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Consultation
Strategy
Progress

A Telecommunications Action Plan for Northern Ireland 2011-2015

Consultation
7 March 2011

Department of Enterprise,
Trade and Investment

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Your views on this
Document are welcome

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Executive Summary

1

1. Telecommunications networks deliver telephone, television, Internet, and other services, providing instantaneous communication to virtually all businesses, households, and individuals across Northern Ireland and further afield.
2. The UK telecommunications market is both fully privatised and competitive and operates primarily on a UK-wide basis. It is regulated nationally and independently of Government by the Office for Communications (OFCOM).
3. The Communications Act 2003 (as amended) gives a general power to the Department of Enterprise, Trade and Investment (DETI) to make payments to persons engaged in, or in commercial activities connected with:
 - a. the provision of electronic communications networks and electronic communications services in Northern Ireland; or
 - b. improving the extent, quality and reliability of such networks or services.
4. For a number of years, Northern Ireland has been at the forefront of the development of telecommunications services. In particular, the Programme for Government 2008-2011 acknowledged the importance of investment in infrastructure stating “**a modern, efficient infrastructure is an essential requirement for economic and social development.**” DETI has therefore used its powers to make a series of important investments, working with the private sector to ensure that broadband services are available across all of Northern Ireland and to strengthen our international telecommunications links.
5. However, the telecommunications market is fast moving and competitive advantage can be quickly eroded if regions fail to respond to emerging demand for new services.
6. Aspects of our telecommunications infrastructure are recognised as world-class. However, we believe that more can always be done. This is essential if we are to ensure that Northern Ireland remains globally competitive. Our aim is therefore to ensure that as comprehensive a range of next generation telecommunications services and data-rich applications are made available as widely as possible across the region. We therefore believe that it is important to continue working with the telecommunications industry to address two key objectives:

- Maintain Northern Ireland’s current position as a region which can offer customers access to a reliable broadband service, regardless of where they live or do business; and
 - Explore options to build on previous investments to deliver cost-effective, highly valued, faster telecommunications and broadband services, addressing the digital inclusion agenda.
7. Working with the telecommunications sector, we have delivered a number of important projects which leave significant legacy infrastructure. In particular, in 2004 we invested to ensure that a first generation broadband service was available to every business and residential customer in Northern Ireland, regardless of where they did business or lived. More recently, we have delivered a number of projects aimed at increasing broadband speeds and options for the benefit of customers. These projects have involved the deployment of a number of technology solutions, including fibre, wireless and satellite technologies. Each of these technology platforms is recognised globally as significant in delivering widespread access to broadband services.
8. We believe that access to reliable, cost-effective broadband solutions across all of Northern Ireland remains important. In particular, we are mindful of the needs and expectations of those customers who live or do business in remote rural locations in Northern Ireland and who are increasingly dependent on higher speed services to allow them to access the same opportunities as users located in towns and cities. We therefore recognise that we have further work to do to increase the coverage of the next generation of broadband services in line with the UK objective of having the **“best superfast broadband network in Europe by 2015”**.
9. Stakeholders inputting into a recent independent evaluation of our work under our 2006-2010 Action Plan expressed a range of views on how best to move forward. Some believed we should look to deliver more fibre, while others commented that wireless services, including high speed mobile broadband, are important to our future work. We believe that it is therefore important to examine the economic case for each of these options when examining how best to deliver access to the products, services and applications that will meet the wider objectives of competitiveness of our economy and digital inclusion for our citizens.
10. Finally, our experience has shown that the telecommunications sector responds to demand for services. We therefore believe that it remains important to work with the industry to stimulate demand and to exploit the economic and social benefits of our telecommunications infrastructure. We also believe that by providing evidence of demand for such services, we can encourage further private sector investment into the ongoing development of our infrastructure.
11. We therefore have four proposals to make:

PROPOSALS
Work with industry to ensure the continuing provision of access to a broadband service in Northern Ireland, regardless of where you live or do business
Work with industry to increase superfast broadband coverage in Northern Ireland in line with the UK Government’s commitment to deliver the “best superfast broadband network in Europe by 2015”
Examine the economic case for delivery of improved access to mobile voice and data services
Work with industry and stakeholders to stimulate demand for and take-up of telecommunications and broadband services

