

A successful Britain must be a Digital Britain



Screen East responses to Digital Britain



BERR | Department for Business
Enterprise & Regulatory Reform





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The growing global focus on digital technology

The digital economy is vital for Britain because of our natural strengths in creating digital content. But when it comes to delivery of that content we are now lagging behind – particularly in terms of recent major initiatives in the USA, Canada, China/Asia Pacific.

This Report and its recommendations for action in the form of public / private sector co-operation and the introduction of new legislation is, we believe, an opportunity to accelerate positive change. This can be done by encouraging, fostering and supporting new content development and production, and by making it possible to introduce the high-speed next generation broadband cable and wireless networks for content delivery.

We endorse all measures designed to promote the rapid and inclusive adoption of digital technology as a means to stimulate economic growth. Further, as a Screen Agency responsible for funding and commissioning content, we recognise that digital media enables people to attain their full potential in all forms of artistic and cultural expression.



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The Information Age Partnership

We support the mission objectives of The Information Age Partnership in providing much-needed public/private sector leadership in the UK, in order that we can take maximum global advantage of the technological, economic and political developments that characterise the advancing Information Age.

Screen East and other Regional Screen Agencies would like to participate, along with the UK Film Council, in discussions that would lead to new policy statements and industry-based media initiatives.

In particular, we would like to join in the debate concerning ICT to help ensure that it is effectively deployed on a national and regional basis to accelerate innovation and productivity growth across the economy, so as to impact directly on the priorities of small and medium-sized media-sector businesses.

The Eastern Region also has much to offer in terms of technology innovation, with the Cambridge technology cluster representing a world leading centre of excellence in this important digital arena.

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Digital Britain: Four objectives

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We propose Four Key Objectives for the next phase of discussion and consultation:

- (1)** Greatly improve the access speed and delivery capability of Digital Networks
- (2)** Form new and effective partnerships and industry collaborations – especially with young people leading the process – to generate new forms of Digital Content
- (3)** Achieve Universal Connectivity by 2012 (at targets set to reflect advances in technology – even if this means stimulating higher levels of market competition).
- (4) Equip everyone, regardless of their personal status, to benefit from Digital Britain



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Digital Networks	
<p>In relation to Next Generation Access Networks, we propose a number of specific actions: Actions 1-9.</p>	
Action 1	<p>We firmly believe that UK national and regional government should set challenging targets and provoke the debate over broadband speeds to stimulate real, sustainable economic activity. Rapid implementation of a national strategy for fibre to the curb and fibre to the home, supported by WiMAX technologies in rural areas, is the key.</p> <p>BT has also announced that it will start to deploy FTTH, capable of delivering 100 Mbps+ in a limited number of green field housing developments. Virgin Media is also marketing 20-50 Mbps+ services using DOCSIS 2 technology on its Hybrid Fibre Coax (HFC) network. It is also looking at the potential of deploying DOCSIS 3.0 in the future. However, it has not yet made any public commitments to deploy these technologies on a wide scale or to extend the reach of its fibre based network reach beyond the current footprint. This expansion need provides a clear opportunity for government to take the lead in setting objectives that will assist our economic growth.</p> <p>A realistic upstream figure set for 2012 would be 20Mbps, and not the 2Mbps figure being proposed. In our view Britain – and rural areas like our own Eastern Region – need this vital improvement in bandwidth and delivery of high-volume digital content.</p> <p>Wireless technologies can also be used to provide broadband wireless access in rural areas. They can and are used to provide backhaul solutions, fixed link components in the access network, or wireless access connections to the end user. If WiMax or other solutions are adopted on an international scale, equipment costs will fall, making them more affordable as local access solutions. What is certain is that the release of suitable wireless spectrum and the impact of regulation applied to the spectrum, which could make it unsuitable for some high-value content types, need careful consideration. WiMAX should not be seen as a short-term revenue earner for government; but rather, as a technology that, partnered with established alternatives, can bring enormous economic benefits to the Eastern Region and rural communities.</p>
Action 2	<p>We recommend removing the remaining barriers to local loop unbundling and making the wholesale market more accessible to a wider range of consumers and businesses. The UK now leads the G7 in terms of the availability of first generation broadband, with 99.6 per cent availability. Local loop unbundling (LLU) and the wide availability of wholesale DSL products, has led to strong retail and wholesale competition, which in turn has resulted in falling prices and stimulated high levels of broadband take-up. The ‘virtuous circle’, where industry innovation drives user adoption and market growth, is crucial, and Screen East supports moves to increase access to ducts and primary infrastructure – including the encouragement of community-based schemes.</p>



