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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

The cost of superfast broadband - what's your view?

At the beginning of September we published our [report](#) that examined the cost of fibre-based superfast broadband deployment in the UK. The headline figure was £28.8bn for fibre to the home for 100% of UK households, broadly in line with our previous estimate of £16bn for 80% of households.

A month on, and following our recent 'Behind the Numbers' seminar with Analysys Mason, we are keen to hear the views of stakeholders on the report, both its assumptions and its conclusions. We will post all comments received on the website and respond to them all later this month.

[Send us your views](#)

Where next for NGA in the UK?

September was a busy month for next generation broadband, with the final report of the [Caio review](#), the [European Commission's draft regulatory Recommendation](#), [Ofcom's latest NGA consultation](#), and the appointment of Stephen Carter as minister for communications in the Cabinet reshuffle. Taken as a whole, these developments certainly move the debate forward, and it is interesting to see how sympathies have shifted, particularly towards the role of the public sector and community projects. So, where next for the debate in the UK?

No doubt Ofcom's consultation will prompt many interesting responses, however, the government's response to Caio will be particularly worth watching to see if it signals any change of direction from the new minister. The Review made a number of useful suggestions for reducing the barriers to investment, but it is worth noting that it was published the weekend before Lehman Brothers disappeared and the world changed.

[Read the BSG's comment on Caio Review](#)

Child Internet Safety Update

The EC hosted the annual Safer Internet Forum in Luxembourg at the end of September, which examined how age verification processes and a cross-media rating system might act as effective policy tools to protect children online. Speaking at the event, the BSG suggested that a cross-media rating system may not deliver the information consumers need to make informed choices in a converged media world. An effective system would need to ensure that information for consumers makes sense to them across different media platforms. The Forum also heard a call to industry by Commissioner Reding for the development of European-wide standards for social networking in Europe to be agreed by February 2009.

Here in the UK, the UK Council for Child Internet Safety was launched at the end of September. This new structure, comprised of an Executive Board alongside a wider Council membership drawn from experts from government, industry and the third sector, will have the responsibility for delivering the recommendations regarding child internet safety set out by the Byron review. With the Council now in place, work needs to begin

on identified priorities, such as a code of practice for the moderation of user generated content, an awareness raising campaign and the development of an overarching strategy on child internet safety, if ambitious deadlines are to be met.

[BSG submission to EC on cross-media rating and social networking](#)

Industry news

Phorm trial underway

BT's Webwise trial, using Phorm's software, has finally begun. While high profile, Phorm are just one of many new players entering the market and creating new value chains and business models involving telcos, content providers, rights holders and others. It is important that the innovation behind these business models is allowed to occur - the industry must be able to experiment with new ways to deliver both new and existing services to consumers.

New business models will also be an important part of next generation broadband deployment. As discussed in the Ofcom consultation, delivery of new services will most likely drive take-up of NGA, rather than the infrastructure itself. For these services to develop, new business models, involving players like Phorm, need to be given every opportunity to develop. The BSG is supporting the Telco 2.0 initiative, which examines the development of these new business models and explores how they could develop further.

[Telco 2.0 initiative](#)

iPlate to increase bandwidth

BT recently launched the iPlate, a face plate for connections in the home that can eliminate interference from wiring in the home. Aside from the benefits that this new product will bring to broadband users, the iPlate highlights the problems of marketing broadband, particularly by speeds. Public concern over speed has led to [Ofcom's Code of Conduct on Broadband Speeds](#), but the iPlate demonstrates the key difficulty - speed, the main marketing tool, is not entirely within the control of the ISP.

The iPlate is one short-term answer to this problem, but in the long run consumers will need to be better informed of the features of their broadband products, and not just the headline speed. Francesco Caio was keen that a more in-depth conversation was had between ISPs and their customers, so that we would have a fully informed debate in the UK about our broadband infrastructure; it was to this end that he recommended that traffic shaping policies of ISPs be made public. Time will tell whether the more informed consumer will materialise.

[BSG blog - The importance of speed](#)

Singapore separation

Singapore has opted for a multi-tiered separation of their next generation National Broadband Network, with all four network layers to be run by separate entities. The separation plan, described as 'the most radical in the world', will be watched with keen interest by regulators and telcos across the globe. While it is often difficult to compare regulatory regimes across nations due to the differing market environments, the implications should this model succeed are significant.

This development is particularly timely, given that the EC has just begun to consult on its draft Recommendation on the regulation of NGA. Separation is certainly a feature of this, but many European incumbent network operators are not keen on separation for a variety of reasons. Singapore will be another interesting separation test-bed.

[More on Singapore](#)

Broadband Statistics

Businesses expect to need faster speeds

The latest survey data from [Point Topic](#) has found that 45% of businesses expect to need faster broadband speeds in the next two years, despite an increase in the number of higher-speed connections amongst businesses. This follows research from the CMA earlier in the year that suggested a third of businesses expect to need 100Mbps in the future.

[Broadband Statistics provided by Point Topic](#)

It's going to cost *how much*?

Our cost model report contained a variety of interesting figures, but judging by the levels of interest from our website, by far the most interesting stats have been those that highlight the difference in the cost between urban and rural areas.

Unsurprisingly, it is more expensive to deploy to rural areas, but the magnitude of the difference has surprised a few - for example, for FTTC, the most likely technology deployment in the UK, the cheapest 57% of homes will cost £1.9bn; the next most expensive 26% will cost £1.4bn, and the most expensive 16% will cost a further £1.8bn.

[**More statistics from 'The costs of deploying fibre-based next generation broadband infrastructure'**](#)

UK 4th on new EU broadband performance index

The European Commission recently published its new Broadband Performance Index. The index is based on a range of indicators such as speed, price, competition and coverage, as well as high-speed take-up and the socio-economic context. The UK is placed a very respectable 4th in the index, behind only Denmark, the Netherlands and Sweden.

Of course, however objective any index tries to be, there will always be an element of subjectivity in the rankings, although the Commission should be applauded for making a good attempt at an holistic index. And a further problem comes from the naturally EU-centric focus: comparisons with others such as Japan, depending on your choice of metrics, still leave us trailing - 45% of Japan's almost 30m broadband connections are now fibre-based.

[**EC Broadband Performance Index**](#)

Diary dates

Parliament and Internet Conference - 16 October 2008

The BSG is supporting this year's Parliament and Internet Conference, and will be running an afternoon workshop as part of this event, discussing four stakeholder views of the Caio review.

[**More information and booking**](#)

Next Gen 08 - 04 November 2008

BSG is supporting the Next Gen 08 conference in Manchester on 4 November. BSG Chairman Kip Meek will be among the speakers, who also include Francesco Caio, and Wayne David MP, Minister for Digital Inclusion.

The conference is designed to take forward the debate on next generation broadband, highlighting local initiatives. It will also feature the Government's new Digital Equality Action Plan and green digital initiatives.

[**More information and booking**](#)

Telco 2.0 Fifth Executive Brainstorm - 04-05 November 2008

BSG is supporting this major industry event on new business models in the Telco-Media-Tech sector. Speakers will include the CTO, Amazon.com; Group CTO, BT; COO, ITV; Group Director, Internet Services, Vodafone; CTO, T-Mobile International; and Executive Director, JP Morgan.

[**More information and booking**](#)

BSG Reception - 13 November 2008

The BSG will host its Autumn reception at the Century Club on the evening of 13 November. Speaking will be BSG Chairman Kip Meek.

[**More information and booking will follow to BSG members**](#)

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