

Stakes still high for Broadband Britain

*As UK Broadband Take-up Approaches 5 million, the BSG
Launches New Push For UK To Become a World Leading
Connected Economy By 2010*



“Our competitors are raising their game and we need to as well – we can’t afford to stand still.” – Antony Walker, CEO, BSG

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To accelerate the development of next generation broadband, the BSG has announced a new programme focusing on eliminating the remaining barriers to the adoption, adaptation and absorption of broadband-enabled technology, content, applications and services by consumers, enterprises and the public sector.

Deeper exploitation of today’s broadband services is the key to unlocking the investment required for next generation broadband. The importance of this new initiative can be seen in the support given to the BSG by the DTI and major companies including AOL, BBC, BT, Cable & Wireless, Cisco, Corning, Marconi, Nortel Networks, NTL, Telewest and T-mobile.

5 Million Users...

The UK is expected to hit a key milestone this month as the number of broadband connections passes five million. This means that more than 20% of UK households will have a broadband connection. The UK also leads the G7 in terms of availability with 91 per cent broadband coverage (this is expected to exceed 99% by summer 2005). Increased availability, strong marketing, more advanced services and falling prices driven by increasing competition are leading to strong and sustained growth. However, this doesn’t mean that it’s a case of job done.

“Just because we are keeping pace with countries like France and Germany doesn’t mean that we can sit back”, warned Antony Walker, CEO, BSG. “Looking around the world it is clear that broadband is changing. It is getting faster, more mobile and is starting to deliver much more compelling services, including voice and video. We have to ensure that the UK stays with the leaders and exploits the full potential of this growing communications revolution”.

There is growing evidence that societies, which adopt, adapt and absorb the benefits of broadband quickly and deeply will achieve significant benefits in terms of productivity, innovation, growth and quality of life¹. To remain globally competitive, the UK must exploit the broadband opportunity to the full over the next few years. “The stakes are high. We believe it is essential that the UK is a world leading connected economy in 2010, measured by the way people use and exploit broadband enabled ICT, content, services and applications,” said Walker.

Infrastructure Debate Must Turn To Adoption, Adaptation and Absorption

During the last three years the broadband debate has primarily been about ensuring widespread broadband infrastructure coverage across the UK. The UK now needs to pay more attention to outcomes – delivering real benefits for consumers, enterprises and government. Walker continues: “The debate now is about what broadband can deliver in terms of real public and business value. In this next phase the market will be driven as much by digital media, content and applications companies as by the telecommunications sector.”

The BSG is a remarkable coming together of companies and engaged organisations from across the industry in an open forum to discuss ideas on driving the market forward. It also provides independent advice to government on the wide range of policy issues involved. In this next phase, the BSG will work to:

- Promote the full exploitation of broadband by consumers, enterprises and the public sector
- Encourage investment and innovation in next generation infrastructure, content applications and services
- Ensure the continued prioritisation of next generation broadband services by government

Specifically, over the coming months the BSG will launch a dialogue about what role the BBC should play in helping to drive broadband adoption by consumers and will explore how best to leverage the BBC’s public service remit to communicate and promote the benefits of broadband. It will also launch a study to look at how demand for bandwidth is likely to develop through to the end of the decade and the implications this will have for investment in next generation services and infrastructure. These are both examples of contentious issues that could have a significant impact on the

¹ See BSG Briefing Paper: ‘The impact of broadband-enabled ICT content, applications and services on the UK economy and society by 2010’ (September 2004)

market. The BSG will facilitate a wide and open debate to find some positive solutions that can help to take the market forward.

Comments on the BSG announcement:

*"I welcome the announcement by the Broadband Stakeholder Group that it will continue to play a key role in ensuring that the UK realises the full benefits that broadband can offer. Said **Mike O'Brien, the new e-commerce Minister**. "I look forward to working with the BSG, particularly in its role as a valued independent advisor on a huge range of policy issues related to broadband. Substantial progress has been made over the three years in developing the UK broadband market. As we move to almost universal broadband availability across the UK, the widespread adoption and increasingly sophisticated use of broadband is the key to further improving UK business productivity and competitiveness."*

