

In commercial confidence



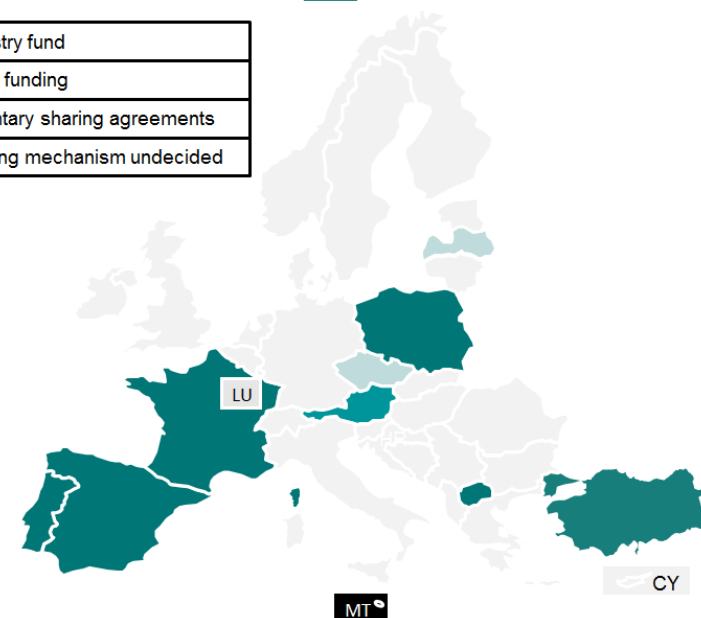
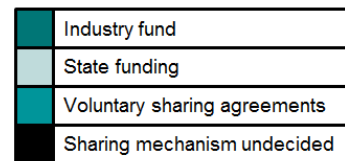
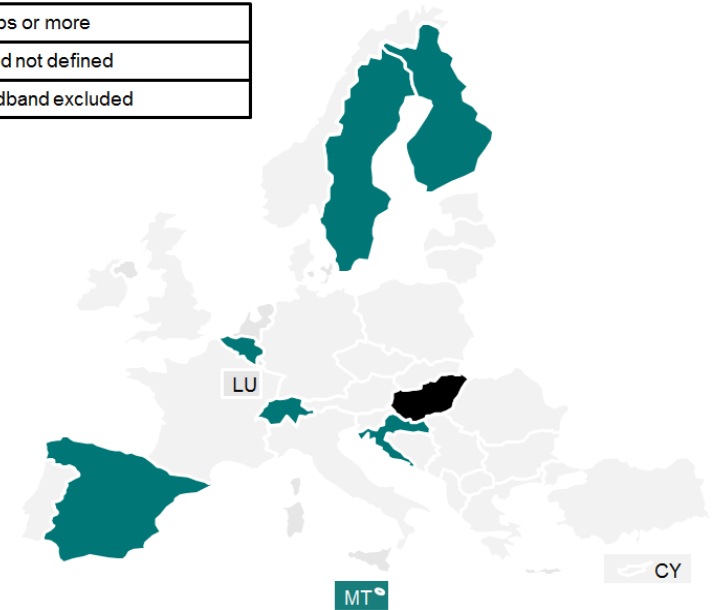
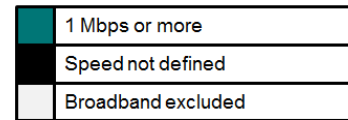
# USO Issues to consider



# EU countries with a Broadband USO

- Most EU Countries do not currently impose a broadband USO, but an issue for EU review
- Of those that do (9) the highest speed so far is 4Mbps in Malta (Finland updated from 1Mbps to 2Mbps in November 2015)
- Typically rely on satellite or mobile for last x% e.g. Switzerland and Sweden.
- Funding arrangements for broadband vary
- Note commitments are speed only.

