



ISPA Response: Call for Evidence: Extending Local Full Fibre Broadband Networks

About ISPA

The Internet Services Providers' Association is the trade association for the Internet industry in the UK. ISPA has over 200 members from across the sector, including a large number of access provider ISPs from small to large, content platforms, hosting providers, and others. Our membership consists of ISPs rolling out and operating networks on a national and local scale utilising a variety of technologies, to those that resell wholesale services or a combination of both.

Introduction

ISPA welcomes the opportunity to respond to the Call for Evidence on Extending Local Full Fibre Broadband Networks and we see this response as complementary to the individual responses and evidence that several of our members will submit separately.

We support the Government's commitment to assisting ISPs in the UK in their already strong, market-driven efforts to rollout fibre networks and note that the Government continues to recognise value of other technologies including wireless that will help connect customers wherever they are. As an association that represents providers that deliver connectivity over fibre, copper, wireless, mobile spectrum and satellite, we believe that all these technologies can play a role in ensuring that businesses and consumers across the UK are provided with the connectivity they require cost effectively.

Response the consultation questions

Question 1: What local approaches have been taken to date or are planned - either in the UK or internationally - to stimulate the market delivery of full fibre networks, in both urban and rural areas, and what results have they achieved? Where appropriate please provide evidence and any other additional information.

We will leave it to individual members to share their details directly but would be happy to reach out to our members, should DCMS not receive the expected number of responses to this question.



ISPA Response: Call for Evidence: Extending Local Full Fibre Broadband Networks

Question 2: What evidence is there to demonstrate the effectiveness and potential of approaches A to F above, specifically in the context of stimulating the rollout of local full fibre networks in urban and rural areas?

Voucher Schemes

A study by Point-Topic, Adroit Economics and The Fifth Sector analysed the impact of the superfast broadband connection voucher in London and found that the scheme achieved an economic return on investment (ERoI) of GBP 23.67 for every GBP 1 invested in the project by Government. The ERoI was based on the positive effects that the voucher scheme had on job creation, cost savings, productivity increases and sales increases. While the study is not directly applicable to all the measures that have been outlined in the Call for Evidence, we would argue that they support the general policy direction and show that Government support for increasing connectivity, if targeted appropriately, is economically beneficial.

Moving beyond economic evidence, our members expressed the following views in relation to the Call for Evidence's discussion of a voucher scheme:

- Whilst our members found the previous connection voucher scheme useful and effective a number of operational issues were highlighted, including that there was a need for product and billing redesign and VAT complications, which made our members' engagement more difficult and burdensome than expected.
- Any new voucher scheme or similar Government support should be targeted at new infrastructure deployment, either specifically to a customer or through aggregating demand, e.g. via marketing campaigns by working together with business parks or multi-dwelling office buildings.
- We would note the potential need for explicit State aid clearance for such new infrastructure deployment in order to ensure that recipients of the voucher funds (either direct or indirect) are not subject to potentially significant state aid risk – an issue that if not clarified could stifle involvement in the scheme.

While we do not believe that a voucher scheme will be sufficient on its own, a new scheme could function as an important policy lever if it is properly administered, is easy to use for providers, targeted at genuine network expansion and enhances competition. Government has gained significant experience in administering connection voucher schemes in recent years, as have our member. Using this knowledge and feedback, an effective voucher scheme model could have an important role to play.



ISPA Response: Call for Evidence: Extending Local Full Fibre Broadband Networks

Public sector demand aggregation & Making public sector assets available

There was general support from our members for the measures outlined in the respective sections of the Call for Evidence, although it was highlighted that better access to public sector assets must not undermine competition from commercially funded assets and we received anecdotal evidence that some public sector organisations are not fully aware of relevant rights and obligations surrounding service provider access to their infrastructure and potential competition implications.

Question 3: What is the most effective and efficient delivery model Government can use to stimulate future delivery of full fibre networks across the UK in both urban and rural areas, building on and integrating approaches that have been taken to date?

Experiences from our members vary from local authority to local authority but there is merit in adopting a collaborative approach between the public sector and private providers that ensures that Government intervention is targeted at the areas where it is most needed and that providers are fully prepared to make use of potential support opportunities.

Question 4: What other changes, locally and/or nationally, are needed to reduce the cost of full fibre rollout, such as opening access to publicly and privately owned facilities, or changes to wayleaves, streetworks and other areas? What evidence is there to demonstrate the effectiveness of such changes?

We are aware that the Government has started to recognise the problems that wayleave complications (particular for buildings) as well as streetworks permits and charges pose for our members, but we urge Government to double-down on their efforts to achieve meaningful change in this area. Of all the levers that have been outlined in the Call for Evidence, addressing the high costs and administrative burdens of streetwork permits, wayleaves and other barriers would be the most universal and market-friendly way to support our members who are actively rolling out network infrastructure across the UK. Moreover, failure to address this policy area or indeed to further increase the costs and risks of such deployments e.g. via imposing additional burdens through business rates would effectively run the risk of negating a significant level of the support that Government would provide through the other levers outlined in the Call for Evidence.

Conclusion

We believe that the Call for Evidence adopts the right approach by outlining a mix of levers that Government could use to support the rollout of ultrafast connectivity in the UK. A combination of demand aggregation, potential support through a voucher scheme and better access to public sector networks would be welcomed by our members who often encounter highly localised issues in rolling out connectivity in various areas of the country. However, the most important lever for our members



ISPA Response: Call for Evidence: Extending Local Full Fibre Broadband Networks

would be to reduce the implicit and explicit barriers that local authorities, private landlords and other interested parties have put up and which significantly increase the administrative and monetary burdens for rolling out networks in the UK. Given the significant economic advantages that the availability of fast connectivity brings to local areas or even the value of properties and the UK as a whole, we would question the practice of overregulating providers through streetwork permits or burdensome wayleave agreements and hope that the Government will provide significant support to our members in this area.

As Government designs a new approach and policy to help extend full-fibre connectivity across the UK, it is vital that it clearly sets out how it intends to support the ongoing market-driven rollout and provides a clear roadmap to deliver this and allow providers to plan around it. As part of this, we would also like to see clarity on how providers and solutions that rely on a mixed-technology approach (e.g. fibre to mast) can interact with the new Government agenda.