'There is a huge opportunity to improve the productivity of every company in the UK and improve the convenience for all consumers, through the delivery of broadband enabled services.' **Keith Todd Chairman Broadband Stakeholder Group, Chairman Easynet plc, Chairman FFastFill plc**

Karen Thomson, Chief Executive of AOL UK, said: *"We recognise the valuable contribution the BSG has made to increasing the availability of broadband in the UK and welcome its wider focus on the demand side of the market and the content and services that will continue to drive consumer take-up in the second phase of market growth, beyond early adopters. We also believe the BSG can play a part in knocking down the remaining obstacles to the UK assuming broadband leadership and increasing competition."*

"The BBC can play a key role in helping to lead the nation towards a fully digital Britain by using the best of the new technologies to open up our content for every individual to use. This means creating both reversioned and original audio video content for a broadband audience, which can be used whenever, wherever and however they want it." **Ashley Highfield, Director of New Media & Technology BBC**

"BT is fully supportive of BSG's aim to further stimulate the broadband market. A huge amount has been achieved with regard of broadband availability, the next step is to ensure that both businesses and consumers understand the potential this technology can offer. We particularly support the emphasis on investment and innovation which are critical for UK competitiveness in the years ahead." **Ben Verwaayen, CEO, BT**

"Broadband is without doubt a key enabler of productivity and economic growth in the UK, so it is vital that organisations exploit the technology to remain competitive. One of Cisco's top worldwide public policy goals is to accelerate broadband adoption and usage, and we believe our work with the BSG is central to achieving this aim in the UK," said **Duncan Mitchell, Cisco Systems Managing Director UK & Ireland.**

"Marconi is delighted to support and actively engage with the BSG as it moves into its next phase focused on eliminating the remaining barriers to broadband adoption and absorption. Next Generation Broadband will continue to be a key driver of growth for the UK economy. The BSG will remain a key driver of broadband growth." **Mike Parton, CEO Marconi**

"Nortel Networks is delighted to be part of the second phase of the Broadband Stakeholder Group. The UK has made tremendous progress in rolling out broadband but we cannot afford to rest on our laurels. The deployment of the next generation of broadband technology capable of meeting the demands for ever-increasing bandwidth will be key to the UK remaining at the forefront of the global knowledge driven economy." **Darryl Edwards, President Northern Region EMEA, Nortel Networks**

"As a major player in the broadband market, we value the role that the BSG plays in both the development of policy and as a forum that brings together the broad range of interests involved in the provision and use of broadband networks and services. We fully support the intent and focus of this next phase of the BSG work." **Howard Watson CTO, Telewest Broadband**

"The launch and increasing availability of truly mobile multimedia services using 3G will be one of the key enablers for the second phase of UK Broadband take up. I am delighted that T-Mobile is working with the BSG to achieve the objective of being a world leading connected economy by 2010." **Brian McBride, MD T-Mobile UK Ltd**

"The content and creative industries have a major part to play in driving the adoption of broadband and the significant and challenging role it already plays in both our economic and cultural life, a significance which will only increase in future. The BSG's renewed and updated commitment to its mission will obtain major support from content players of all shapes and sizes." **Anthony Lilley, MD, Magic Lantern Productions; Chair, Interactive Media Policy, PACT**

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Notes To Editors:

Broadband Status:

- Approaching five million broadband connections (more than 20 per cent of households)
- Broadband is rapidly catching up with dial-up (ONS Report)
- UK leads the G7 in terms of availability with 91 per cent coverage (this is expected to increase to more than 99% by summer 2005)
- Increasingly dynamic market offering an expanding range of services and offerings

The Broadband Stakeholder Group

The Broadband Stakeholder Group (BSG) is the key advisory group on promoting the adoption of broadband services. The BSG works as a facilitator, bringing together stakeholders from across the broadband value chain to share knowledge and work in partnership to support the UK's ongoing transition towards being a world leading connected economy by 2010.

Membership of the BSG is voluntary and is open to corporations, organisations and individuals throughout the broadband value chain. The BSG's objectives are supported by the CBI, Intellect and the Digital Content Forum. The BSG is chaired by Keith Todd CBE, who will continue in that role until he steps down later in the autumn.

For more information on BSG, please contact: Fuse PR on Tel: +44 (0) 208 956 2709 or email: blaise@fusepr.com