12. Clearly, the delivery of these commitments takes place in a very difficult fiscal environment. However, we have secured a draft allocation under Budget 2010 and also believe that we can make a strong case for accessing funds under the UK Coalition Government's £530 million Broadband UK Strategy. We stress that these funds are not guaranteed and part of the process of this consultation is to ensure that, with stakeholder assistance, we do get appropriate funding, in particular through Broadband UK. Our consultation is therefore based on the best information we have available and we believe that

our proposals are in line with the level of funding we may get. All of our proposals will also be subject to existing Government appraisal and approval processes.

13. As part of the process of continuing to build our case for funding we are therefore committed to working further with key stakeholders and to this formal consultation. Where not covered by the specific consultation questions, we would welcome comments on any other aspect you consider relevant.

Background to telecommunications market

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14. The UK telecommunications industry is both fully privatised and competitive. Telecommunications policy is a reserved matter with overall responsibility within the Whitehall Departments, primarily the Department for Business, Innovation and Skills (DBIS).
 15. Digital information and communications is one of the key and largest sectors in the economy, accounting for around 8% of UK GDP. It underpins the whole economy and builds national competitiveness. Telecommunications offers increased access to information for businesses and citizens. Broadband digital communications and networks are as important today as electricity was a century ago, supporting the growth of innovation and the development and delivery of new applications and services.
 16. The telecommunications market operates primarily on a UK-wide basis and is regulated nationally and independently of Government by the Office for Communications (Ofcom). The primary legislation, the Communications Act 2003 (the Act) as amended, covers all parts of the UK, with the 3 Devolved Administrations (Scotland, Wales and Northern Ireland) and the English Regions operating within UK Government policy framework.
 17. Section 149 of the Act gives a general power to the Department of Enterprise, Trade and Investment (DETI) to make investments in the market to bring about the provision of communications networks and services in Northern Ireland; or to improve their extent, quality and reliability.
 18. We recognise that in the privatised and independently regulated telecommunications market, it is a commercial decision for companies to decide which markets to enter. However, it is sometimes the case that private sector investments alone do not lead to widespread availability of or access to services, creating the potential for digital divide, especially for business users. In these circumstances, DETI has used its powers under the Communications Act to seek to stimulate further development of networks. The outcome has been that Northern Ireland has benefited significantly from a number of public investments in broadband infrastructure in recent years.
- Progress to date/Previous investments**
19. From 2004, DETI has developed and delivered a number of strategically important projects, sourcing funds available from various EU Structural Funds programmes. The projects include:
 - In 2004, investing £9.23m in the Local Access Broadband Project by which Northern Ireland became the first region in the UK, and Europe, to ensure that any customer, business or

residential and regardless of their location, could get a first generation broadband service of at least 512Kbps;

- In 2009, funding the £1.25m Remote Broadband Services contract, which made available a heavily subsidised satellite service to the small number of customers currently unable to acquire a fixed line broadband connection;
- In 2009, some €30m (approximately £24 million) was invested in a project to deliver direct international “business-level” telecoms connectivity with North America. (This was delivered jointly with the Department for Communications, Energy and Natural Resources (DCENR) in the Republic of Ireland);
- Since 2009, some £19 million of Government funds and £31 million of private sector investment is being made to deliver access to higher speed broadband services to at least 85% of businesses across Northern Ireland by May 2011 under the Next Generation Broadband Project (NGBP).

Current market assessment

20. However, the telecommunications market is fast moving. Competitive advantage can be quickly eroded or lost in the region if appropriate investment is not made in latest technologies or activities undertaken to maximise the benefits of legacy networks and infrastructure. In 2007, an independent report into the operations of DETI’s Telecoms Policy Unit concluded that “the existing infrastructure in Northern Ireland, which is world-class according to technological, extensiveness or economic measures, will not remain world class if it does not continue to evolve in step with leading broadband countries worldwide. So the policy objective of a world class telecommunications infrastructure is a dynamic objective, requiring a series of calculated interventions or forbearance

over time in step with international comparisons based on meaningful (and changing) objectives”.

