

The availability of communications services in the UK

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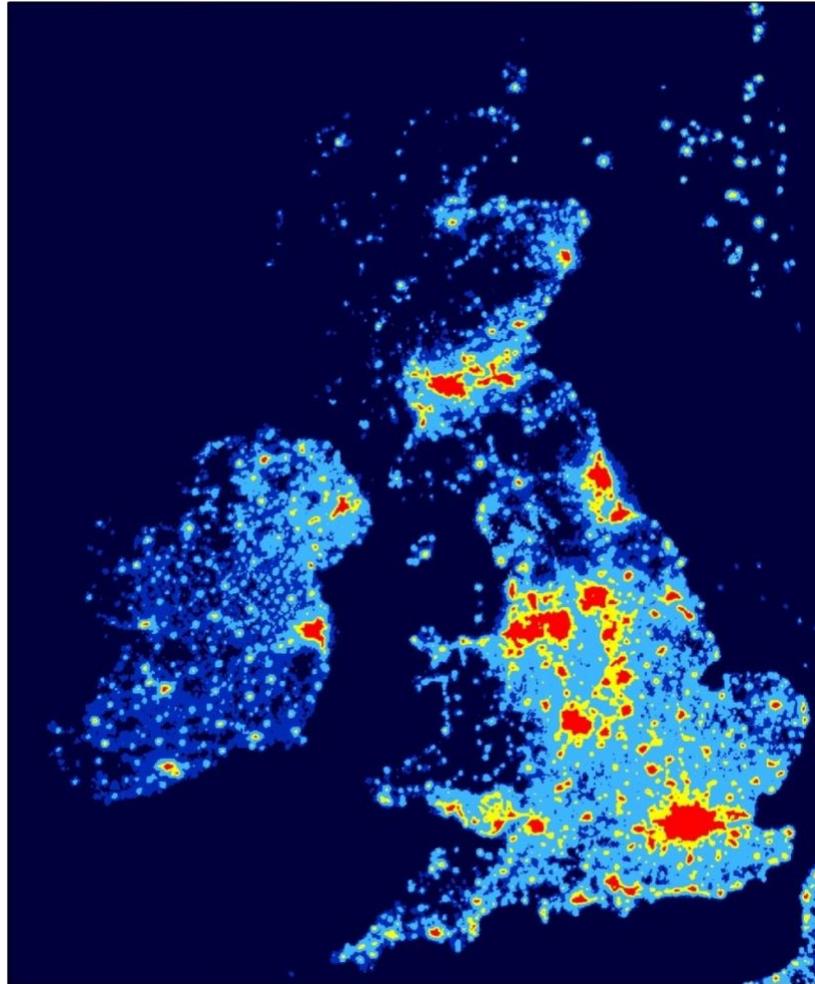
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Rural Services Network, London

Content

- Introduction
- Why availability matters
- The availability of communications services
- The role of markets
- The role of interventions
- Findings and observations

Where there is light there are people



Classification of the landmass of the UK (%)



Classification of the population of the UK (%)



Why availability matters

- Access to the internet is a particular concern
 - For consumers
 - For citizens
 - For the economy
- Mobile internet availability also matters
- Internet availability and quality of service are likely to matter even more in the future
- Other communications services
- Take-up

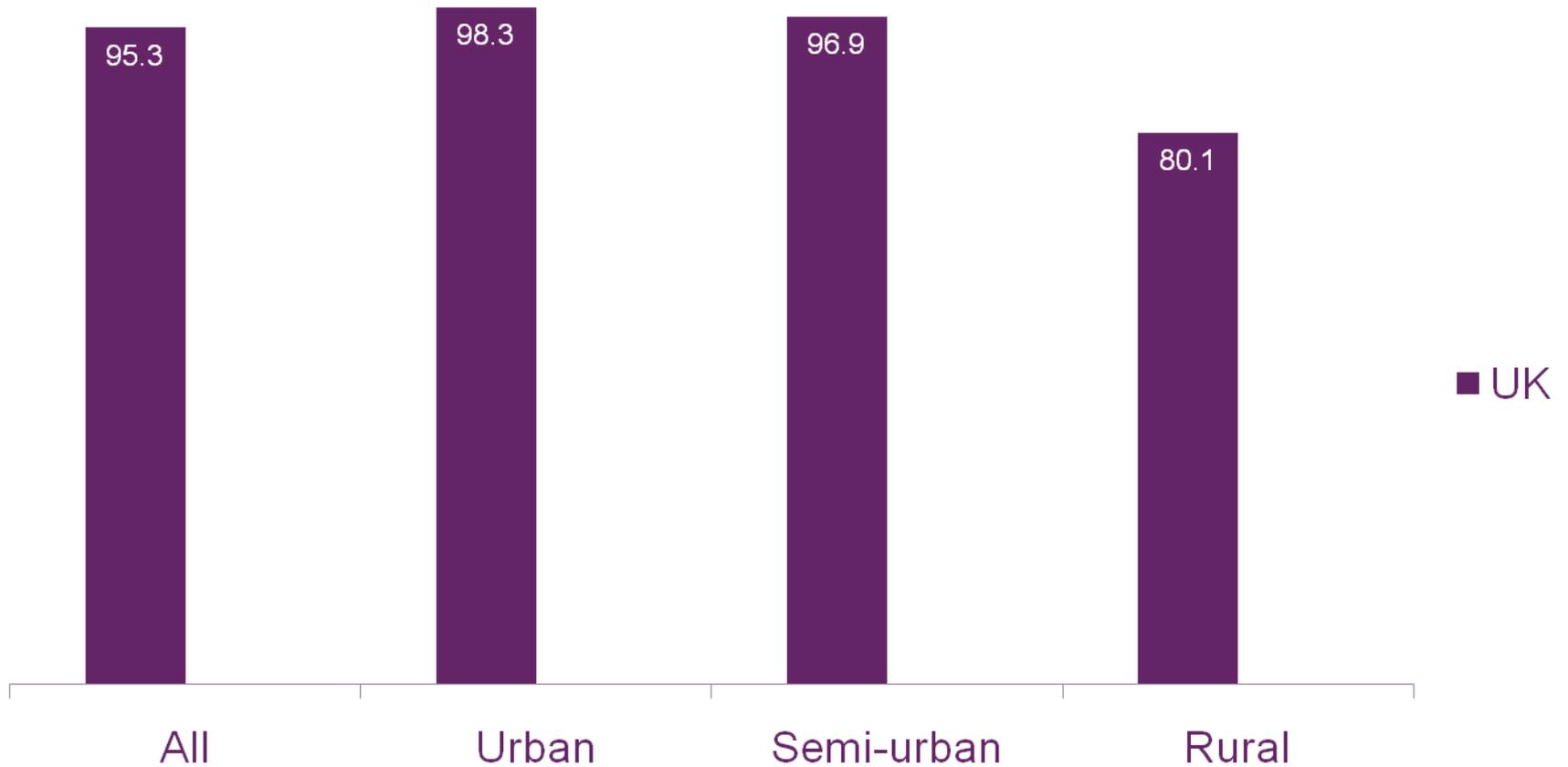
The availability of communications services

- Fixed telephony
- Fixed broadband
- Mobile (voice and data)
- Digital television
- Radio
- Post

