

Your response

Question

Your response

Question 1: Do you agree with our proposed procedures for commencing a review of a net cost of complying with universal service conditions?

Confidential? – N

Yes

Question 2: Do you agree with our proposed procedures for making an application requesting compensation for any unfair burden?

Confidential? – N

Yes

Question 3: Do you agree with our proposed procedures when making determinations when assessing a net cost claim, including our proposed approach to finality?

Confidential? – N

Yes

Question 4: Do you agree with our proposal on the information the Universal Service Provider should provide alongside an application to review a net cost?

Confidential? – N

Yes

Question 5: Do you agree with our proposed approach to calculating, verifying and auditing a net cost?

Confidential? – N

Yes

Question 6: Do you agree with the proposed factors we will consider when assessing an unfair burden?

Confidential? – N

Yes

Question 7: Do you agree with our proposed approach to determining whether an industry fund should be set up?

Confidential? – N

Yes

Question 8: Do you agree with our proposed approach to determining which providers will contribute to any industry fund?

Confidential? – N

Yes, provided that a reasonable national turnover figure is specified as per your para below which would not involve community broadband providers from being included:

‘If we consider this to be appropriate, we have the power to require only particular providers or a particular description of providers to contribute, including requiring contributions only from undertakings whose national turnover is more than a set limit.’

Question 9: Do you agree with our proposed approach on calculating contributions from fund contributors?

Confidential? – N

Yes

Question 10: Do you agree with our proposed approach to collecting contributions to an industry fund?

Confidential? – N

Yes

Question 11: Do you agree with the proposed process by which we would compensate the Universal Service Provider?

Confidential? – N

Yes

Question 12: Do you have any comments on the specific provisions of the draft funding regulations?

Confidential? – N

No

Question 13: Do you agree with our proposed approach to the choice of the counterfactual for the calculation of a net cost of the broadband USO?

Confidential? – N

Yes

Question 14: Do you agree with our proposal to use a NPV methodology to calculate a net cost of the broadband USO?

Confidential? – N

Yes

Question 15: Do you agree with our proposed reporting requirements in respect of the broadband USO?

Confidential? – N

Yes

Question 16: Is there anything else you would like to tell us about the proposals set out in this document?

Confidential? – N

We are concerned that the operation of the USO could act as a competitive deterrent to altnets, particularly community groups, where self-funded or GBVS voucher supported FTTH networks have or are in the process of being built where the USO criteria are not met. Thus, as we understand the situation, BT or KCOM could market a USO service to their existing customer as of March this year, after which BT or KCOM would have up to one year to implement such a service. This would be the case even where an existing altnet has built an FTTH network passing the property and is fully capable of delivering gigabit service, not just the USO.

Should the customer be on an existing contract with

the dominant supplier and has up to 24 months to run, this would mean that they would be reluctant to bear the costs of the new competitive service in addition to their contractual commitment to the incumbent. We feel this to be counter-productive, and indeed contrary to the aims and objectives of the GBVS scheme.

We believe a simple change could be made that, where an existing customer with an extended contract wishes to avail themselves of a service greater than the 10 Mbps of the USO and that service is available (or will be available within 12 months) from an alternate provider, the incumbent should be required to waive the remaining period of the customers contractual commitment.