21. More recently in July 2010, the Telecommunications Sub-Panel of MATRIX, the Northern Ireland Science Industry Panel, has concluded “at this point it is clear that Northern Ireland is in a strong position with respect to the Telecommunications environment due to the 100% broadband rollout, Project Kelvin and Next Generation Broadband Project. However, it is clear that competing countries and regions are continuing their efforts to improve in this area due to the economic necessity for advanced digital interaction. Therefore, this report represents a snapshot and continued assessments on a “light touch” basis will be necessary to support the overall agenda”. And, in October 2010, stakeholder input to an independent evaluation of DETI’s 2006-2010 Action Plan commented that “if you stand still in telecommunications you are moving backwards”.
22. The importance of world-class telecommunications infrastructure supporting the delivery of high quality broadband services is recognised globally. Locally telecommunications was highlighted in the 2008-2011 Programme for Government as follows:

“a modern, efficient infrastructure is an essential requirement for economic and social development. It provides a platform to allow our businesses to compete more effectively, to attract investment and skilled workers and to promote inclusion and access to services and raise the quality of life for everyone.”
23. In addition, the 2008-2018 Investment Strategy for Northern Ireland stated that “we will work with the private sector to deliver an unrivalled telecoms

infrastructure to drive up competitiveness of local businesses and attract internationally mobile investment in the high technology and tradable services sectors.”

24. Against this background, the Northern Ireland Programme for Government 2008-2011 has seen unprecedented levels of public sector investment in telecommunications. Coupled with the additional private sector investments, the collective value of Project Kelvin and the Next Generation Broadband Project is in excess of £100 million. The full economic benefit of these projects will take time to emerge. It will also depend on strong take-up and high value use of the technologies by customers. We believe that take up and demand will stimulate network owners and operators to make further investments.

Current EU/UK perspectives

25. The importance of telecommunications continues to be recognised at European and national (UK) levels. Indeed, UK policy is derived from emerging EU digital proposals, tailored to address specific priorities at a national level.

EU Agenda

26. Europe 2020, the European Council’s strategy for jobs and growth, specifically includes a telecommunications stream built around delivery of access to broadband services, unleashing the potential of the digital economy, deployment of wireless services, effective use of radio spectrum and advanced use of the internet.
27. Europe 2020 also recognises that notwithstanding the existing climate, the start of the recovery phase of an economic cycle is the most effective moment to undertake the restructuring of services and renewal of infrastructures that are needed to

set the stage for long-term growth. It also concludes that Europe could put itself onto a fast track to growth by raising its global competitiveness in the Digital Economy, most notably in the market for information and communication technologies, very high speed broadband, and on-line dissemination of knowledge and distribution of goods and services.

The UK response to Europe 2020

28. The EU Strategy has been largely endorsed by the UK Coalition Government. On 6 December 2010, it launched the Broadband UK Strategy¹, the mechanism by which it plans to deliver the “best superfast broadband network in Europe by 2015”. The UK Government has committed £830m to meet this objective and has already allocated funds in support of 4 pilot projects in Scotland and England.
29. The Strategy’s main commitment is to work with industry to stimulate delivery of widespread access to next generation broadband services. The priority investment areas are those most at risk to digital exclusion, because the cost of delivering services is too great without Government subsidy.
30. The delivery of widespread access to next generation services is also viewed by the Coalition Government as contributory to ensuring that a broadband service of at least 2Mbps will also be widely available in the most difficult and expensive to reach areas.
31. In determining what constitutes the “best superfast broadband network in Europe”, the UK Government has indicated that its assessment will be made up of four headline indicators: speed, coverage, price and choice, rather than on a single measure such as headline download speed. The

¹ Britain’s Superfast Broadband Future

Coalition Government has tasked Broadband UK to deliver this national objective and has given it appropriate resources and funds to fulfil this goal.

