 2163 E [peter.shearman@intellectuk.org](mailto:peter.shearman@intellectuk.org)

## BSG news

### BSG responds to Ofcom superfast broadband consultation

The BSG has submitted its response to [Ofcom's superfast broadband consultation](#). The response re-iterated the BSG's findings from its three reports published in 2008, and offered broad support for Ofcom's categorisation of the key issues. The current economic environment and financial crisis makes investments increasingly challenging for operators, and so it will be important for Ofcom to allow operators to experiment in the short term whilst providing sufficient certainty in the long-term to support investment decisions.

The consultation is now closed and Ofcom is currently reviewing the responses before publishing a statement. The responses to the consultation can be [viewed online](#).

[BSG response to the Ofcom superfast broadband consultation](#)

### Carter suggests universal broadband commitment

Communications Minister Stephen Carter provided the keynote speech at a Westminster Media Forum event, where BSG Chairman Kip Meek was among the speakers. In his speech, Carter discussed the idea of a [universal broadband commitment](#), guaranteeing every household access to a 2Mbps service by 2012. It is likely that the idea will be included in the interim Digital Britain Report, due to be published at the end of January. Whilst this is clearly a significant development, many will ask what it means for next generation broadband deployment in the UK.

In November last year Meek outlined the idea of a universal service commitment for broadband in his speech to the BSG Reception. Meek's idea sought to bring together policy in current and next generation broadband - a universal service for current broadband while encouraging investment in next generation broadband. If the aims of the digital Britain initiative are to deliver economic as well as social benefits then a coherent approach will be required that addresses both objectives. While Carter referenced the importance of enabling investment in next generation services, it remains unclear what the DBR interim report will say on the matter. [Latest reports](#) have suggested the possibility of spectrum licenses being offered in exchange for commitments to invest in next generation broadband infrastructure.

[Download BSG Chairman Kip Meek's BSG Reception speech](#)

### Valuation Office Agency publishes fibre rating clarification

The Valuation Office Agency has provided a clarification on the [rating of fibre in next generation broadband networks](#). Broadly, new fibre infrastructure will be rated in the same manner as the current cable infrastructure. This clarification follows from the recommendation of the Caio review, which called for certainty over the application of business rates to new fibre deployments.

## [Download the Caio Review](#)

### Industry news

#### Broadband gets political

Broadband has risen up the agendas of both Labour and Conservatives over the last few months, and saw the political parties enter the public debate. Early in the month David Cameron said that the Conservatives would commit to connecting the majority of households to fibre within five years, and to near universal coverage within ten years, with deployment being led by the market. Meanwhile, as discussed above, Stephen Carter has raised the possibility of a universal service of 2Mbps, following a suggestion from Gordon Brown that broadband was an important part of the UK's economic recovery plan.

It is important that the future of our broadband infrastructure is subject to a national public debate. However, we must ensure that the debate remains informed, and the proposed solutions reflect what is best for the UK. [Over the last year Australia](#) has demonstrated the difficulties that may lie ahead should a politically appealing promise be made by either side. Currently, both parties have taken sensible, pragmatic lines. We must continue to work to ensure that the UK debate remains grounded and informed.

[BSG blog - Broadband flavour of the month](#)

#### Cornwall to build a next generation broadband network

Cornwall is moving ahead with plans to upgrade its countywide digital infrastructure to provide a next generation broadband network. Using EU Convergence funding, the county aims to attract a significant investment from the private sector by providing a grant to 'gap fund' the investment. Next generation broadband forms a key part of Cornwall's economic and ICT strategy, and is expected to play an important role in driving economic transformation. Analysys Mason and Michelmores are advising the Council, who will issue a tender in the first quarter this year. Further information can be obtained from [Barry Walker](#) at Analysys Mason.