Country	Requirement
Belgium	1Mbps ( not yet in force)
Switzerland	2Mbps/200Kbs now (3/300 proposed)
Spain	1Mbps
Finland	2Mbps from 2015
Malta	4Mbps
Sweden	1Mbps (as part of mobile licence)



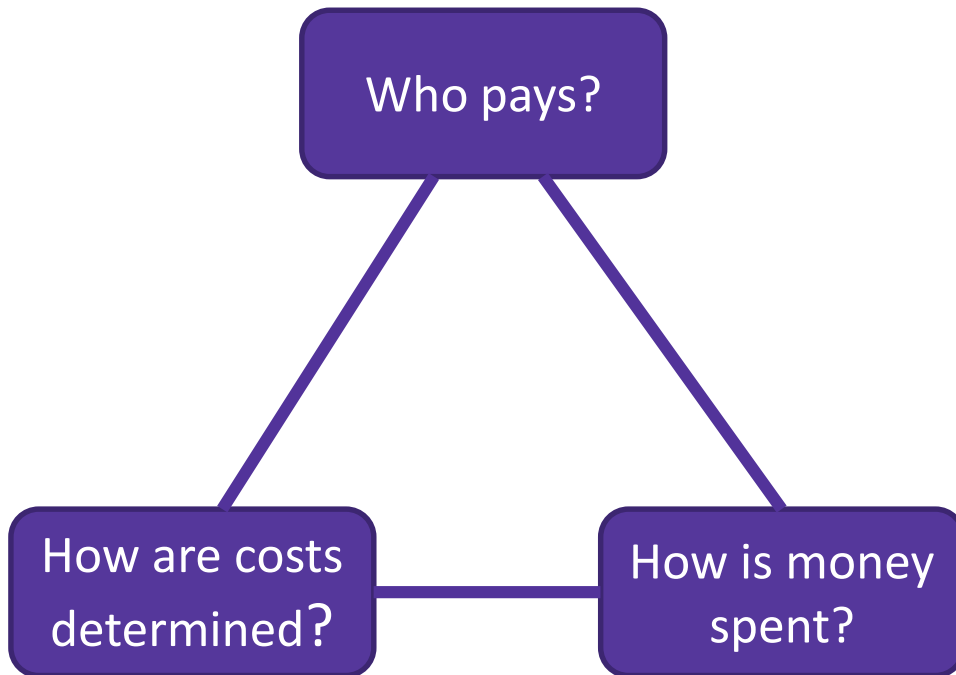
## Other Countries

- USA
  - “Connect America Fund” aim is to provide speed in rural areas available to 99% of city dwellers – recently upgraded to 10Mbps down/ 1Mbps up.
  - Paid for by industry levy on fixed mobile and most VoIP providers
- Canada
  - No universal goal but minimum 5Mbit to 98% by 2019
- Japan
  - No Universal goal
- South Korea
  - No Universal goal

## Scope of a broadband USO?

- What is the actual commitment?
  - To whom?
  - What is offered?
- Options could include
  - 30Meg DEA target?
  - 10meg Ofcom view?
  - Will it change(rise) over time?
  - Offered to all premises?
  - Right to request or receive?

# Issues once scope of USO clear



- Who pays?
  - Designated provider?
  - Govt fund?
  - Industry levy?
- How much?
  - Cost model/actual cost?
  - “reverse auction”
  - Combination including end user?
- How spent?
  - National/regional designation?
  - “reverse auction”/procurement

## USO and EU rules?

- Defining a “Superfast USO” unlikely, under current directives
- USO directive does though gives scope for extending definition of “functional internet access” under current Voice USO
- But not clear how much scope (*USO directive Recital 9*)
  - E.g.”*taking due account of bandwidth **used by** majority of market and technological feasibility..*”

## Broadband “pledges” outside of a USO

- Aside from formal “USO” obligations many countries have objectives of universal availability
  - EU Digital agenda targets – 30Mbit/s for all by 2020
  - Canada 5Mbs to 98% - outside of USF covered by commercial agreements
  - Finland – outside of USO – covered by part funded commercial bids.
  - New Zealand 5Mbs to all
  - Japan – commitment to provide high speed broadband to all but outside of USO.
  - Korea Broadband not part of USO – addressed by regulatory commitments
  - Australia – broadband outside of USF – covered by separate govt funding
- These though are not typically subject to levies on industry or legal obligations but built around commercial and/or public-private partnerships – typically govt part funded