



The government yesterday published its [Digital Britain Interim Report](#). The [government press release](#) and the [BSG press release](#) are available on the BSG website. In this special edition of the newsletter, we provide comment and analysis on the contents of the report.

We are interested in hearing the views and opinions of the BSG community on any of the issues discussed in the report, and will pass on all comments to the government's Digital Britain team.

To comment please contact [Peter Shearman](#) or reply to the thread on the [BSG blog](#).

## Digital Britain Report

### Broadband universal service commitment

A centrepiece of the report is the government's commitment to establishing plans for a universal service commitment for broadband, at a service level of up to 2Mbps, to be effective by 2012. This concept is a significant development. 2Mbps would be an ambitious target for a minimum universal service - faster than recent commitments set by [France](#), [Germany](#) and the [US](#). It would also deliver significant social and economic value, particularly to rural communities. The three key questions on the universal service commitment going forward will be: what should be the scope of the commitment; how should it be funded; and who should contribute?

Kip Meek first floated the idea of a universal service commitment for broadband in a [BSG speech in November](#). However, 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. The report does not quite go this far, however, the view of the DBR team seems to be that setting a universal service commitment for first generation is a necessary condition for then moving on to NGA. Those without any broadband today may well welcome the prospect of a 2Mbps connection. However, there will be others who argue that rural not spots should leap frog to next generation solutions. We'd be interested in your views on this.

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### Next generation broadband

Next generation broadband is clearly the biggest economic prize at stake in this report. The DBR recognises that the economic context has changed significantly since the [Caio report](#) was published last year and the Strategy Group will be tasked with understanding what the prospects for next generation broadband deployment look like in the context of the credit crunch and wider economic recession.

The report commits the government to: the creation of a strategy group to assess the likely rollout of next generation broadband in the UK; removing barriers to the development of a wider wholesale market in duct access; supporting the application of the [Valuation Office Agency's rating of fibre to NGA](#); and considering the value for money in using public incentives to enable next generation broadband deployment beyond market-led initiatives.

One key question going forward is whether government should set some specific goals or targets for the delivery of superfast broadband. Governments in other countries such as [Germany](#), [Finland](#) and [Singapore](#) have set ambitious NGA targets and the [Conservative party has proposed similar goals](#). The DBR has set a target for universal broadband provision by 2012, but should it also include some form of target for next generation broadband deployment?

Asked about potential financial intervention for next generation broadband at the DBR launch, Stephen Carter made it clear that this hadn't been ruled out, but suggested that any intervention would be likely to be targeted at rural areas rather than the urban areas where the market is more likely to deliver.

The report also committed the government to supporting the development of local networks suggesting that the government is taking a more positive approach to community, local authority or regionally-led next generation broadband projects. At the same time it is worth noting that the European Union is making more money available to support similar projects across the EU. The DBR recognises that we don't yet have a coherent policy framework for next generation broadband. The Strategy Group is designed to address this and it will have a great deal to do over the next couple of months.

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### **Increasing take-up of broadband and digital services**

Building out and upgrading infrastructure is only part of the solution to creating an inclusive digital society. The report recognises this, and sets out government plans for improving take-up of broadband, building on the proposals already set out in the government's Digital Inclusion Action Plan, particularly the appointment of a Digital Inclusion Champion to be supported by an expert taskforce.

The full transformative benefits of broadband, and in future next generation broadband, will not be realised unless significant take-up is achieved. Activities designed to stimulate demand are of great importance for the creation of a fully inclusive digital society, and for tackling the digital divide. The BSG has historically played a role in the government's approach to tackling the digital divide, and will continue to support these efforts going forward.

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### **Spectrum modernisation programme**

The report has set out a challenging five point plan to further the development of wireless services in the UK. The current situation has seen the 2.6GHz spectrum release stalled while an appeal over re-farming of 2G spectrum is heard in the courts. This plan involves catalysing the industry to come to an agreement by the end of April 2009 that will allow the further release of spectrum to commence; if this fails to happen, the government will impose a solution. The carrot to this stick is the proposal for indefinite 3G licences, which may incentivise further investment. The government will also consider further network sharing, especially where this assists with increasing coverage to meet universal broadband commitment requirements.

