

Press release: Universal broadband to reach every part of the UK

BT has put forward an offer to voluntarily provide this service across the country, which would largely be delivered by Openreach. The offer has been received after the government committed to introduce a Universal Service Obligation (USO) through regulation to give every home and business in the UK the right to request a high speed connection of at least 10 Megabits per second (Mbps). That's the speed that will meet the typical needs of a family for them to be able to stream films, carry out video conferencing and browse the web at the same time.

The BT proposal would mean many premises will receive substantially more than 10Mbps – homes and businesses are also expected receive connections more quickly than could be delivered under a regulatory approach. The Government will now consider this offer alongside a consultation on the regulatory USO – which is being launched today.

Culture Secretary Karen Bradley said:

The government is taking action to ensure that people everywhere in the UK can get a decent broadband connection as soon as possible. We warmly welcome BT's offer and now will look at whether this or a regulatory approach works better for homes and businesses.

Whichever of the two approaches we go with in the end, the driving force behind our decision making will be making sure we get the best deal for consumers.

The communications regulator, Ofcom, has advised that 10Mbps, with quality requirements to limit delays and support uploading content as well as downloading it, meeting the needs of a typical household. It will also provide improved connectivity for many small businesses. A regulatory USO would provide a safety net, meaning that fast and reliable broadband was available to everyone, regardless of where they lived. The consultation being launched today outlines detailed proposals for how this new right to request a connection would work in practice.

This will help Government take a decision on the best way to get better broadband in hard to reach areas. No decision has been taken, and the Government will carefully weigh the merits of the two approaches. Unlike under a regulatory USO, the proposal from BT is to proactively build the necessary network infrastructure to connect the majority of households and businesses rather than wait for this to be done on request.

It is also proposed that BT would fund this investment and recover its costs through the charges for products providing access to its local access networks. The approach to recovering these costs will be considered in

Ofcom's current wholesale local access review.

BT Chief Executive Gavin Patterson said:

We are pleased to make a voluntary offer to deliver the Government's goal for universal broadband access at minimum speeds of 10Mbps.

This would involve an estimated investment of £450m – £600m depending on the final technology solution.

This investment will reinforce the UK's status as the leading digital economy in the G20. We already expect 95% of homes and businesses to have access to superfast broadband speeds of 24Mbps or faster by the end of 2017. Our latest initiative aims to ensure that all UK premises can get faster broadband, even in the hardest to reach parts of the UK.

The Government will now work with BT over the coming months to develop the proposal – which, if it is accepted, will be legally-binding. The Government will make a decision following its consultation on the regulatory USO.

Notes to editors:

1. BT proposes to use a range of technologies to deliver this, including fibre to the cabinet, fibre to the home and fixed wireless. Fixed wireless will be made available at an affordable price for hard to reach premises.
2. They would use these technologies to take the UK's 10Mbps coverage to around 99 per cent by 2020. All of these technologies will come with quality standards including a minimum 1Mbps upload speeds, and requirements to minimise delays from contention and latency.
3. Fixed coverage would be made available to as many premises as possible. BT expects to complete the build of this fixed network by either December 2021 or December 2022 depending on the mix of technologies used, some of which are subject to trial and industry consultation.
4. The number of premises that will only have satellite as an option is expected to be 0.3% by the end of 2022.
5. Today, over 93 per cent of UK homes and businesses can already get superfast broadband (24 Mbps+), and as a direct result of the Government's Superfast Broadband Programme, this will increase to 95 per cent by the end of this year.