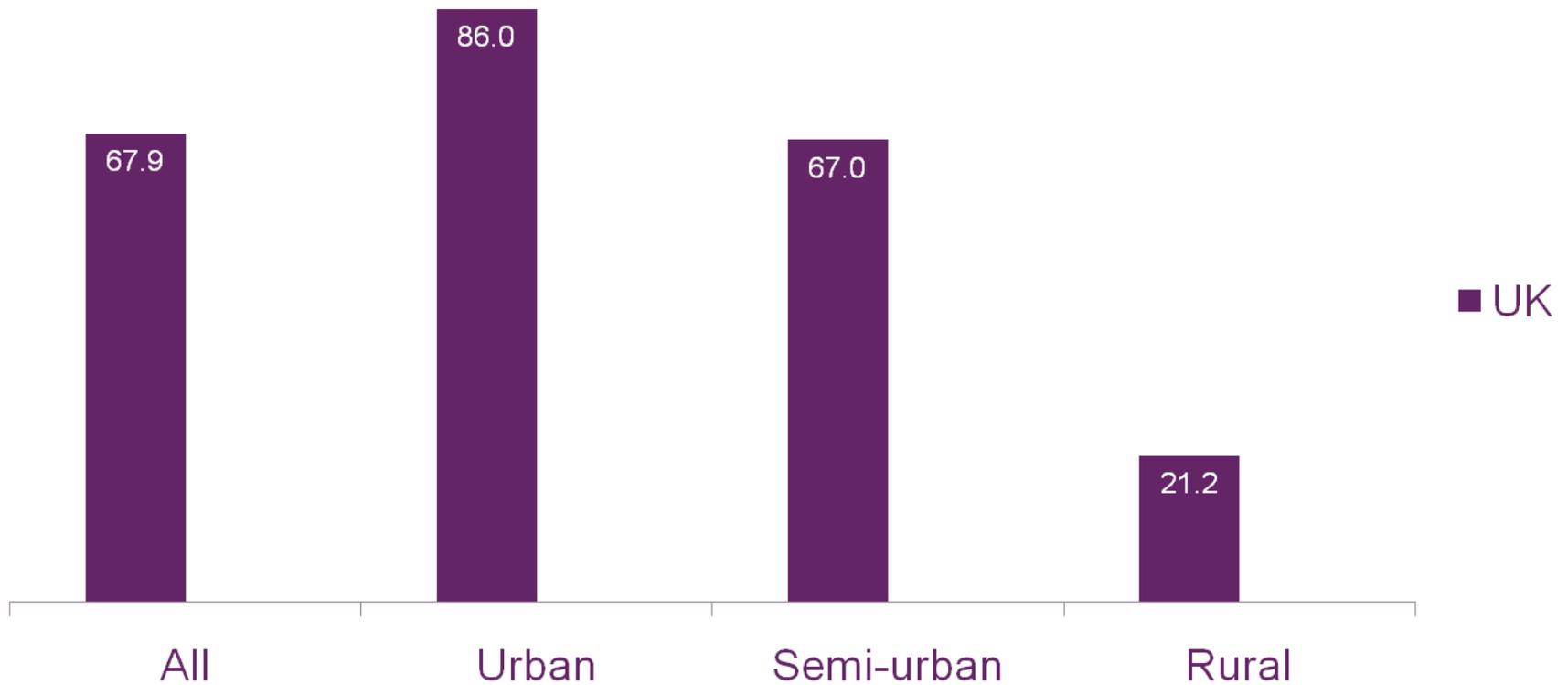
Fixed telephony

- Universal service obligation – BT and KCom
- £3400 threshold for unreasonable cost
- More than 99.9% of requests for service fulfilled

Standard broadband (% households)



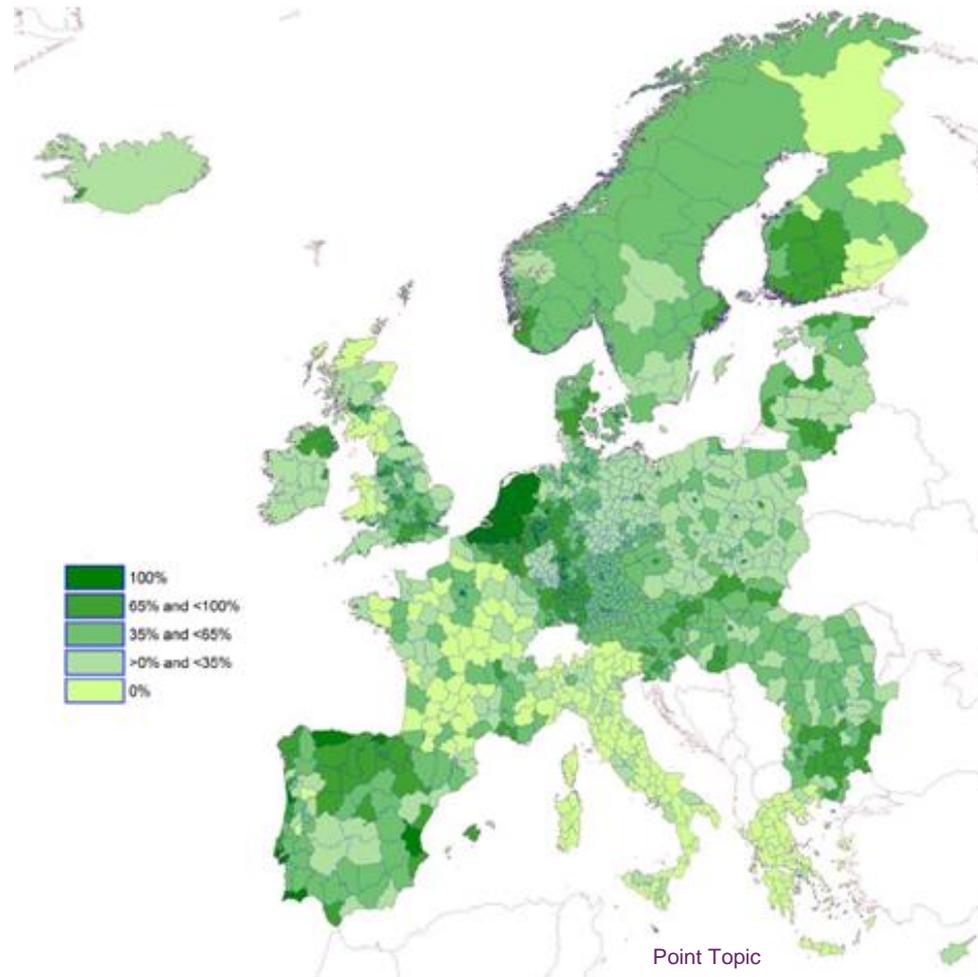
Superfast broadband (% households)



