

Fixed broadband Coverage and the digital divide

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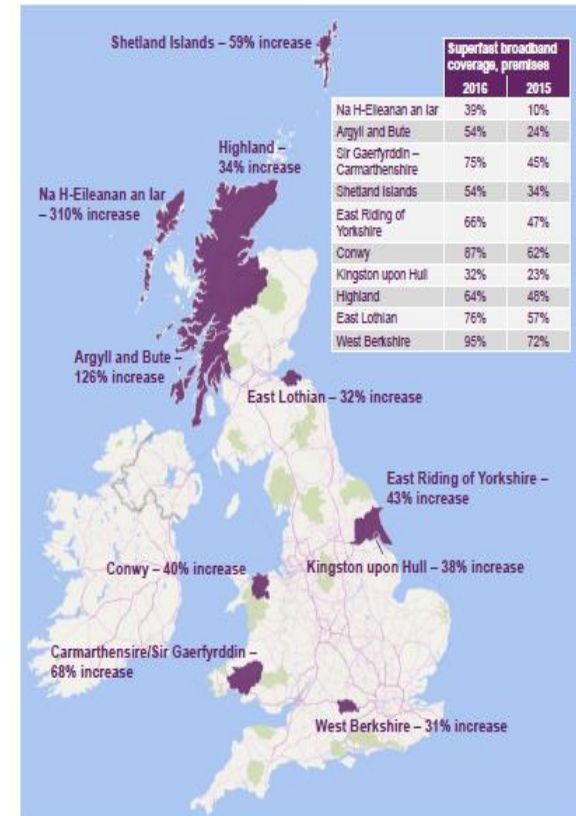
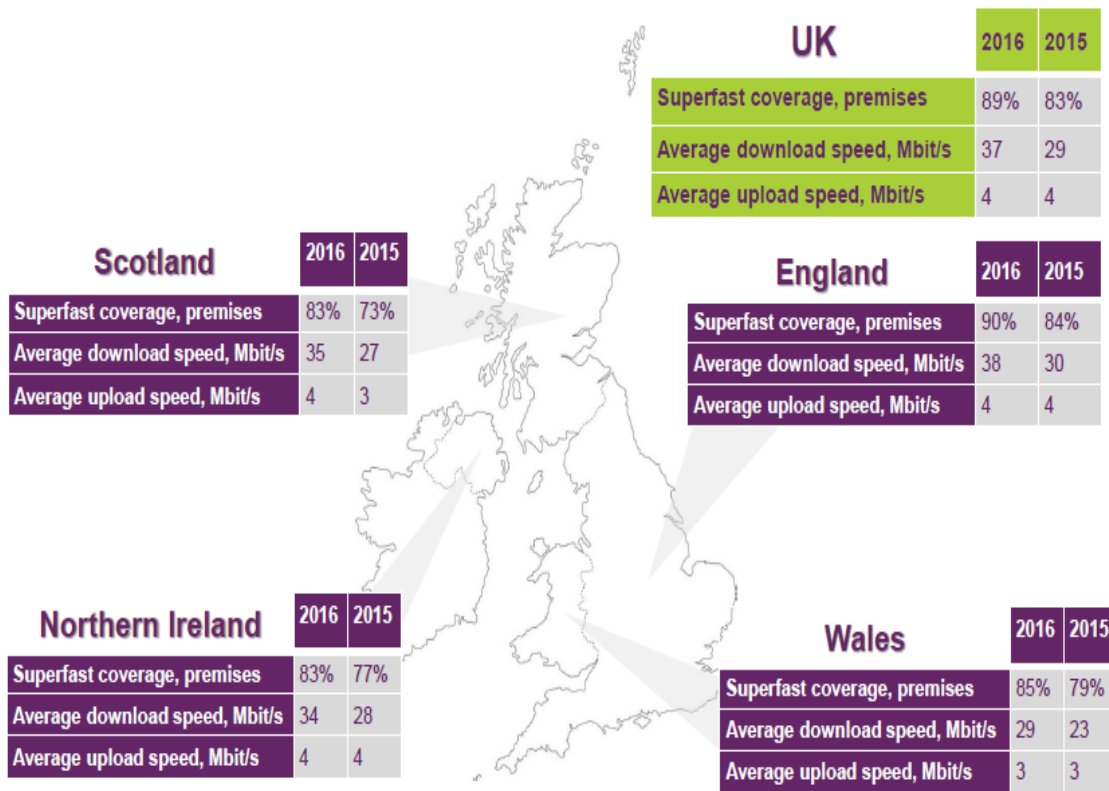
Head of infrastructure Policy – March 2017



