

**Compensating Providers Delivering Universal Services
Response to Consultation from
Ofcom's Advisory Committee Northern Ireland
January 2020**

The Advisory Committee for Northern Ireland advises Ofcom about the interests and opinions, in relation to communications matters, of people living in Northern Ireland.

The Advisory Committee for Northern Ireland (ACNI) has strongly supported the Broadband Universal Service Obligation (USO) and taken an interest in its design and implementation. It considered a briefing from Ofcom on progress, including the funding consultation, at its meeting on 27 November 2019. A subgroup of members received a further update on 7 January 2020.

ACNI wishes to make the following comments on the implementation of the USO and the current funding consultation:

(i) The Committee welcomes the considerable increase in 2019 in the number of premises that can get a decent broadband service (10Mbps). The further deployment of wireless home broadband from BT/EE on its mobile network has been a significant factor. ACNI is pleased that NI has benefited from these developments although it remains very mindful that, of the four UK Nations, NI still has the highest proportion of premises without access to decent broadband.

(ii) The USO therefore remains vital for those homes and premises in areas which are not yet able to receive a decent broadband service. ACNI is very aware of the importance of broadband connectivity to consumers and citizens in their everyday lives. There is a significant and growing detriment to those who are unable to avail of what is now regarded as an essential service. Ofcom's *Connected Nations* report (December 2019) indicates that in NI some 18,000 premises are unable to get decent broadband through either a fixed line or fixed wireless service.¹ It is vital that this gap is closed as quickly as possible and access to broadband becomes truly universal.

(iii) ACNI believes that a speed of 10 Mbps is unlikely to be sufficient to meet the needs of consumers, citizens and microbusinesses in coming months and years. The Committee notes that the Digital Economy Act requires a review when UK uptake of superfast broadband reaches 75%. However, it considers that – given the rate at which consumer demand for faster speeds is growing, and the length of time taken to implement any changes – the trigger point for a review should be earlier.

(iv) ACNI is pleased that fixed wireless products have made it possible for people without the option of fixed line access to become connected. It notes, however, that there is a range of factors which can impact on performance for consumers, such as network capacity, the number and location of premises being served, line of sight and consumer equipment. It asks Ofcom to do everything in its power to ensure that this solution delivers as good and reliable service as fixed line access.

¹ Ofcom, *Connected Nations*, December 2019

(v) The Committee notes the complexity and rapid pace of change in the broadband market across the UK, involving a range of technologies and providers as well as a number of programmes and initiatives in different parts of the UK. With that in mind, it emphasises the importance of Ofcom ensuring that the models and evidence on which it bases its decisions and advice are continuously tested and validated.

(vi) ACNI has also taken a close interest in the progress of Project Stratum, which aims to deliver broadband access to approximately 97,000 premises which cannot receive superfast broadband (30 Mbps). It asks Ofcom to do everything in its power to ensure that the benefit of these programmes together is optimised in NI. It will be especially important to ensure, through engagement and awareness raising, that consumers are informed and empowered to take up services that best meet their needs.

(vii) ACNI recognises that a proportion of the hardest to reach premises in NI will fall outside the £3400 cost threshold for the USO and will need another funded solution to secure broadband access. The Committee will take a strong interest in Ofcom's work to provide information and advice to inform and enable the next wave of publicly funded solutions, and to work to keep this high on the policy agenda.

(viii) The Committee welcomes Ofcom's funding consultation as the next stage in preparing for the launch of the USO in March 2020. It recognises the importance of ensuring that, if there is any unfair burden, this is carried by the industry as a whole rather than the designated USO providers. It agrees that Ofcom should be the arbiter of what constitutes a net cost, and whether any of this should be borne by the universal service provider, based on transparent principles and evidence.

The Committee will continue to take a close interest in the implementation of the USO and outcomes for consumers in NI.

Advisory Committee for Northern Ireland
January 2020