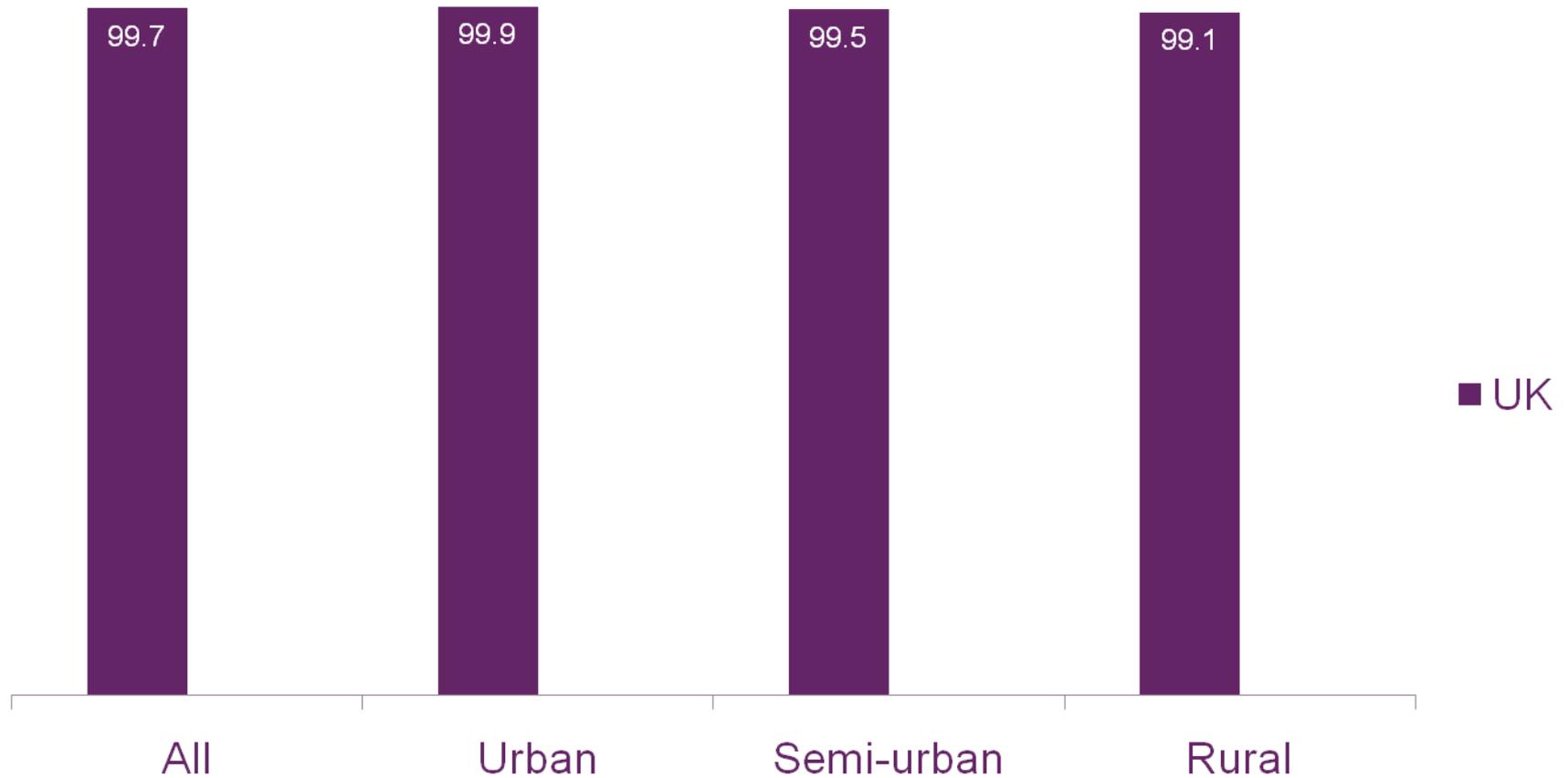
Availability of superfast broadband in the UK



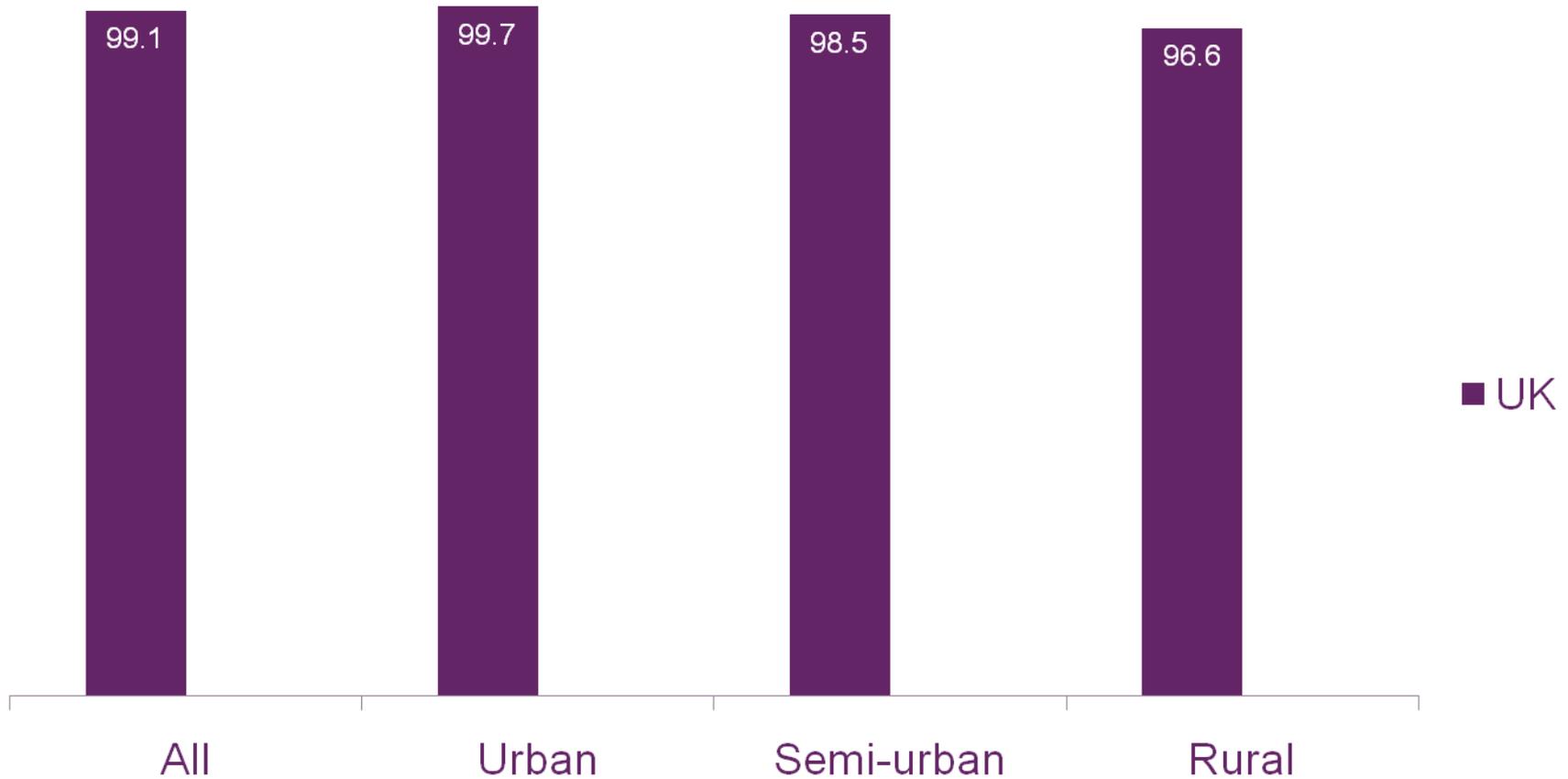
Availability of superfast broadband in Europe