UK superfast availability very high & still improving, fastest improvement in the most rural areas



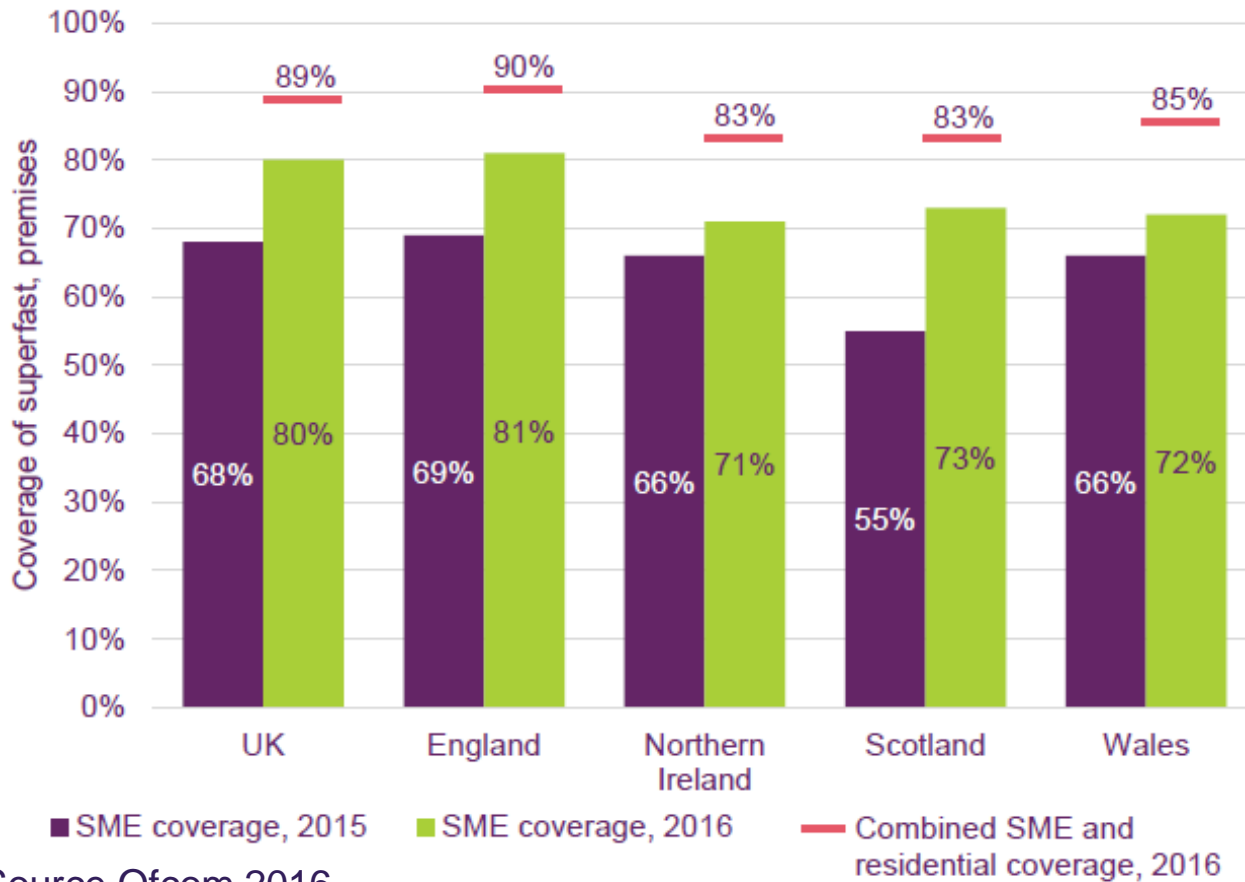
Superfast availability has improved...



