

Response from Sohonet

I would like to express strong interest in this initiative. At Sohonet we often find that a major barrier to SME's accessing higher bandwidth services is the upfront installation cost for the services. With the increasing development of cloud based services for accessing offsite, scalable storage and compute utility services, access to connectivity has never been more important. SME's are greater beneficiaries of utility cloud based services due to the general capital constraints that exist for these companies. By being able to access such services the smaller companies are finding they can compete with larger companies on the basis of who has the best creative talent rather than who has the greater capital resources. In addition, high bandwidth allows regional companies to compete with larger metros on a more level playing field.

We believe that the contribution of a voucher of up to £3,000 will be attractive to SME's. We have found that this amount is a reasonable average although actual install costs vary greatly from area to area even within a given city. I would suggest that some cities may need to consider a higher voucher level for different parts of a city if such an area is not well covered by existing fibre providers. This may be necessary to create a level playing field for all SME's within a city and ensure that business in one part of a city are not overly disadvantaged due to a lack of underlying fibre infrastructure. In this regard I would suggest some portion of the funding for the vouchers to be set aside for 'special cases' and perhaps businesses can apply for an uplift if, for example, the total cost of install is more than double the voucher amount available.

Sohonet is experienced in dealing with businesses directly and we are very comfortable working with the voucher scheme on the basis that the end user controls the commercial arrangements and utilises the voucher in this way. We would also be interested in working more with the cities to understand the type of companies and profiles working in the digital and creative media spaces in these cities. Sohonet focuses exclusively on digital production and postproduction workflows for all companies creating film, TV and advertising.

I believe the idea of a portal is a sound one. In terms of reaching a market in each city, direct HTML marketing would be a good avenue to drive potential customers to the portal. A simple list of suppliers with a summary of their services and their focus plus a link to the suppliers own portal or websites would be a good avenue to create an environment for SME's to connect to the right supplier and ensure an open and fair market. I do not believe this measure will distort the market given the voucher is offered to the end user to spend as they would do if they had to pay the connection themselves.

I look forward to discussing this further in due course.

Thanks
Damien

Damien Carroll
Chief Operating Officer
Tel: +44 (0) 20 7292 6900 | Mobile: +44 (0) 7748 930 902
Email: damien.carroll@sohonet.com

Sohonet | 5 Soho Street | London | W1D 3DG

For full details of Sohonet's registered offices/addresses
please visit <http://www.sohonet.com/contact-us/>