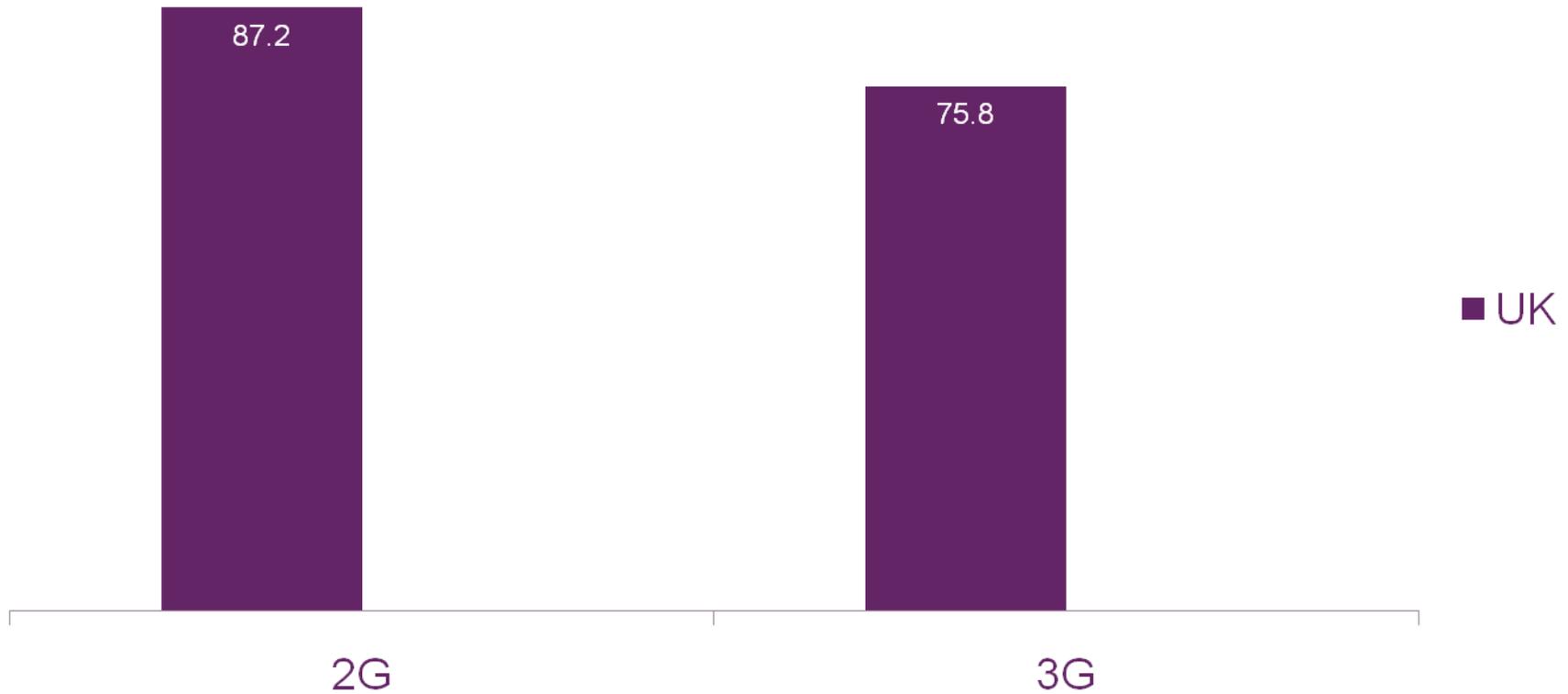
2G mobile (% premises served by at least one operator)



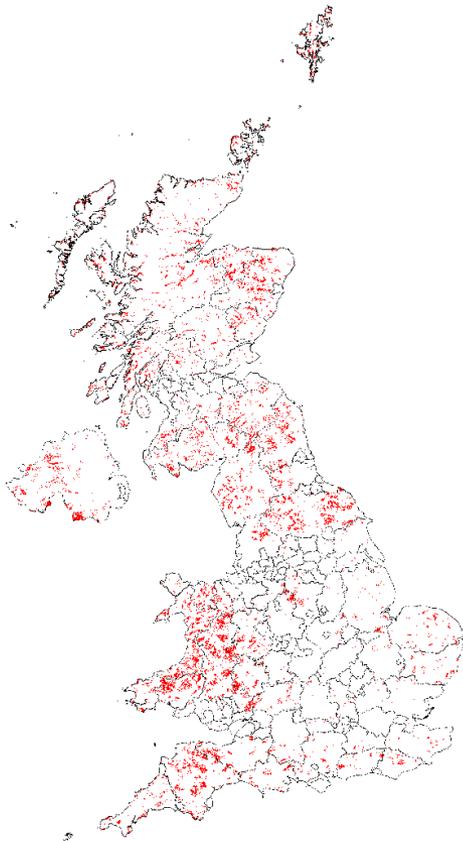
3G mobile (% premises served by at least one operator)



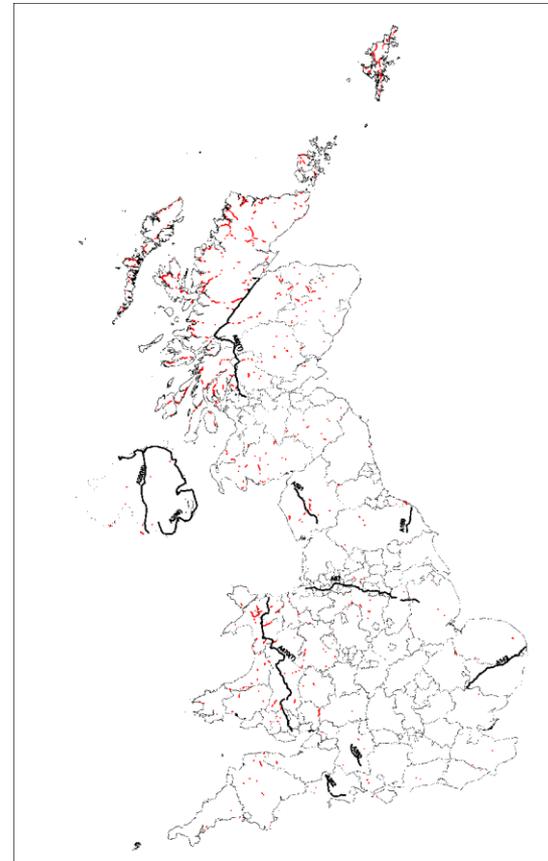
Mobile (% landmass served by at least one operator)



