Submission to Government Consultation on Urban Broadband Fund Voucher Scheme

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Introduction

We are a Telecom and Data Reseller based geographically outside of the proposed Super Connected Cities however we have many customers within these proposed areas.

We believe that the Super Connected Cites programme will be a great benefit to our SME customers. We do however wish to raise two concerns.

Concern 1

Our first concern is that we will not be able to participate due to geographical reasons and/or we will have to apply multiple times.   If we are not able to participate we will be in a position of facing unfair competition. This concern can essentially be summarized in the following questions.

Who will choose which suppliers can participate in the scheme?
a)HM Government
b)Local Authority
If B; will we have to apply to each Local Authority?

What is the criteria to become a participant supplier?

Will the criteria be the same in each City?

Our solution would be that all suppliers can participate based solely on the customer's choice. The issue of potential fraud can be validated with relevant documentation on submission of the voucher.

Concern 2

Most of our SME customers who are in and outside the proposed Super Connected Areas would benefit from Fibre to the cabinet (FTTC) technology. FTTC can provide up to 20 times more bandwidth (20mb) currently available for uploading to the internet and 4 times more download bandwidth (80mb) compared to ADSL2+ (broadband). Costs to SME are only marginally higher than ADSL+ to install and for rental costs. This makes FTTC the most viable solution.

The next available product Ethernet in the first Mile (EFM) sees a jump in costs of up to 10 times compared to ADSL2+ but only a similar download bandwidth with an upload benefit of up to 20 times the bandwidth (20mb). EFM does provide other benefits however for most SME's these are not relevant.

The current roll out for FTTC is concentrated on the Residential market and BT cabinets used by business parks/ industrial estates are being bypassed. Indeed whole BT exchanges in Central London are being missed with no plans for implementation. This is detailed in the below diagram (fig 1).
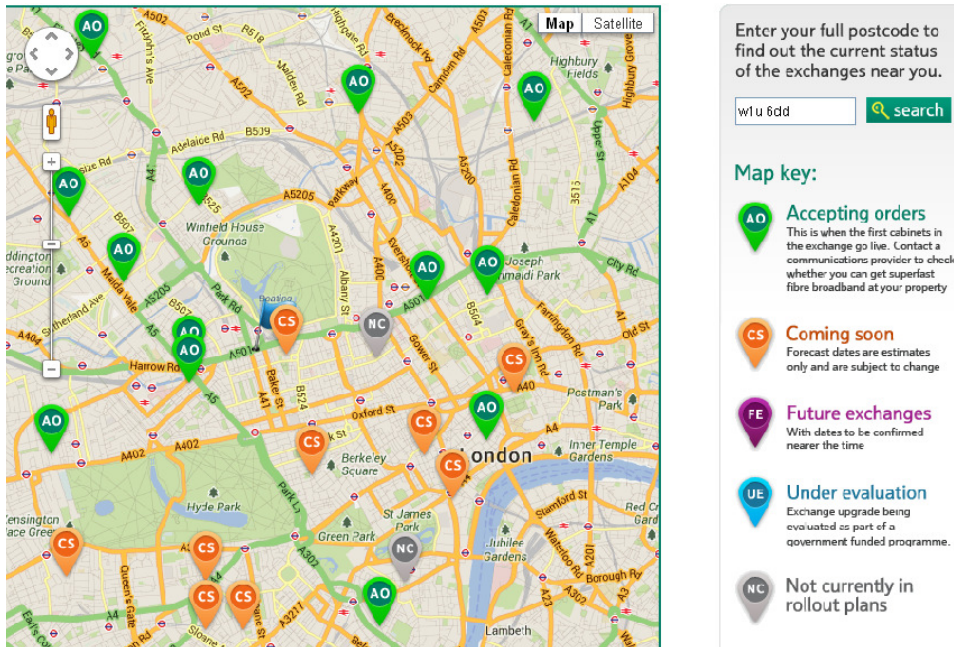

Fig 1 – Enabled FTTC exchanges in Central London. Source: BT Openreach 24/07/13

For Urban Broadband Fund Voucher Scheme to be successful FTTC needs to be available as an option for all SME's and there needs to be a focused rollout for BT Exchanges and Cabinets to be enabled as soon as possible.