

Press Release

BSG welcomes BT announcement on next generation broadband



15 July 2008

For immediate release

The BSG welcomes today's announcement from BT that it plans to invest £1.5 billion in making next generation broadband available to up to 10 million homes by 2012.

In April 2007, the BSG, - the UK's leading independent advisory group on broadband - published its Pipe Dreams Report that stated that there was a two-year window to create the right environment for next generation broadband deployment in the UK.

Commenting on the announcement, Antony Walker, CEO of the BSG said "There has been a question mark hanging over the UK telecoms sector for the last 18 months about how we move to next generation broadband. Today's announcement is by no means the whole answer, there are still questions about the regulatory framework and how we extend services to more rural areas, but it is a very significant step forward".

BT's announcement comes in response to increasing competition from cable and new mobile broadband services and growing demand for bandwidth from consumers. Walker described it as "a positive sign that the transition to next generation broadband can be market-led. The key question now will be whether Ofcom can move quickly to create a regulatory framework that both enables large-scale investment and ensures effective competition".

The BSG believes that the move to next generation broadband will be at least as important as the move from narrowband to broadband. "It will bring about a revolution in the capability and quality of services and will enable the next big development of the internet. You could think of it as the catalyst for web 3.0".

ENDS

Notes to Editors

About the Broadband Stakeholder Group

The BSG was established as a cross-sector government advisory group in 2001 to help the UK lead the G7 in broadband penetration and connectivity. It provides a neutral forum for collaboration between organisations across the converging broadband value-chain with the ultimate aim of helping to create a strong and competitive UK knowledge economy

It aims to be a critical friend of government and the regulator, and comprises companies from the telecoms and technology sectors through to content providers and rights holders. It also has direct representation from government departments and Ofcom. It is funded through a combination of government funding and industry sponsorship.

The BSG focuses on strategic, medium- to long-term challenges, which have latterly included next generation access networks, predicting future bandwidth requirements, and digital inclusion.

BSG recommendations for next steps published in Pipe Dreams April 2007

Download the Pipe Dreams report at: <http://www.broadbanduk.org/content/view/236/7/>

BSG report on the Economic and Social Value of Next Generation Broadband

There is growing evidence to suggest that the wider economic and social benefits of next generation broadband will outweigh the not insignificant investment costs. In a report published in June 2008, the BSG set out a framework to help policy makers evaluate the importance of next generation broadband to the wider UK economy.

According to the report economic and private value are expected to come from:

- Private value will be generated in three ways: doing what people do now more productively (the value of time savings); doing more using existing applications; and doing new things that can't be done now (transformations in behaviour).
- Wider economic benefits that would accrue in the long-term, include reducing the cost of transport congestion, enabling virtual agglomeration – achieving the productivity benefits of cities and clusters without the need for people to be physically located in such places; improved economic adaptability and resilience, based on increased possibilities for substitution.
- In terms of social value there may be real benefits in terms of access to life-long learning; social inclusion; more flexible working and enhanced social capital.

Download the economic and social value report at: <http://www.broadbanduk.org/value>

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