Not spots



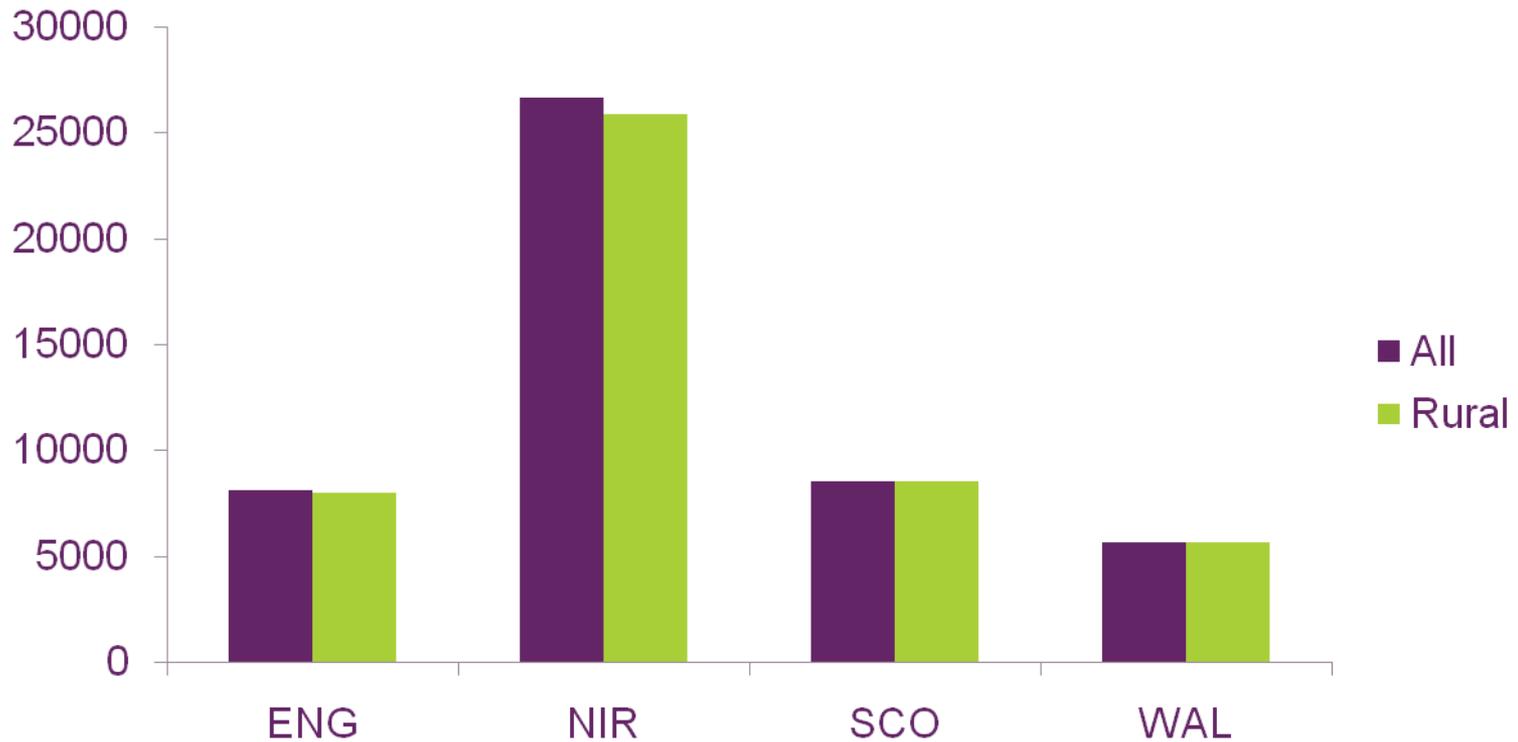
Land mass



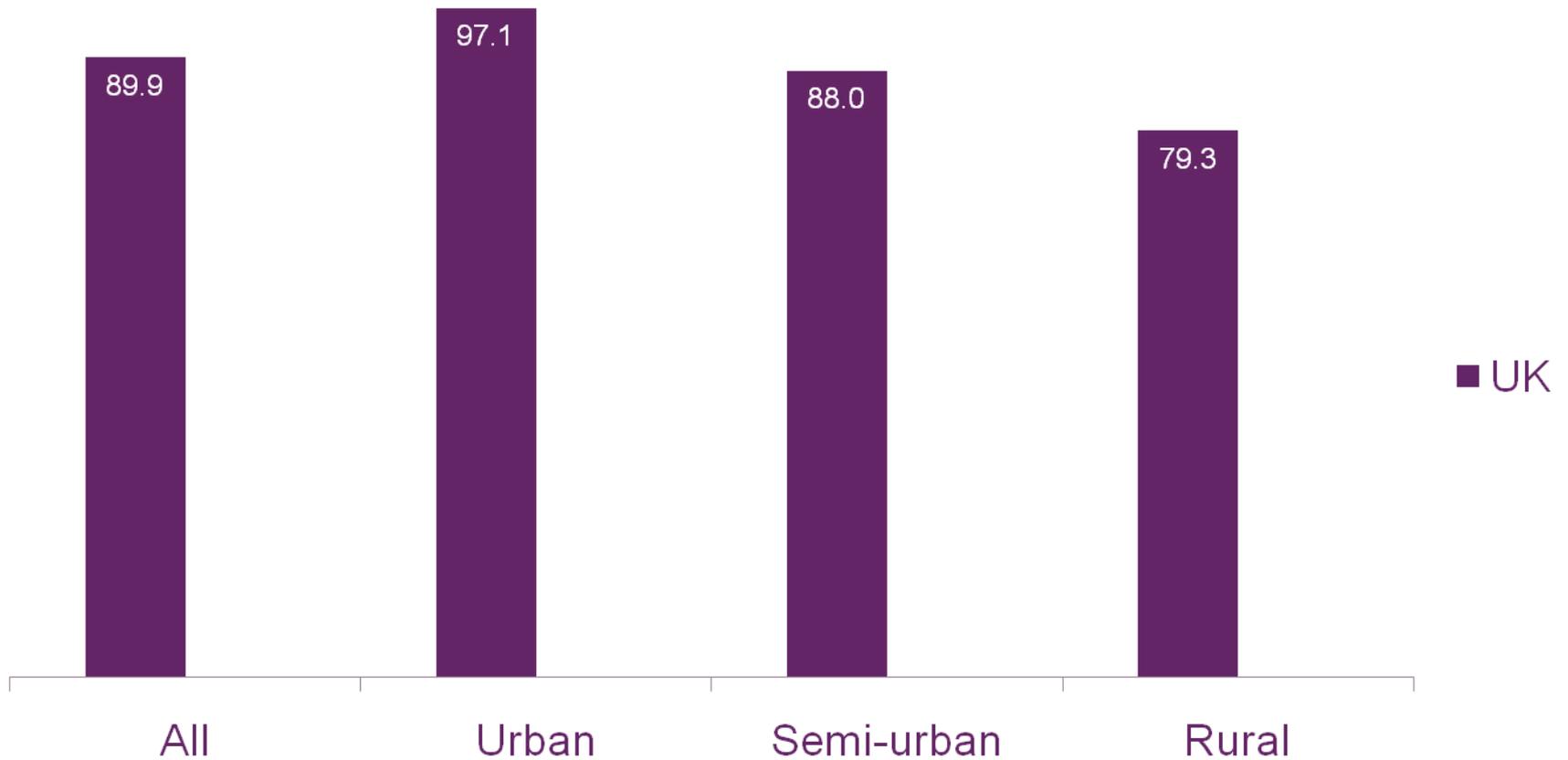
Roads

Nearly 50,000 do not have either broadband or 3G mobile

