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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

Vision, leadership, coordination

At the BSG Reception last night BSG Chairman Kip Meek outlined the three requirements he sees to solving next generation broadband in the UK: an explicit vision of a next generation broadband future; leadership from government, Ofcom and others such as the BSG; and both supported by coordinated stakeholder efforts. Setting out his vision of a superfast future, Meek identified the five key obstacles he sees to achieving this, and called for renewed efforts in the months ahead.

In the following Q&A, minister for communications Stephen Carter welcomed the speech, and encouraged all stakeholders to engage "openly, constructively and analytically" with the Digital Britain Report process. He stated that the biggest challenge facing the Digital Britain Report was getting things done "fast and well", but that Digital Britain was why he was in post and would receive his full focus.

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

Local next generation access networks standards project begins

A growing consensus is emerging in the UK that local projects, whether community-led, public projects, or new market entrants, will have an important role to play in developing the UK's next generation access infrastructure. Experience from other markets, however, has highlighted the risk of technology isolation that these projects come with, reducing the choice of service provider available to consumers, increasing the cost of the network to the operator and reducing the available market to established service providers.

To address this issue, the BSG is developing a project in partnership with the Community Broadband Network to bring together local projects and service providers to establish a framework for common standards. This project aims to provide a set of standards for local projects to follow in order that consumers have a range of choices of service providers, regardless of the underlying network operator. The output is expected in Spring 2009.

[BSG public sector intervention workstream](#)

AVMS implementation

The government process for implementing the AVMS Directive moved a step closer to completion with the closure of its recent consultation. The BSG response raises a number of points, including the key issue of which scope of services will be covered by the implementation of the Directive. Despite the prolonged discussions between industry and government throughout the development of the Directive, there is the concern now that the Government will choose to implement the Directive in the UK in a broader sense than previously intended, or indeed prescribed by the text of the Directive itself.

The role and value of these nascent audiovisual industries has been recognised both in the DCMS creative economy strategy paper of February 2008 and in the recently announced Digital Britain report. However, there is an important need to ensure that the objectives cited in those documents match implementation of the wider set of policy decisions that impact on these industries. Now is the time to ensure that the policy conditions are right for these industries to thrive to maximise their contribution to the overall UK economy.

Industry news

Digital Britain

The announcement of the government's Digital Britain Report (DBR) on 17 October could have been viewed as another new minister, another report. That doesn't, however, seem to be the feeling around this exercise. Five years after the creation of the converged regulator Ofcom, we finally have a minister for convergence in all but name, and given his familiarity with the brief, he clearly hit the ground running.

It is also promising that the timescales for the report are ambitious. Given that it covers such a broad range of issues, and with a public holiday looming, to set a target of January for an interim report is optimistic, but necessary. We are now entering a recession, but there is little time to waste to prepare the UK for the upturn, and to place the knowledge economy at the heart of the UK's recovery.

BSG blog - The broadband vision

Australian broadband ambitions hit by credit crunch

Australia's National Broadband Network is feeling the effects of the global credit crunch. Terria, the consortium bidding against incumbent Telstra, are reportedly struggling to raise the funding required to meet the A\$10bn needed to bid by 26 November. If no credible alternative bidder to Telstra is in play by the submission deadline, Australian next generation broadband ambitions will have taken a serious hit.

Although the most apparent, it is unlikely that Australian investment plans are the only ones to be affected. There are no signs yet that there has been an impact on investment plans in the UK, but we must remain vigilant. In a recent lecture to the LSE, Ofcom CEO Ed Richards commented that Virgin Media had told him they were pressing on with their NGA rollout plans, but he felt that we still needed to 'keep a watching brief' on NGA deployment. We are unlikely to have seen the end of the impact of the credit crunch on the sector.

BSG comment on BT announcement

Consumer trust and confidence in an expanding digital world

Over the last year there has been a shift in the NGA debate in the UK. What begun as a battle of 'if' versus 'when', has now evolved towards the commercial issues of NGA. This new debate was captured well in [Peter Bazalgette's recent article in Prospect](#) (and in the [response from Becky Hogge](#)), and concerns the freedom for commercial organisations to experiment with new business models and technologies versus the rights and protections that are suitable for consumers.

This is now a key debate. How we structure an environment for innovative services to develop, while providing the appropriate levels of protection and redress for consumers, will shape how the market for new services develops. An approach that is too constraining will force these services to be developed elsewhere; at the same time, any environment must engender trust from the consumer, particularly over privacy, and this is rightly a key concern for policymakers. This is a key debate, and an important one to get right for Digital Britain.

BSG commercial issues work programme

Broadband Statistics

4m fibre lines by 2013?

The latest estimates released by [Point Topic](#) suggest that they expect 4m broadband lines in the UK to be fibre by the end of 2013, accounting for 20% of an enlarged market. However, market growth continued to slow in the latest quarter; views are mixed as to whether this is a sign of the market reaching saturation, or a symptom of the credit crisis.

Broadband Statistics provided by Point Topic

Premium packages to take a hit?

A study from Continental Research suggests that 18% of consumers plan to reduce their spending on TV channels within the next 12 months, with a further 6% having decided not to take additional services as a result of the economic downturn. What might these results mean for fibre? Marketed as a premium subscription in many markets, further indicators such as this could point to the need for revisions of estimated take-up for services on any new deployment.

[BSG Further Resources](#)

How well served are you?

On 24 October the government launched the Digital Inclusion Action Plan. A significant amount of new research has fed into this report, which is a very useful and timely contribution to the debate. Of particular note is the mapping service that has been created for this. Not yet launched, but due soon, it maps a variety of digital and social exclusion data at a local level, and will be of use to any stakeholder with an interest in the digital divide.

[Digital Inclusion Action Plan](#)

Diary dates

MusicTank Series - 18 November 2008; 02 December 2008

The final two seminars in the MusicTank Series. BSG members can book at the Trade Body member rate by quoting **BSG08**.

[More information and booking](#)

Ofcom International Conference: Next Generation - Net Generation - 20-21 November 2008

The conference will explore the necessary conditions for deployment of Next Generation super-fast broadband, and the impact that the Net Generation poses for traditional business models and regulatory approaches.

[More information and booking](#)

Intellect Digital Communications Markets Group: Superfast Broadband - 26 November 2008

BSG CEO Antony Walker will be among the speakers. BSG members can attend this Intellect group meeting free of charge.

[More information and booking](#)

Intellect Capitalising on Convergence Conference - 27 November 2008

BSG Chairman Kip Meek will be among the speakers at Intellect's Capitalising on Convergence conference. BSG members can book at the Intellect member rate.

[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