Spectrum release is an important part of the development of superfast broadband in the UK: the Caio review set this out last September, and BSG Chairman Kip Meek re-iterated its importance in his BSG Reception speech last November. The take-up of mobile broadband is a direct competitive pressure on ADSL services, will be an important complement to superfast broadband, and may in time provide superfast access itself. Increased coverage of these services may also be the most efficient and effective way to provide services in rural and remote locations. Given this, it is right that the government should be ambitious. However, this is a major challenge, with significant commercial interests at stake. The government will do well to reach the agreements it is striving for by its April deadline.

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### **Equipping everyone to benefit from Digital Britain**

The final section of the interim Digital Britain report sets out two main recommendations. The first is that Ofcom make an assessment of its current responsibilities in relation to media literacy and work with stakeholders to recommend a new definition and ambition for a National Media Literacy Plan. The second sets out a range of principles and guidelines that will be developed to inform an approach that strengthens security against online crime and builds user confidence.

The principles advocated are protection for children, empowerment for children and informed consent for adults. Supporting guidelines that will be developed to meet these principles involve creating a safe online experience for children and families, the effective removal of illegal content, clear information on how personal data is collected, clear labelling to help people avoid material likely to be harmful or offensive and effective and

readily available filters and other software that consumers can use to protect themselves and their families.

The approach set out by the interim report places education and empowerment at its heart, which the BSG welcomes. Empowering consumers to make informed choices through the provision of clear and easy to understand information is enshrined in the BSG-facilitated [Good Practice Principles on Audiovisual Content Information](#). These principles have the support of leading content providers to give clear information about commercial content that may be unsuitable for children or may cause offence and are cited as an example of best practice industry self-regulation in the interim report.

Going forward, the BSG will work closely with the development of this approach to ensure that consumer empowerment can be achieved without impinging on the industry's ability to innovate new services. We also look forward to contributing to the media literacy review. This will be a useful opportunity to review how best to promote and improve media literacy in the UK, bringing together relevant streams of activity such as the Ofcom programme to date, industry initiatives, and work being taken forward by the [UK Council for Child Internet Safety](#) to improve skills of children and parents alike around e-safety.

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### Respecting copyright in a digital age

The interim report states that the government will investigate the viability of a Rights Agency to bring industry together to agree how to provide incentives for legal use of copyright material; work together to prevent unlawful use by consumers which infringes civil copyright; and enable technical copyright-support solutions that work for both consumers and content creators. The report also states that the government intend to legislate to require ISPs to notify alleged infringers of rights (subject to reasonable levels of proof from rights-holders) that their conduct is unlawful. The government also intend to require ISPs to collect anonymised information on serious repeat infringers, to be made available to rights-holders together with personal details on receipt of a court order. These obligations are intended to form the central elements of a Code on unlawful file-sharing, which will be supported by backstop powers overseen by Ofcom. These proposals will be subject to consultation in advance of the publication of the final Digital Britain report before the summer.

The BSG welcomes that the government has taken the opportunity to take a broader view of intellectual property in a digital age, than was previously considered in the [BERR consultation on illicit P2P file-sharing](#). In its [response to that consultation](#), the BSG stated that none of the options looked fit for purpose to support a sustainable treatment of copyright in a digital age and we look forward to analysing the new recommendations in more detail and inputting to the government in the coming weeks. However, many of the objectives cited in the report are welcome. The report acknowledges that any solution must involve the wide range of rights holders that are likely to face copyright challenges in a digital future. It sets out a vision for a win/win/win scenario for rights holders, network operators and consumers. And most importantly recognises the importance that education and the development of compelling consumer products will play in tackling the issue.

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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)