32. Broadband UK is critical to our assessment of priorities. It presents a significant funding opportunity and establishes national telecommunications priorities within which we can develop funding bids to meet our own specific needs. It also aims to deliver Digital Inclusion by promoting end-user and community participation in shaping telecommunications action plans and responsibility for stimulation of demand for new applications and services.

The need for a new telecommunications strategy

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33. While aspects of our telecommunications infrastructure are recognised as world-class, we believe that more can always be done to ensure that Northern Ireland remains globally competitive and that superfast broadband services are available as widely as possible across the region. We therefore believe that it is important to continue working with the telecommunications industry to address two key objectives:
- Maintain Northern Ireland's current position as a region which can offer customers access to a reliable broadband service regardless of where they live or do business; and
 - Explore options to build on previous investments to deliver cost-effective, highly valued, faster telecommunications and broadband services, addressing the digital inclusion agenda.
34. It is against this background that we have examined opportunities and evidence-based need to make further, appropriate investments in the Northern Ireland market. We believe that it is vitally important for the region to maintain, build on and exploit the competitive advantage achieved through our most recent investments to deliver direct international business connectivity and as one of the first regions of the UK to deliver a widespread next generation solution.
35. Clearly meeting these objectives will be challenging in a very difficult fiscal environment.
- However, the Northern Ireland Executive has continued to recognise the importance of investing in economic infrastructure and we have secured a draft allocation under Budget 2010 to carry forward appropriate telecommunications projects. In addition, we believe that we are strongly placed to access funding under Broadband UK.
36. Whilst to date some £830 million has been earmarked to deliver this strategy across the UK, we must recognise that this is a competitive fund. So while our case for further investment may be strong, with the most rurally dispersed population of the UK, accessing funding will require significant effort, and there can be no guarantee given that funds will be secured. We firmly believe, however, that NI can make a strong case to secure funds, but we will need to work with all the relevant stakeholders, including the telecoms industry, businesses, business leaders, Northern Ireland Councils and the citizen to help us make that case.
37. Stakeholders inputting into the recent independent evaluation of our 2006-2010 Telecoms Strategy were divided on what the key elements of a successor telecommunications strategy should be. Some recognised the importance of further fibre deployment as key to delivery of next generation access. Others cited a need for wireless technologies to address infill in the most rural locations, pointing out perceived disadvantage across rural Northern Ireland in terms of access to mobile voice and data services.

38. DETI must, and will remain strictly technology neutral, leaving the market to identify the most appropriate solutions. However, we do believe that the arguments in favour of either fibre or wireless services are not mutually exclusive. Current distinctions between fixed and mobile networks are eroding, with for example shared backhaul and offloading of mobile data to the fixed networks.
39. This situation is fully recognised in the Broadband UK Strategy, with at least 4 of the composite measures for assessment of the extent to which the UK delivers the best superfast broadband network in Europe focusing on mobile broadband solutions. In fact, the Strategy is specific in terms of the expectations on technology solutions, stating that “although it has to be recognised that high-capacity fibre optic deeper into the network is likely to be a key feature of the UK’s network going forward...at the same time we wish to facilitate the development of the next generation of mobile broadband services”.
40. The Strategy also concludes that satellite is a viable option for the most remote users and that it will need to be part of any solution aiming at universal coverage. That, of course, has been recognised in Northern Ireland since December 2005, with a small number of users accessing a satellite service initially under the 2004 Local Broadband Access Contract delivered by BT and latterly under the Remote Broadband Services Contract with Avanti Communications. It is widely recognised that satellite technology will continue to play a role in delivering broadband internet services as it represents a cost effective and economic way of delivering services to some of the most remote inhabitants of the UK.

CONSULTATION QUESTION 1

Do you agree that there is a need for a further telecommunications strategy for Northern Ireland?