Cornwall follows in the footsteps of the [Digital Region project](#), which is close to beginning construction, and is one of a number of local next generation broadband projects being planned. The BSG supports the role these developments will play, as it is likely that a commercial rollout of superfast broadband will not reach every household and alternative provision will be required. However, we are keen to ensure that common standards are used in these networks, in order that service providers are able to offer services to consumers. Developing these standards before these projects reach construction is an important challenge to be met in 2009.

[BSG report 'Models for efficient and effective public sector interventions in next generation broadband access networks'](#)

#### Nintendo to offer tv service through the Wii

Nintendo recently announced that they will be [offering a tv-type service through their Wii games console](#), delivered over broadband. The service will be free to view, supported by advertising. It will initially be offered in Japan, with the model being exported to other countries should it prove successful. This is convergence at work, and is Nintendo's latest attempt to make the Wii console the entertainment hub of the future for the front room. The news has been met with concern by broadcasters in Japan, who are already coming under pressure from a downturn in advertising and a reduction in the levels of original programming.

Although not yet to be delivered in the UK, this news comes following a [Deloitte report](#) that estimated a Wii was in 1 in every 4 homes in the UK, with a further quarter of households planning to buy a Wii in the next year. With new services such as this, convergence around the TV could perhaps be beginning to deliver on some of its early promise for the consumer, but with implications for the wider broadband and converged media value chain. This follows last month's announcement of Project Canvas, which will

see next generation set-top boxes with broadband functionality developed for Freeview and Freesat services by BBC, BT and ITV.

[BSG commercial issues workstream](#)

## Broadband Statistics

### UK broadband speeds revealed

Ofcom recently published a report on [broadband speeds in the UK](#). The report is a first for Ofcom, as it is based on actual line testing rather than consumer perception surveys. The study found that the average download speed for users was 3.6Mbps. This was 49% of the average headline speed that consumers signed up to, 7.2Mbps. The most popular package was an up to 8Mbps package; those on this package received an average maximum speed of 4.5Mbps, with 1 in 5 receiving an average download speed of less than 2Mbps. 21% of consumers were dissatisfied with the speed of their service.

The BSG will host a seminar with the report authors from SamKnows to discuss the findings. Further information will follow.

[BSG blog - Ofcom publishes broadband speeds report](#)

### iPlayer Christmas present for BBC

The iPlayer had a [record-setting December](#), with over 41m programmes viewed in the month and 8m programmes viewed in the Christmas week alone. With [news from ComScore](#) that in the US video views on the Internet in November were up 34% year on year, at 12.7bn views, there is little sign that the increasing data deluge will slow up any time soon.

[Broadband Statistics provided by Point Topic](#)

### Digital music sales increase

Figures released by the British Phonographic Industry showed that [2008 was a record year for single sales in the UK](#). Supported by continued growth in legal downloads, 115m singles were sold across all formats. Digital album sales also showed strong growth, with 10m sales - a 65% increase on 2007. However, album sales as a whole fell 3.2% in 2008. Internationally, digital music sales [increased 25% in 2008](#).

[BSG response to BERR consultation on illegal illicit P2P filesharing](#)

## Diary dates

### Intellect Workshop: Superfast Broadband and the Role of Wireless - 09 February 2009

A range of speakers from the wireless community will address this event. There are limited places available for non-Intellect members.

[More information and booking](#)

### Intellect High Tech, Low Carbon Week - 09-13 February 2009

One year on from the publication of [Intellect's High Tech, Low Carbon report](#) a series of events will be held to examine technology's role in tackling climate change.

[More information and booking](#)

About the Broadband Stakeholder Group (BSG)  
The BSG is the UK Government's advisory group on broadband.

It provides a neutral forum for organisations across the converging broadband value-chain to tackle key policy, regulatory and commercial issues, with the aim of helping to create a strong and competitive UK knowledge economy.

The BSG network comprises telecoms operators, manufacturers, investors, aggregators, ISPs, broadcasters, mobile players, content producers and rights holders, as well as Ofcom, BERR, DCMS, RDAs, devolved administrations and

others.

For more information, visit [www.broadbanduk.org](http://www.broadbanduk.org)