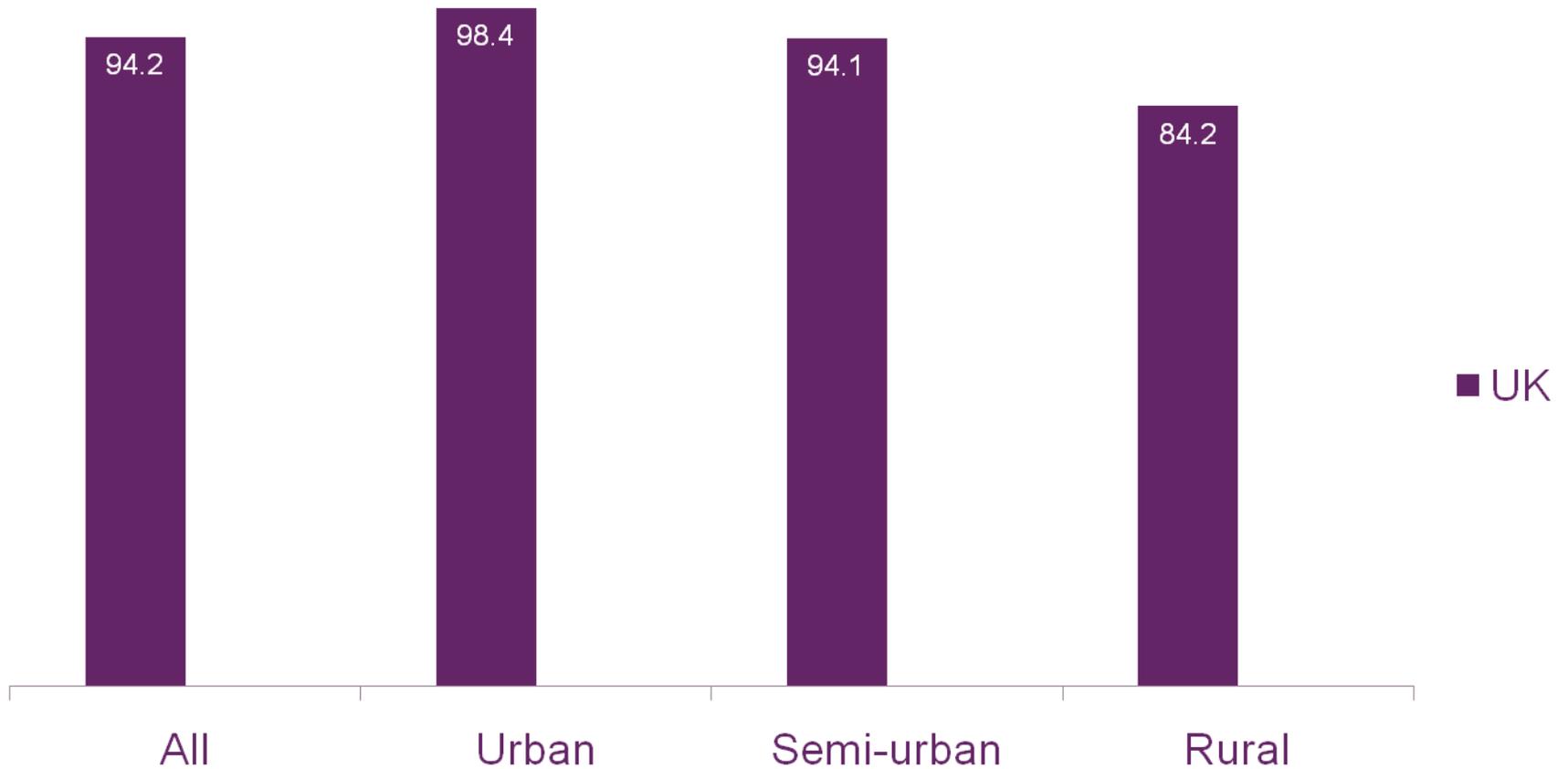
Estimated number of homes that cannot receive standard broadband and 3G mobile



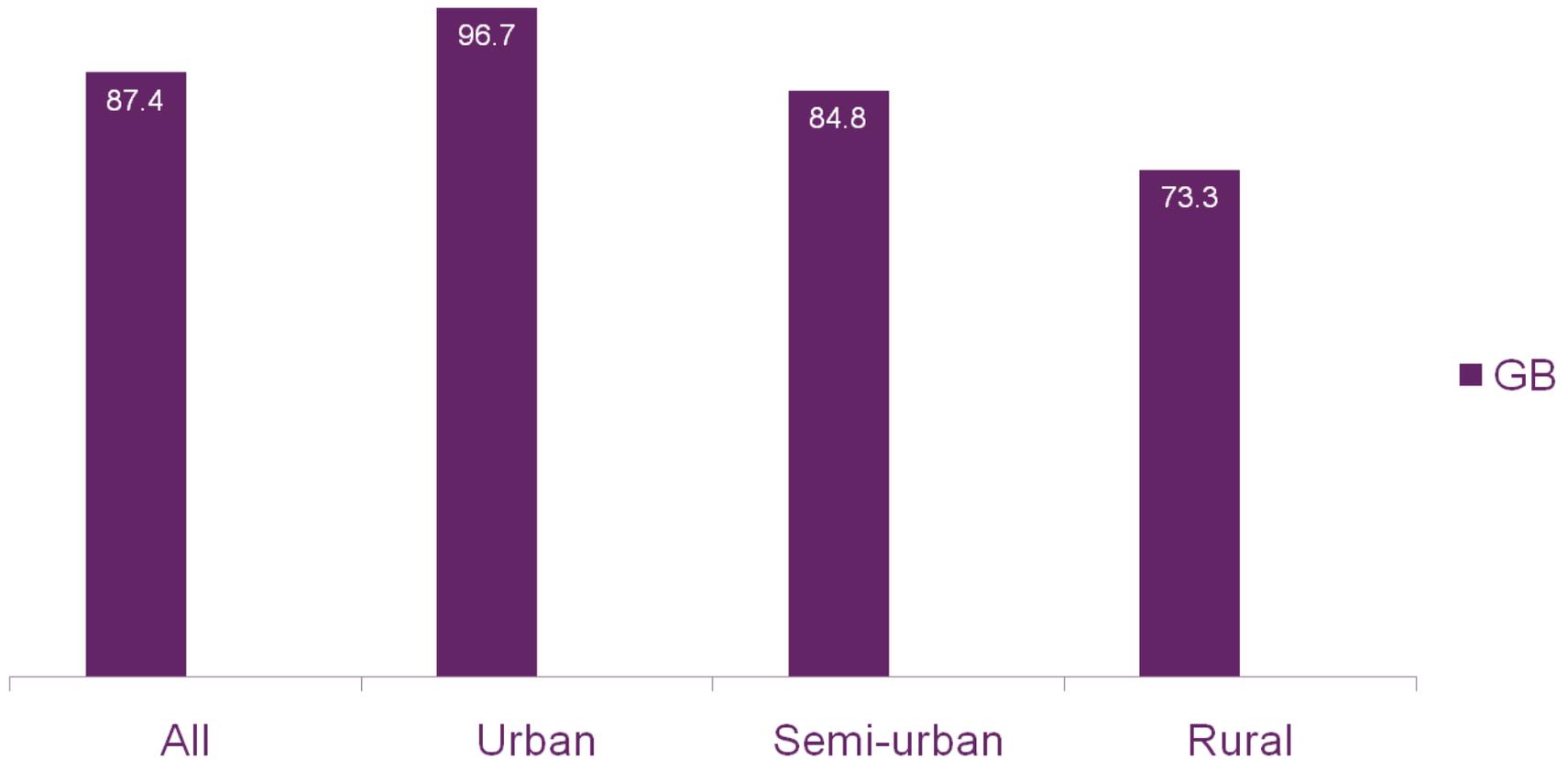
DTT (% households served by all multiplexes)