Our proposals

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Proposal 1

Work with industry to ensure the continuing provision of access to a broadband service in Northern Ireland, regardless of where you live or do business

41. At present everyone in Northern Ireland, regardless of where they live or do business, has access to a broadband service. This is almost exclusively delivered using fixed line technology (through telephone lines), but also includes other technology, including wireless and satellite.
42. Just over 1,000 customers currently access broadband via satellite because their premises are located at too great a distance from the nearest telephone exchange to allow them to get a reliable fixed line service. This service is delivered under contract to DETI until January 2012 by Avanti Communications, who offer a range of broadband services from 512Kbps to 3Mbps. In November 2010, Avanti launched its own dedicated satellite, HYLAS-1 which is expected to significantly increase the range and quality of broadband services available. For the existing satellite customer base in Northern Ireland this may prove to be a significant development, with anticipated services of up to 8Mbps to become available.
43. For some users satellite may well remain the most cost-effective solution and we believe that it is important to consider our position in light of the completion of the existing contract in January

2012. Our first proposal is therefore to examine the economic case or need for further Government investment to ensure that regardless of where customers live or do business in Northern Ireland, they have access to a broadband solution at an acceptable price point. This may include satellite or wireless solutions for those who are located at the very edge of or beyond the capability range of fixed line networks.

CONSULTATION QUESTION 2

We believe it is important for customers in Northern Ireland, regardless of where they live or do business, to continue to have access to broadband. Do you agree?

Proposal 2

Work with industry to increase superfast broadband coverage in Northern Ireland in line with the UK Government's commitment to deliver the "best superfast broadband network in Europe by 2015"

44. In May 2011, DETI will complete its Next Generation Broadband Project, with the rollout of fibre to more than 1,200 cabinets. Taken alongside BT's ongoing investment under its "business as usual" model, Northern Ireland's core telecommunications network will benefit from close to 1,700 fully fibred cabinets.
45. The robustness of our core network is central to achieving the ambition of widespread access to a

superfast broadband service. Indeed, on completion of the Next Generation Broadband Project we estimate that in excess of 90% of customers will be able to access fibre services of between 2Mbps and 40Mbps. At paragraphs 37 and 38 of this document we explained how we believe that increasingly the distinction between fibre and wireless services is being eroded. We believe that it is the case that fibre deployed deep into our rural network is the key platform for addressing the objectives of the Broadband UK Strategy in Northern Ireland.

46. As referenced at paragraph 37, stakeholders inputting into the evaluation of our 2006-2010 Strategy were divided in terms of the arguments for extending fibre deployment and delivering improved mobile broadband services. The case for fibre is well-recognised internationally, with the Broadband UK Strategy concluding that it is likely to be a key feature of the UK telecommunications network going forward. We would like to explore these issues in more detail and believe that in making the case for funding under the £830m Broadband UK Strategy, a hybrid proposal, or one which examines how fibre can be used to deliver access to services, products and applications valued by the consumer, may be appropriate.

CONSULTATION QUESTION 3 and 4

Should examination of ways to exploit our existing fibre platform to increase access to superfast broadband services and applications be part of our strategy?

How should we go about delivering improved access to superfast broadband services?

Proposal 3

Examine the economic case for delivery of improved access to mobile voice and data services

47. Evolutions in wireless technologies are already showing the potential for delivery of very high data rates. Coupled with UK Government proposals to examine the design of the auction of spectrum suitable for delivery of 4G² services, this creates opportunity to maintain Northern Ireland's position as an innovator in broadband solutions. One possible outcome could be availability of one or more high speed mobile networks with extensive coverage across most of Northern Ireland, complementing the widespread availability of fixed line broadband services.

48. Mobile is one of the most competitive markets in the telecommunications sector. Coverage commitments imposed on network operators have been met. However, in many rural parts of the UK coverage is limited and the investment model for the network operators is unsustainable given low customer numbers. License conditions for 2G do not stipulate a coverage target. The license condition for 3G coverage is 90% of population, but expressed at national (UK) level, meaning that this level of coverage can be demonstrated by the network operators by concentrating their rollout programmes in the major towns and cities of the UK.