And a lot more built since this Ofcom report – e.g. 15% plus improvement in some Scottish regions

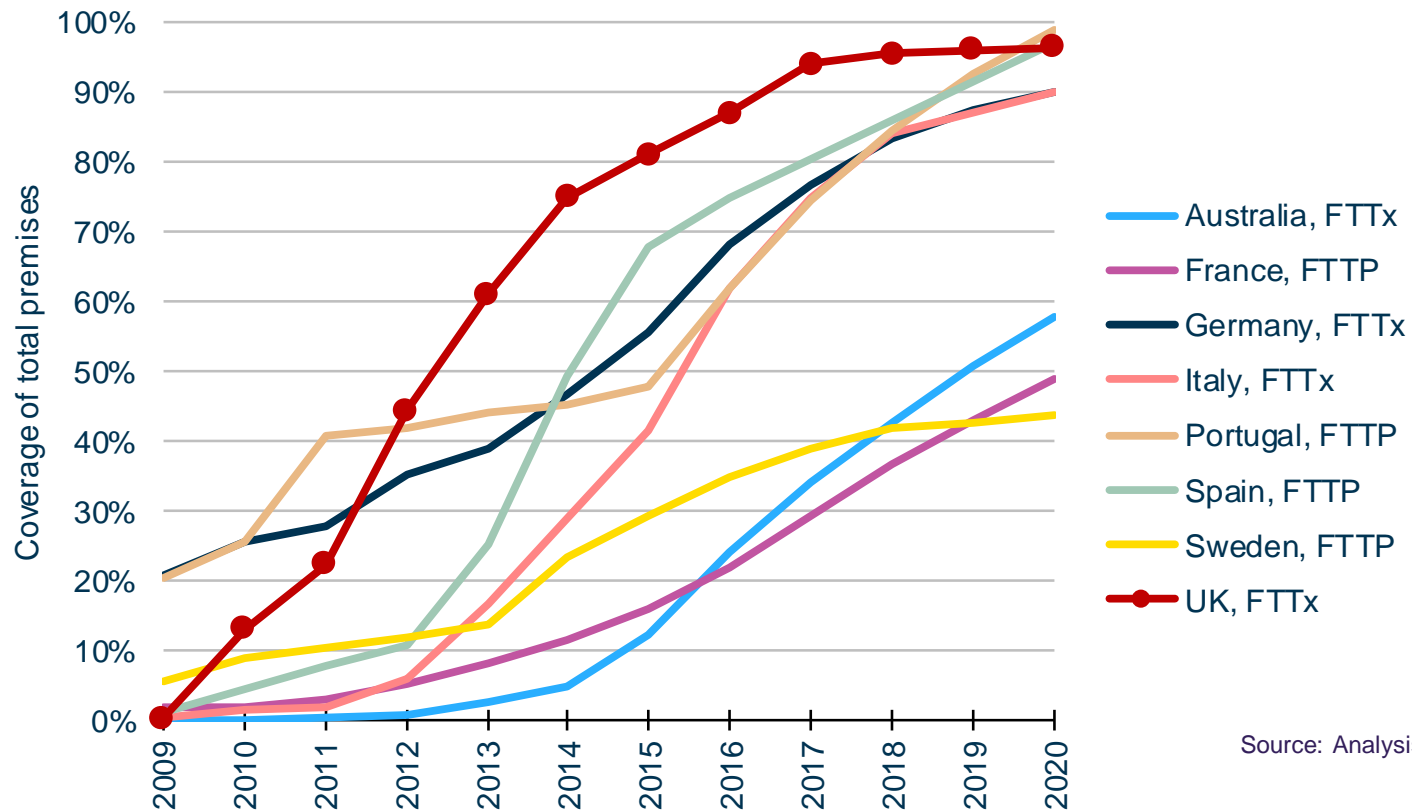


SME coverage also growing fast



Source Ofcom 2016

UK fibre coverage, current and planned (2020) vs Key comparators –



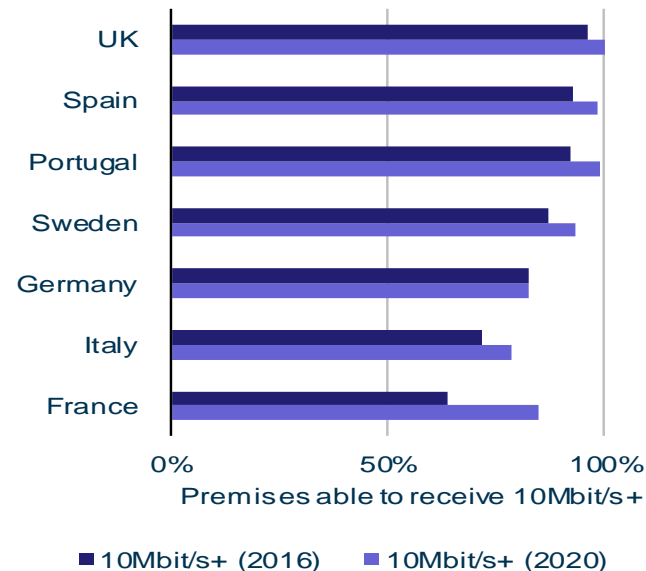
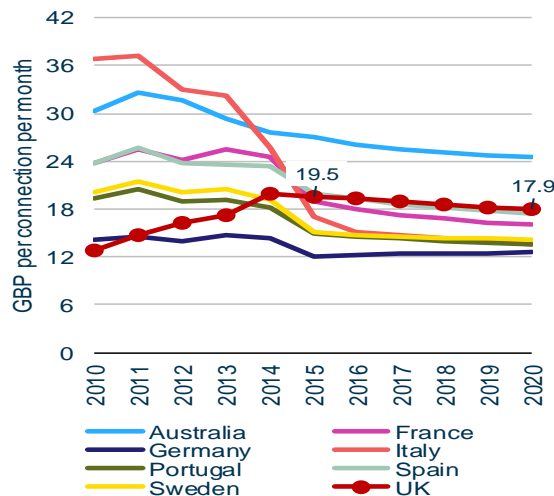
Source: Analysis mason 2016

- Mix of technologies in nearly all countries
- Infrastructure comp. in dense areas, typically cable overlay in dense areas
- 90-95% coverage yes – 100% ?

Digital divide and focus on last 5%

- Superfast for all is an economic problem not a technology problem
- But good broadband for all is achievable commercially
- BT has offered to deliver 10Mbps to all
 - Depends on lower cost technology
 - And a commercial return
- Superfast speeds in final few % are not commercially viable in current market and assistance in some form will be necessary.

Total NGA broadband ARPU [Source: Analysys Mason]



Fair Isle – an [extreme] example of what “Universal” could mean?

- Fair Isle lies off Scottish coast between Orkney and Shetland
- 25 miles across hostile seas to either Orkney or Shetland
- 18 Crofts plus community premises
- Circa 25 premises in total
- Fibre broadband would require subsea fibre cable (plus resilience?)
- Plus FTTP/FTTC investment on the Island
- Plus power supply (Islanders currently use diesel generators for mains power)
- At £17 a month retail ARPU that is circa £40,000 total RETAIL revenue over 10 years!
- Case needs to work at WHOLESALE level for Openreach.