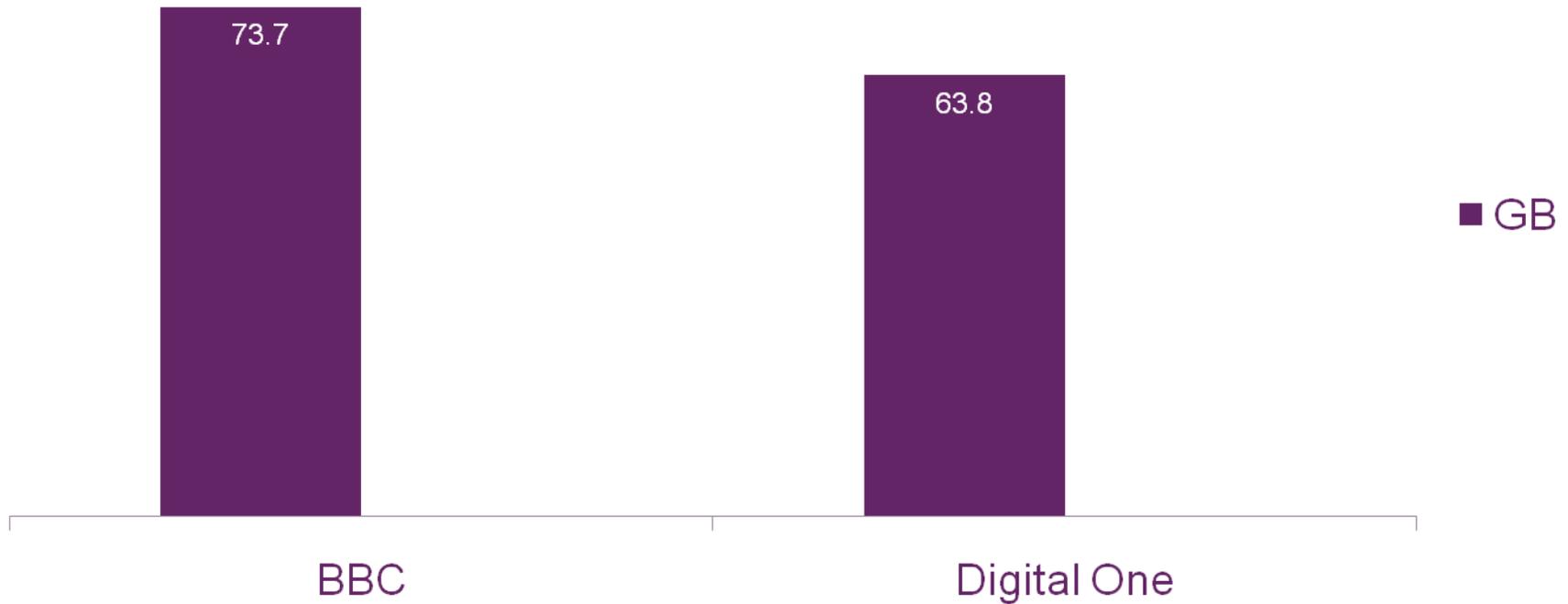
DAB (% households with BBC coverage)



DAB (% households with Digital One coverage)



DAB (% miles of road with coverage)



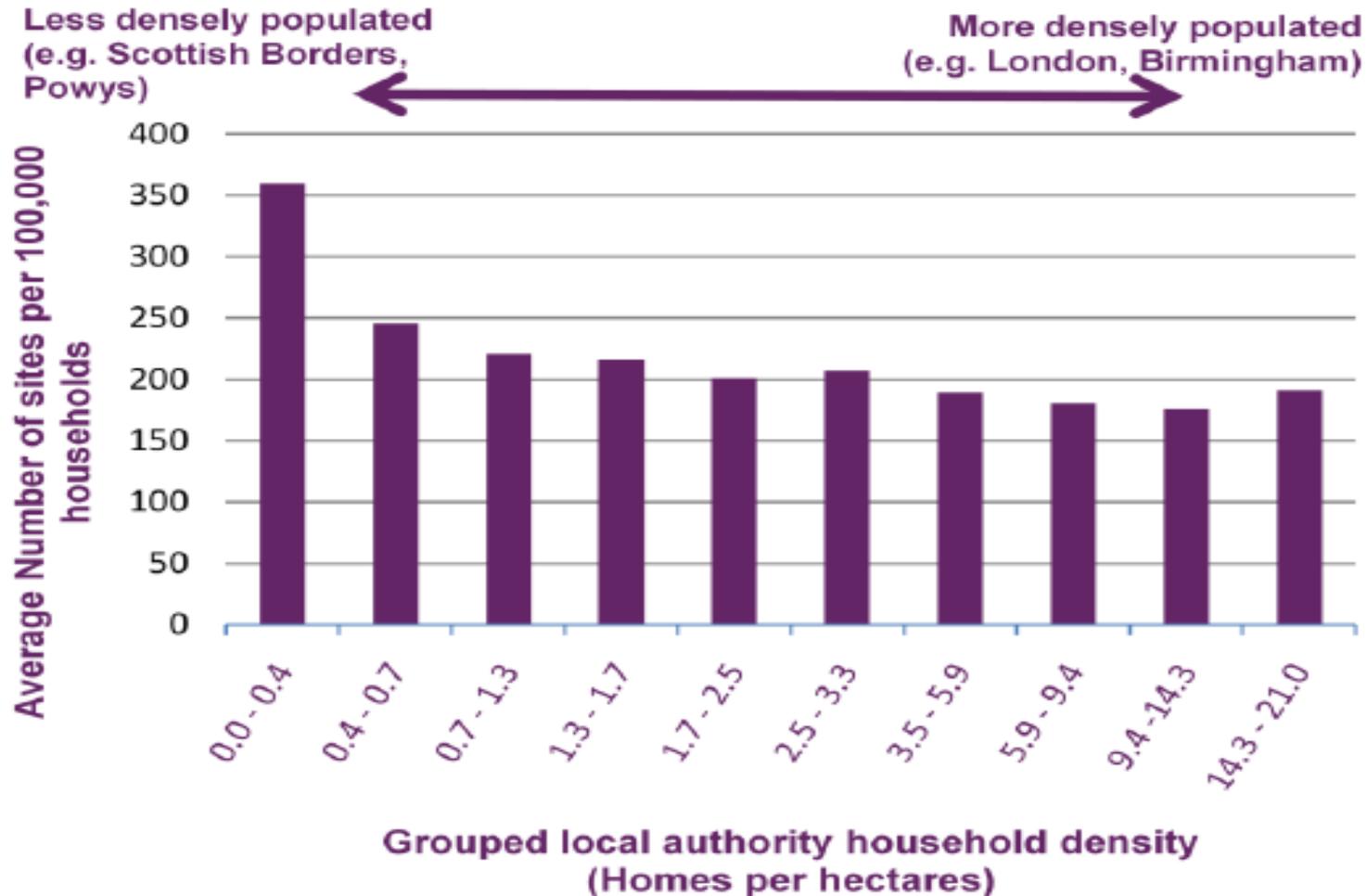
Post

- Universal service obligation
- Collection and delivery six days per week, at uniform prices throughout the UK
- Royal Mail was allowed 3,000 delivery exceptions in 2012
- Represents 0.01% of UK addresses