49. OFCOM is responsible for setting and monitoring coverage targets for 2G and 3G services across the UK which were set in exchange for granting of operating licenses to Mobile Network Operators (MNO). In doing so, it concludes that for an operator to be counted as having coverage, its network footprint has to cover at least 90% of a postcode district.

50. For its assessment of both 2G and 3G service coverage, Ofcom analyses the market in terms of postcode districts where:

² 4th Generation of Mobile Services, typically optimised for data traffic

- At least one; and
- All four of the network operators have area coverage above the 90% threshold.

51. Ofcom has also examined 2G and 3G geographic coverage to assess where there may be gaps in provision as a consequence of the mobile network operators concentrating network deployments in areas of highest population density. The table on page 15 shows the 2G and 3G population and geographic coverage figures for the UK and each of the nations at the end of 2009³ as established by reference to the postcode analysis procedure (percentage of postcode districts where the 90% coverage threshold is met):

52. The table on page 15 shows that while Northern Ireland's 2G postcode coverage at the 90% threshold level is largely on a par with the UK average (although marginally below the 90% coverage target) and the other nations in terms of both population and geographic coverage in respect of one or more operators, it lags significantly behind the UK average for coverage by four or five operators.

53. Lack of access to 3G services is much more pronounced, with significant disparity between Northern Ireland and the UK generally and all 3 competing nations (England, Scotland and Wales) in respect of coverage at the 90% threshold by population analysis (both in terms of coverage by one or more and four or more network operators). Northern Ireland similarly lags behind the UK average when analysed by geographic coverage at both one or more and four or five network operator levels. These figures, while highlighting issues with coverage in Northern Ireland, do not however necessarily point to a market failure – indeed the

concentration of services in areas of highest population density and demand, creating more certainty in respect of commercial return on investments, is symptomatic of the market operating as expected.

54. However, they do emphasise the extent to which deployment of reliable mobile services has been concentrated in areas of highest population density in line with the national coverage requirements. They are also suggestive of little likelihood of further network development in not-spot areas where the Mobile Network Operators are currently unable to develop a commercially sustainable business model due to low population numbers.

55. Examination of the UK market has shown substantial growth in use of and increasing reliance placed on access to mobile phone technology. This is also reflected in Northern Ireland⁴, with:

- 52% of consumers reporting that their mobile phone is their main means of making/receiving calls (the highest proportion of any of the UK nations);
- Conversely, 44% of consumers reporting that their fixed line at home is their principal means of making/receiving calls (the lowest among the 4 nations).

56. However, analysis of satisfaction with both mobile broadband and mobile phone services in Northern Ireland highlights not unexpected results as a consequence of the coverage issues. The following reported statistics show the extent of dissatisfaction:

³ Source: Ofcom Communications Market Report 2010 Northern Ireland Review

⁴ **Source: Ofcom Communications Market Report 2009 Northern Ireland Review**

- 12% of Northern Ireland consumers report that they are very satisfied with mobile broadband (against a UK average of 42%), with 66% expressing that they are satisfied or very satisfied with services (UK average 83%);
- Lower proportion of consumers in Northern Ireland (44%) report that they are very satisfied with mobile phone services than the UK average (62%), with consumers in rural Northern Ireland expressing a lower level of satisfaction (39%) than those in urban areas (47%); and
- Northern Ireland consumers expressing that they are very satisfied with mobile phone reception (44%), significantly lower than the UK average (58%), with consumers in rural locations in Northern Ireland expressing a significantly lower level of satisfaction (33%) than those in urban areas (51%)

57. Ofcom has also conducted research at UK level with businesses to assess business user trends and the level of satisfaction with mobile services⁵. The sample size of 1,229 businesses included 151 from Northern Ireland. Its report reveals:

- 79% of businesses place a high degree of importance on access to reliable mobile services;
- 12% of UK businesses are dissatisfied with geographical availability of mobile services; and
- 15% of NI businesses are frustrated by unreliable mobile lines/connections

58. The European Commission has itself raised the importance of mobile networks to the creation of a joined-up Europe, reporting that mobile penetration across Europe now exceeds 100%, making it the world leader in mobile penetration. The Commission's i2010 High Level Group (HLG), presenting its annual assessment of the impact of the i2010 Strategy and thoughts on a suitable monitoring framework for the period 2011 to 2015⁶ has also noted how ubiquitous mobile connectivity can have a huge and environmentally positive impact on business models.

