

# Greater Manchester Chamber of Commerce



## Response to the interim report of Digital Britain

### Response

Greater Manchester Chamber is the largest Chamber of Commerce in the UK and represents 5300 member businesses who employ over 1/3 of the total workforce throughout the Greater Manchester conurbation.

Whereas we generally welcome most of the proposed Actions and the proposals within, there are some points with which we express concern. These concerns and thoughts are addressed in Appendix 1.

More importantly, however, we have some overarching concerns with respect to some key points which underpin the report as it stands.

The first relates to broadband standard of 2mbps. We would suggest that at this level the standard is far too low. Many content providers, especially those delivering high definition video will not be able to deliver a reliable or quality service.

Many of the exciting prospects for government, business, health services, education and entertainment will be severely curtailed if large swathes of the country could only achieve this minimal speed.

We see no reason why Digital Britain cannot be more ambitious and set a higher standard. Why not 100mbps?

Secondly, we are also concerned that the report looks only four years, to 2012, into the future. When thinking of the speed of the development of technology over the past 25 years, there is a strong argument for Government and the private sector to jointly look to the next 25, to envisage the contents and usage for digital technologies in 2035

It is our contention that looking only to 2012 leads us to accepting the lower broadband standard of 2mbps and that this will result in loss of international competitiveness in the very near future. We also anticipate higher costs and disruption in the future as the country races to upgrade the infrastructure to cope with technology and demand as well as incurring the opportunity costs of not having digitally delivered content and programmes that would boost productivity, reduce costs and enhance living standards. We also believe that the absence of an adequate and realistic mbps standard will result in a failure to encourage creativity and investment which in turn will have a negative impact on our international competitiveness.

Manchester has one of the UK's largest economies with a strong media and digital sector recognised on the global stage. Access to a high bandwidth is a priority for our businesses and consumers alike. We therefore urge BERR to take steps to reconsider the timeframe and standards it sets in it's report

We would also add that the Greater Manchester Chamber of Commerce fully supports the efforts of the Manchester Digital Development Association to establish a fibre-to-premises network trial in south and east Manchester and hopes the trial will lead to more complete coverage of the city.

A handwritten signature in black ink, appearing to read "Chris Fletcher". The signature is fluid and cursive, with the first name "Chris" being more prominent than the last name "Fletcher".

Chris Fletcher  
Deputy Chief Executive & Policy Director  
Greater Manchester Chamber of Commerce

## **Appendix 1**

### **Action 1: Detailed Analysis**

- i. We fully support the establishment of a Government-led strategy group and would urge an early report.
- ii. We are, however, concerned that Government ensures that Ofcom recognises the need to ensure that there is sufficient competition ensured by its regulatory framework.

### **Action 2: Legislation/Regulatory reform**

- i. We would strongly welcome the removing of barriers to the development of access to ducts and other primary infrastructure (see also iii. below).
- ii. Net neutrality vs traffic management: we are concerned that traffic management will be accepted at the expense of net neutrality. We would argue that the former will result in differential pricing and so raise a barrier to competition as well as stifling creativity. This is not the case with net neutrality. Furthermore, net neutrality will ensure the privacy of customers while traffic management may see service providers compromising such privacy.
- iii. Reference to the Caio review –supply side measures: we feel “development of a consultation” on this is weak. We would look to concrete measures and a clear timetable to ensure access is enabled and that open access to existing ducts, sewers, canals, rail tracks, motorway central reservations, telegraph poles, pylons, farm fences etc is also guaranteed. We need to encourage operators other than the main existing operators to be able to enter the market and compete
- iv. Broadband co-operatives: we would also urge Digital Britain to recommend the establishment of a regulatory framework for broadband co-operatives.

### **Action 3: Business rates**

- i. We welcome the revised guidance provided by the Valuation office Agency and see this as being most helpful. However, we would, at some point, be pleased to see Government revisit the concept of taxation on this essential and infrastructure with a view to reducing the rates (where fibres are only intermittently lit, charges incurred only when fibres are lit?) or scrapping this particular charge to business in its totality.

### **Action 4: Public incentives**

- i. In principle we would look to having less rather than more Government involvement on the basis that the private sector investment will result in a more efficient and effective infrastructure in the medium to long term. Having said this, government may need to offer incentives to private sector where some locations do not offer the expected commercial returns and are therefore of less interest to the private sector.  
Local communities and local groups: we would welcome such established sets of standards to cover these groups like these. See also reference to Broadband co-operatives above.

### **Action 5: Umbrella body offering support:**

We would support this in its entirety.

### **Action 6: Wireless radio Spectrum Modernisation Programme**

- i. We would urge early release of radio spectrum for next generation mobile services and ask for a roadmap of release.
- ii. We would urge an approach to licensing that offers opportunities for new companies to enter the marketplace from time to time and ensures that no single organisation has unchallenged possession for an unlimited period.

### **Action 13: Peer-to-peer file sharing**

- i. In the light of the obligations and their consequential costs being imposed on ISPs, we welcome your intention to review the impact of any new measures and in particular, your willingness to examine other options if necessary.