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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

BSG news

BSG submits response to Digital Britain Interim Report (iDBR)

In its response to the [iDBR](#) the BSG highlighted the importance of putting the UK's digital infrastructure to full efficient and productive use if the UK is to emerge from this recession as an efficient, competitive, low carbon knowledge economy. In this regard, the Digital Britain initiative should be a central pillar of the UK's economic recovery plan. However, while the ambition and holistic approach are welcome, the aggressive timescales and broad scope of issues will make delivering on all of the actions very challenging for government.

Responses to the iDBR are now [available on the DCMS website](#). An initial read of the submissions suggests that while there is broad support for the goals set out in Digital Britain, there remains a real divergence of views on the detail of many of the proposals. With Ministers determined to publish the final report in May/June, officials face some challenging weeks ahead as they push forward to finalise their recommendations.

[Download the BSG response to the iDBR](#)

Good Practice Principles on Audiovisual Content Information: one year on from launch

The BSG has [published an update document](#) about the experience of the Good Practice Principles on Audiovisual Content Information one year on from their launch. The [principles](#) committed signatories to providing clear, consistent information about audiovisual content, in order to ensure that consumers are able to make informed choices about what commercially provided content they would like to access. The document provides an insight into how each of the signatories is meeting the principles, as well as a more general overview of the issues involved with providing content information to consumers.

BSG is also able to announce three new signatories to the principles: BSkyB, MySpace and Tiscali.

As options for accessing content continue to proliferate, it is important that consumers are empowered to make informed choices. The various ways in which the signatories of these principles are providing information to consumers, demonstrates that although the nature of content may vary, there is a common commitment to ensuring consumers have information about content which may be inappropriate for young people and children or cause more general offence.

[Audiovisual Content Information Good Practice Principles](#)

Broadband performance in the UK today

This month the BSG [held a seminar](#) with [SamKnows](#), the technical team behind [Ofcom's UK Broadband Speeds Report 2008](#). The seminar covered a range of topics, from the results of the study, to the methodology and the future plans of SamKnows, who are finding there is a great deal of interest from a variety of stakeholders in their monitoring capability.

One of the main debates was the impact of in-home wiring on broadband performance. A graph in the [handout](#) highlighted the variance in performance achieved over lines of similar lengths (although the graph comes with the caveat that it uses straight line length, rather than actual line length).

The level of variance has significant implications for current policy debates, particularly the broadband universal service commitment. Optimising existing broadband infrastructure could play an important role in ensuring households can achieve the universal service - BT has already made the suggestion that its [i-Plate](#) could have a role to play in this. Exploring all the options for maximising the use of existing infrastructure should be a key focus for the government and industry in the development of the broadband universal service commitment.

[BSG Blog - What is impacting broadband speeds in the UK?](#)

Industry news

Project Canvas under scrutiny

As the BBC Trust [commences its review](#) and the BBC Executive ramp up their wider engagement, further details are emerging about Project Canvas, which the BBC describes as a "standards based open environment for internet connected television devices" that would enable consumers to access on-demand content. The BBC is positioning it as the next evolution of the Freeview service. However, the project potentially has far-reaching implications across the broadband value chain. There are immediate impacts, such as increased traffic and demands on the network, and the impact on vendors and the pay-tv market, but Canvas could also have significant implications for the transition to next generation broadband in the UK.

The BSG has previously highlighted the allocation issues within the existing value chain, and the need for business model innovation to support infrastructure investment. In other markets, this debate has centred on the delivery of commercial audiovisual content, as seen by the growth of IPTV alongside fibre broadband connections. The UK has yet to see this given the strength of the existing pay-TV market, but Canvas has the potential to play an important role in the UK version of this debate. However, balancing the views of, and impacts on, the various stakeholders (service providers, pay-TV providers, vendors, broadcasters, consumers, policymakers) will be a complex task, and complicated as always by the BBC acting in a private market. The issues facing the BBC Trust are very challenging indeed, as are the ambitious timescales set out in the proposals, but this is an important debate to get right.

[BSG commercial issues workstream](#)

BT announce first FTTC locations

BT has [announced the locations](#) for the first 500,000 homes to be passed by its FTTC deployment. 27 exchanges in urban areas of Belfast, Cardiff, Edinburgh, London, Glasgow and Greater Manchester, with a further two exchange areas in rural locations also being upgraded in order for BT to learn lessons about deploying fibre in rural areas. The 27 urban exchanges overlap with Virgin Media's cable footprint, and each has a significant unbundler presence.