59. In April 2010, the Ministers responsible for the Information Society Policy of the European Union Member States made the Granada Ministerial Declaration on the European Digital Agenda, calling for "rapid development of innovative digital wireless services and efficient use of radio spectrum

CONSULTATION QUESTION 5 and 6

How important is widespread access to mobile voice and data services to meeting the needs of users (business and residential) and addressing existing coverage disparities?

Do you see any obstacles to delivery of this proposal?

⁵ Source : Ofcom Business Consumer Experience 9 December 2009

⁶ i2010 High Level Group – Benchmarking Digital Europe 2011 – 2015 – A conceptual Framework

2G Mobile Phone Coverage										
	One or More Operators					Four or Five Operators				
	UK	England	Scotland	Wales	NI	UK	England	Scotland	Wales	NI
Population Coverage	98%	99%	89%	92%	92%	85%	87%	63%	60%	57%
Geographical Coverage	92%	98%	68%	83%	93%	71%	82%	36%	40%	48%

3G Mobile Phone Coverage										
	One or More Operators					Four or Five Operators				
	UK	England	Scotland	Wales	NI	UK	England	Scotland	Wales	NI
Population Coverage	87%	91%	67%	67%	43%	39%	43%	28%	12%	7%
Geographical Coverage	75%	87%	39%	39%	41%	32%	39%	14%	7%	9%

Proposal 4

Work with industry and stakeholders to stimulate demand for and take-up of telecommunications and broadband services

60. In our 2006-2010 Action Plan, we recognised the importance of stimulating demand for services to encourage further private sector investment into the upgrade of our telecommunications networks. Through our existing Logon-NI project we aim to increase business take-up of broadband and to encourage high value use of the technology to deliver economic benefit. Logon-NI also builds on work already undertaken by Invest NI through its ICT Advisory Service.
61. Demand stimulation is also a key theme of the Digital Europe 2020 and Broadband UK Strategies. Indeed the Broadband UK Strategy specifically recognises the critical role that local communities can play in creating demand. In our discussions with the Department for Business Innovation and Skills, the importance of showing evidence of demand stimulation activities when seeking funding have been stressed to us.

62. Other Government Departments (such as the Department of Finance and Personnel) continue to develop and deliver initiatives aimed at getting people online. In addition, the network operators and service providers run their own marketing campaigns to stimulate demand. However, we believe that others have a role to play and indeed may already be delivering demand stimulation initiatives, which can help us to make the case for funding through Broadband UK.
63. Our final proposal is therefore to work with all key stakeholders to identify stimulation programmes which will support our bid process and this consultation exercise is critical to that proposal. However, we stress that demand must be evidence-based as network operators and service providers base investment decisions on likely demand and take-up. It is also a measure used to assist policy makers in deciding whether to fund projects or programmes under the Broadband UK strategy.

CONSULTATION QUESTION 7, 8, 9 and 10

Do you agree that demand stimulation actions should underpin our investment proposals?

How should we go about including stakeholders when developing our evidence base of stimulation activities?

What existing demand stimulation initiatives either within your control or about which you have knowledge should we be aware of?

Are there any other options for addressing Broadband UK objectives that we have not considered within our four existing proposals?

Questions for consultees

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1. Do you agree that there is a need for a further telecommunications strategy for Northern Ireland?
2. We believe it is important for customers in Northern Ireland, regardless of where they live or do business, to continue to have access to broadband. Do you agree?
3. Should examination of ways to exploit our existing fibre platform to increase access to superfast broadband services and applications be part of our strategy?
4. How should we go about delivering improved access to superfast broadband services?