The role of markets

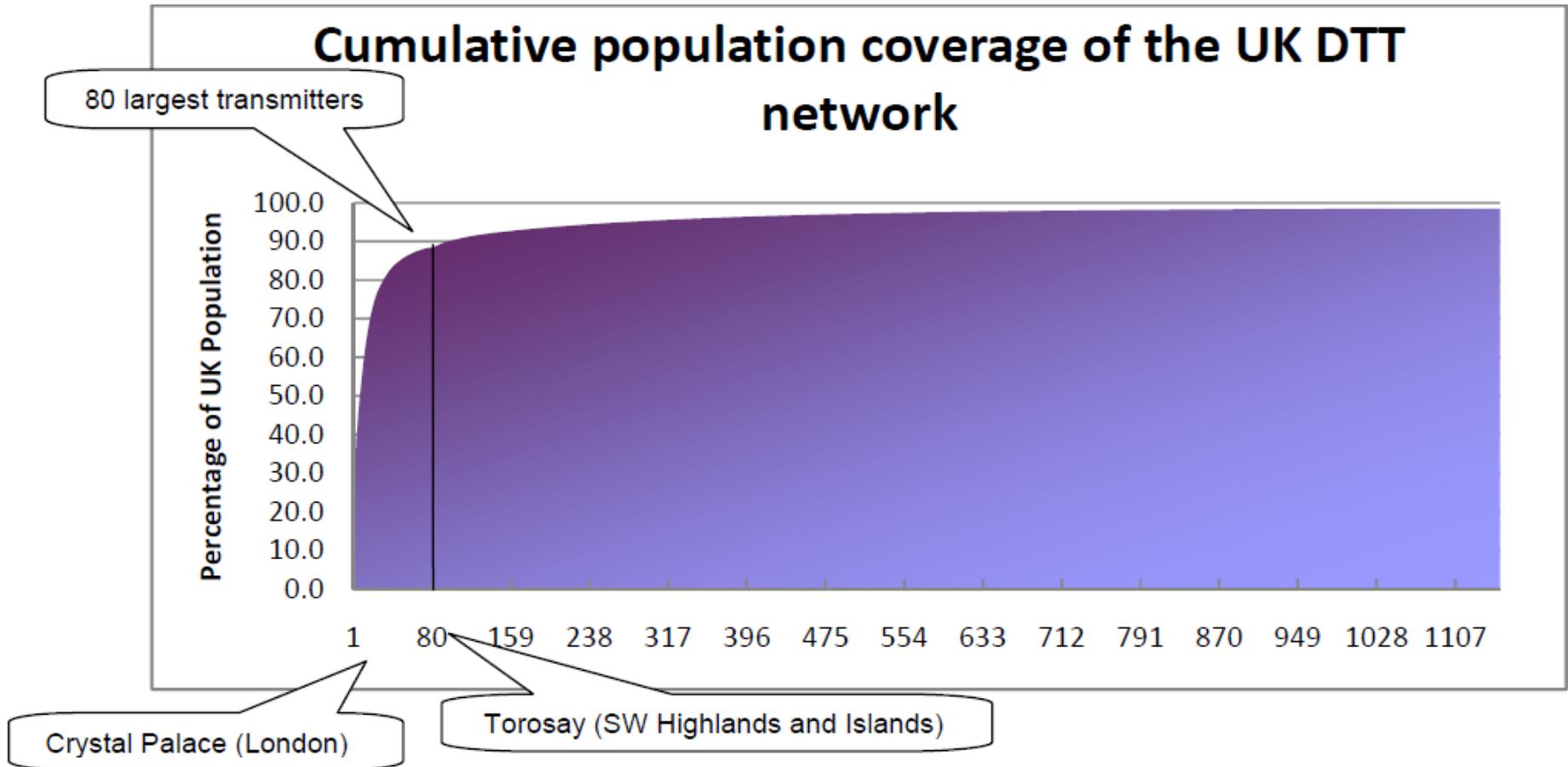
- The benefits of competitive markets
- Market imperfections
 - High fixed costs
 - Externalities
 - Pricing inflexibility
 - Market power
- What drives local availability in practice?
 - The size of demand in a particular local area
 - The cost of providing services

Average number of cell sites by local authority in Great Britain



Cumulative population coverage of the UK DTT network

Cumulative population coverage of the UK DTT network

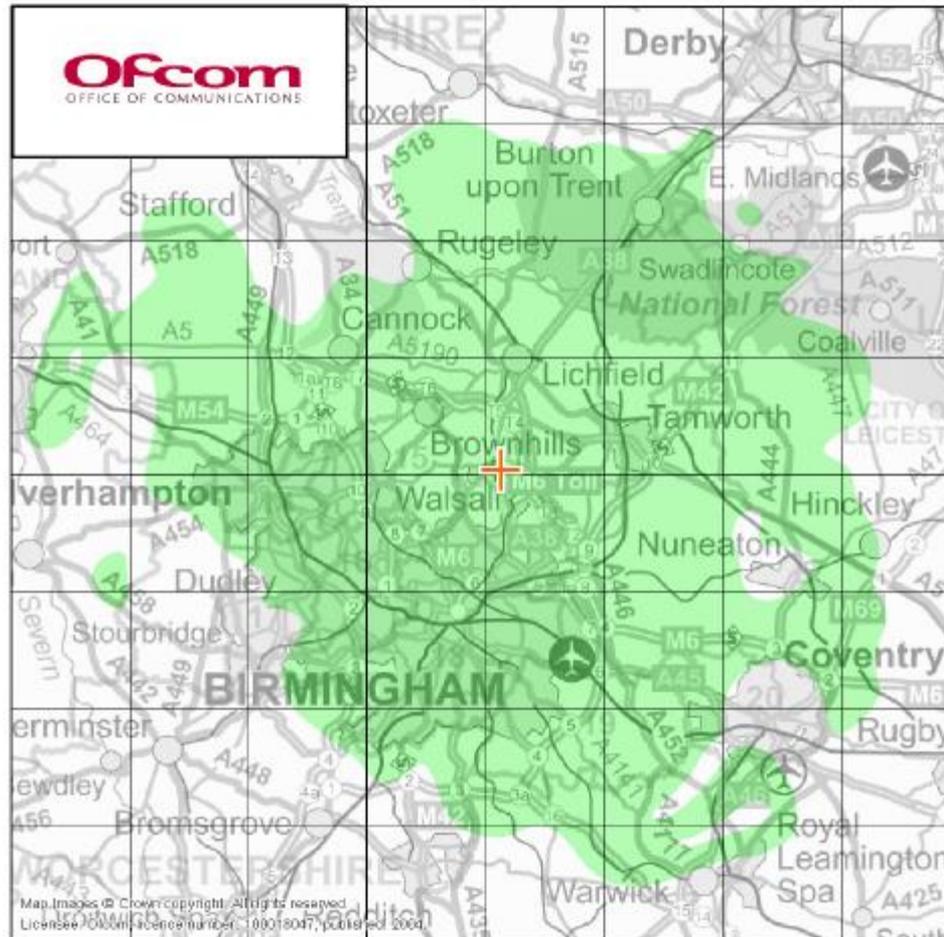


Transmitter sites and radio availability in South Wales



South Wales Regional FM MCA (Real Radio) - 1st September 2010

Transmitter sites and radio availability in Birmingham



West Midlands FM1 MCA (100.7 Heart FM) - 29th December 2003

The role of intervention

- Forms of intervention
 - Subsidy or public procurement
 - Service obligations on providers
 - Facilitation of market-based solutions
 - Community-based solutions
- Intervention in practice
 - To increase the pace of rollout to commercial levels
 - To increase coverage beyond commercial levels
 - To mimic the effects of competition

Interventions



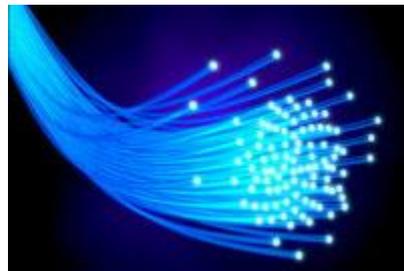
B4RN.org.uk

Community Broadband Scotland

Department for Culture, Media & Sport
Broadband Delivery UK



Superfast Cornwall



department for
culture, media
and sport

Mobile Infrastructure Project



Findings

- Rural areas experience lower availability of communications services
- Market-led rollout reflects differences in population and geography
- Universal service obligations ensure some services are available to all but at the cost of higher prices or taxes
- Areas that have not previously benefited from commercial rollout are more likely to experience market shortfalls in the future
- Intervention by public bodies and other interested parties can anticipate this
- The frameworks for universal availability are best set by elected representatives

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