Following the announcement, Virgin Media CEO Neil Berkett responded by telling the BBC that Virgin would eventually be able to offer [speeds of up to 150Mbps](#), keeping them ahead of BT in the speed stakes. More interestingly still, their [response to the interim Digital Britain Report](#) suggested that they were examining whether a network extension to another 20% of homes would be viable. Whatever you may think of the claims of the respective protagonists, this would seem like a tentative vindication of the market-led competition-based approach to NGA adopted in the UK.

[BSG response to BT FTTC announcement](#)

AVMS implementation: a busy 9 months ahead

On 11 March, the Culture Secretary gave a [Ministerial Statement](#) about how the Government intends to implement the Audiovisual Media Services (AVMS) Directive. Following a lengthy consultation process, this statement sets out how the Government intends to implement the terms of the Directive. The most publicised aspect of the statement has been the decision not to take advantage of the derogations contained within the Directive to permit product placement in certain programmes. Whilst this is a significant decision that impacts on the market, there are other aspects of the statement that will also be crucial to the development of the UK Video on Demand (VOD) industry.

In particular, Ofcom is now to work closely with industry to develop an industry-led co-regulatory structure for the content of VOD services, defined as "mass media services whose principal purpose is to provide television programming to the public on demand". The timescales for this are tight. The aim is for this structure to be established by the deadline for implementation of the Directive (19 December 2009) and for proposals to be put out for consultation this September. With the final text of the Statutory Order defining what services will be covered by this regulatory structure still to be confirmed, there is a short window of time to develop a practical model for the co-regulation of VOD services in the UK.

[BSG blog - Andy calls time on product placement?](#)

New Zealand propose FTTH initiative

While in the UK the market is showing signs of delivering next generation broadband, the New Zealand government has decided that public intervention is the route for NZ consumers to receive fibre to the home. Following a public debate, the government has published its plans for a NZ\$1.5bn investment in FTTH, in order to meet its target of bringing FTTH to 75% of the population within 10 years. Currently a draft proposal effectively creating regional dark fibre utilities, it is expected that the scheme would be set in motion through 2009 before investment awards would be made on a regional basis from January 2010. The scheme would make dark fibre available on an equivalent wholesale basis, with an option to provide a bitstream-type service if required. The government's investment vehicle would not be permitted to offer retail services.

[BSG public sector intervention workstream](#)

Broadband Statistics

50m global consumer fibre broadband connections

The end of 2008 saw the number of consumer fibre broadband connections pass the [50m mark worldwide](#). Leading the way are China, with 19m connections, and Japan with 14m; the South Koreans have close to 7m, while the USA has almost 4m. 50m is a 33% increase year-on-year from the number of fibre subscribers at the end of 2007.

[BSG Next Generation Broadband issue page](#)

Is 83% the natural saturation for broadband?

An interesting discussion on [Roger Darlington's blog](#) between Roger and Ed Brown of Smart Octopus suggests that the UK may be doing better at broadband take-up than the numbers suggest. Of the UK's 25m homes, Ed suggests that approximately 1m are unoccupied, 0.4m are second homes, and 1.9m are housing over-75s that live alone (and are the least likely group to take broadband). This would make the addressable market for broadband only 83% of existing homes - by that mark, we currently have almost 80% penetration, far closer to the Broadband Britain dream of Digital Britain than is usually thought to be the case.

[BSG Digital Inclusion issue page](#)

Point Topic unveil new mapping service

[Point Topic](#) have unveiled a [new mapping service](#) that shines a light on the UK's broadband performance. Accessible by anyone, the mapping service allows the UK's performance on speeds, users and take-up to be explored geographically. The intention is to further inform the current Digital Britain debates, particularly on the broadband universal service commitment.

[Broadband Statistics provided by Point Topic](#)

Diary dates

CBN NextGen Roadshows - 22 April, 13 May 2009, other dates tbc

Building on the NextGen 08 Conference last year, CBN will be staging a series of seminars across the UK.

[More information and booking](#)

BERR Rating Workshop - 20 April 2009

As part of the government's response to the Caio Review, the BSG will host a BERR workshop where the Valuation Office Agency will discuss the application of business rates to fibre.

[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