5. How important is widespread access to mobile voice and data services to meeting the needs of users (residential and business) and addressing existing coverage disparities?
6. Do you see any obstacles to delivery of this proposal?
7. Do you agree that demand stimulation actions should underpin our investment proposals?
8. How should we go about including stakeholders when developing our evidence base of stimulation activities?
9. What existing demand stimulation initiatives either within your control or about which you have knowledge should we be aware of?
10. Are there any other options for addressing Broadband UK objectives that we have not considered within our four existing proposals?
11. Do you agree with our impact assessments conclusions?
12. Are there any matters we have not taken into consideration in reaching these conclusions?

Assessment of impacts of proposals

6

64. Impact assessments are a basic component of best practice in policy making. There are a wide range of impact assessments to be considered within the context of policy development in Northern Ireland, and as part of its policy development process, DETI has followed best practice in examining the following impacts of the proposals set out in this consultation document:

Social Impacts

- Crime
- Community Safety and Victims
- Equality
- Health
- Human Rights
- Rural
- Social Inclusion

Economic Impacts

- Economic Impact Assessment
- Regulatory
- Legal Aid
- State Aid

Environmental Impacts

- Environmental
- Strategic Environmental

65. On the basis of this work, DETI has screened out the following categories on the grounds that the proposals are considered to have no impacts, either positive or negative, or that if there are impacts they are neutral: Crime; Community Safety and Victims; Health; Human Rights; Regulatory; Legal Aid and Strategic Environmental. Copies of our assessments in respect of these impact categories are attached as Annex A.

66. As the telecommunications market is fully privatised, should any of the proposals be carried forward for implementation, we will have to undertake a more detailed State Aid assessment. However, we will engage at the appropriate time with the European Commission to make sure that any interventions are consistent with the Commission's guidelines. At the appropriate point we will also undertake full Economic Appraisals prior to commitment of any investment and any proposals brought forward for implementation will follow full internal casework procedures and Department of Finance and Personnel guidelines and requirements regarding capital expenditure. Our initial assessments against each of these categories are attached as Annex B.

67. Following our initial examination of proposals we have undertaken more detailed assessment of impacts in respect of the following categories: Equality; Rural; Social Inclusion and Environmental. Attached as Annex C is our detailed assessment of impacts across these categories. In each instance we believe that the proposals demonstrate positive or no adverse impacts and accordingly we propose no further examination of these issues at this stage – we will, of course, continue to assess the impact of any proposals which are carried forward for implementation to ensure that positive impacts are captured and maximised.

CONSULTATION QUESTION 11 and 12

Do you agree with our impact assessments conclusions?

Are there any matters we have not taken into consideration in reaching these conclusions?

How to respond to this consultation



68. When responding, please indicate if you are doing so as an individual or representing the views of an organisation. If responding on behalf of an organisation, please tell us how the views of other members were assembled. Responses to the consultation or queries in relation to any of the policy issues can be addressed to:

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69. The Department of Enterprise, Trade and Investment will consider responses to this consultation and publish its response within 12 weeks of closure of the consultation period on 27 May 2011. Responses will be used, where appropriate, to refine the Department's Strategic Action Plan for telecoms for the period 2011-2015.

Obtaining additional copies of this document



70. You may make additional copies of this document without seeking permission. Further printed copies can be obtained by contacting us using the telephone, fax or e-mail addresses listed above. An electronic version of the consultation document can be found at <http://www.detini.gov.uk/content-home-consultations.htm>
71. If you require access to this consultation paper in a different format such as Braille, disc, audio cassette or in a minority ethnic language, please contact the Department and appropriate arrangements will be made as soon as possible.

Confidentiality and data protection

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72. Your response may be made public by the Department. If you do not want all or part of your response or name made public, please state this clearly by marking it as 'CONFIDENTIAL'. Any confidentiality disclaimer that may be generated by your organisation's IT system, or which is included as a general statement in your fax cover sheet, will be taken to apply to information in your response for which confidentiality has been specifically requested.
73. Information provided in response to this consultation, including personal Information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA)). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
74. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation. However, we cannot give assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.



Department of

**Enterprise, Trade
and Investment**

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Your views on this
document are welcome.

7 March 2011

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