



Telecoms businesses believe Ofcom should provide framework for investment in NGA – CMA survey

15 July 2009: The vast majority of telecoms businesses (nine out of 10) believe Ofcom should provide the regulatory framework to support investment in next generation access (NGA) networks. Only 28 per cent of those recently surveyed by the Communications Management Association (CMA), part of the BCS Group, agreed that market-led initiatives would be sufficient to ensure the full rollout of next generation access.

Over half of companies (56 per cent) surveyed said they were not prepared to pay any more for next generation access business connectivity services this year.

David Harrington, CMA regulatory affairs spokesman, says: “While the debate around next generation broadband has focused largely on consumers’ future requirements, the needs of business are just as, and some might argue in the present economic climate, more pressing.

“It is vital that the benefits of increased bandwidth come to fruition and allow businesses to benefit from improved applications and increased flexibility.”

Other main findings of the survey include:

- Eight out of 10 businesses surveyed believe public incentives must play a central role to enable next generation roll-out, while just 10 per cent believe the necessary regulatory initiatives are already in place to allow full next-generation access roll-out
- Six in 10 say 10 Mbps is the minimum bandwidth that should be provided by next generation access
- Three in 10 believe 1 Gbps is the bandwidth required to meet core business needs in 2012, however, only 28 per cent believe current plans for a universal 2Mbps would be appropriate for the country’s business needs.

A number of those surveyed also highlighted the increasing importance of video and similar applications to their operations.

The Government has created a fund for investing in the next generation of super-fast broadband for the whole country. Ofcom, the UK’s telecommunications regulator, has been tasked with creating a consortium of stakeholders to drive a new national plan for digital participation, as a result of the Digital Britain report in June.

Independent research published last month states that cost and environmental pressures are anticipated to drive the delivery of more goods and services online.¹

ENDS

¹*Not online, not included: consumers say broadband is essential for all, Communications Consumer panel, pg 33*

The NGA survey was devised in partnership with Ofcom and Openreach who worked with the CMA to develop the questionnaire. It was based on a randomly generated extract from the CMA database of members. 168 participants took part via a dedicated e-survey website using a self-completion questionnaire during April 2009.