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<p>Action 3</p>	<p>The current rating regime major blockage on the rollout of fibre in the UK. We agree that new, clear, updated and detailed guidance on the approach to applying business rates to fibre is needed. Uncertainty over the liability faced by owners and occupiers of fibre networks is, in our view, adding a further brake on essential NGA investment. The Valuation Office Agency should provide updated guidance in the light of both recent litigation and the anticipated growth in NGA networks and ensure that this is fully understood by investors.</p>
<p>Action 4</p>	<p>Public incentives applied at a local level, provided by RDAs, can, we believe, provide some further encouragement to operators while the business case for a competitive national deployment of fibre-based access network remains challenging and uncertain. We consider that there are a number of factors that government and regulators should consider, to lower the cost and enhance the prospects of NGA deployment. The evidence that we have points towards the need for a new form of cooperation and coordination among competitors to accelerate the definition of new rules, to secure interoperability and to lower the risk of the investment in new technology.</p> <p>There is a need for a regulatory/policy environment and local interventions that maximise opportunities so that the burden of investment can be shared across a broader range of industry and government players, helping to enable further next generation broadband deployment, beyond initiatives by major network operators.</p>
<p>Action 5</p>	<p>The Caio Report in 2008 recommended a standardising and aggregation role for an umbrella body to bring together all of the local and community networks in the UK. Realising that Caio defined the purpose of this body as one that would “offer a coherent proposition to service providers with a national perspective”, we would like to see how this offer to national networks would benefit the wider public interest. For example, would standardisation effectively prohibited technology developments that might be beneficial to our local communities but not to the network operators. The “one size fits all” approach may not always suit local development requirements.</p>



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<p>Action 6</p>	<p>The allocation of radio spectrum should allow for the miniaturisation of mobile network cell sizes for future technologies. We feel that OFCOM should cease regarding mobile and fixed broadband as separate technologies needing separate regulation, as the distinction is increasingly artificial in a converged technology context. We also draw attention to the need to consider IEEE 802.11 and 802.16 in future spectrum allocation, and to provide a fair and equitable release of that spectrum to the UK market, making room for effective NGA service competition. WiFi/WiMAX services in particular could provide valuable alternative technology support to bring faster broadband to rural communities where access rates are poor. From our experience, we profoundly question Francesco Caio’s view that “although demand for bandwidth and internet traffic continues to exhibit strong growth, there is little evidence that, in the short term, UK consumers will experience a detriment due to the lack of an extensive NGA network.” [Source: Review of Barriers to Investment in Next Generation Access: Final Report, Francesco Caio, page 9.]</p>
<p>Action 7</p>	<p>We support the early introduction, subject to cost, of return path capability for the standard offer provided by the national Digital Television Switchover Help Scheme. This would benefit the seven million people who are eligible for help; namely, those who are aged 75 or over, or have lived in a care home for six months or more, or get (or could get) certain disability benefits, or are registered blind or partially sighted.</p>
<p>Action 8</p>	<p>We fully support the moves to provide impartial information around Digital Switchover on the wider opportunities of digital services beyond digital broadcast television. For this purpose, we would recommend setting up a price comparison website and telephone hotline service for each Switchover area, with the latest information on network service connection package offerings, national and local.</p>
<p>Action 9</p>	<p>Digital Radio (DAB) is outside the remit of a screen agency such as Screen East.</p>



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Digital Content	
In relation to The Economics of Digital Content : Actions 10-16.	
Action 10	<p>We are in favour of examining measures aimed at supporting the creation of online content, mobile content, music, and programme production, computer games and electronic publishing.</p> <p>Dwindling advertising revenues due to the growth in the number of digital outlets means that measures such as regulatory assets, industry and equipment levies and contestable funding for content production that meets public purposes may well be a necessary/desirable response to future production challenges.</p> <p>Piloting new funding streams and mechanisms designed to underpin quality creative production will be key to the survival of television programme content especially. Business models built around wholesale access to content are likely to emerge and we concur with the Report that new methods of legitimate access, based on new business models and incentive structures, are vital to counter-balance the negative impact of technological forms of piracy.</p> <p>As a Screen Agency, Screen East is in active partnership with the technology industry and would like to propose and develop such new models as part of our mission. Government regulatory and legislative support and encouragement will help us to pioneer work of this kind to achieve robust models.</p>



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<p>Action 11</p>	<p>In relation to Rights and Distribution.</p> <p>Whilst we acknowledge the high cost of digital piracy, and the potential for a digital Rights Agency to bring industry together to prevent unlawful use by consumers, which infringes copyright law. However, we are mindful that digital copying and peer-to-peer file sharing is a social phenomenon that governments around the world have struggled to cope with, and that action against illegal downloads is proving ineffective. Around the world in 2006, an estimated five billion songs, equating to 38,000 years in music were swapped on peer-to-peer websites, while 509 million were purchased online. Because much of this download activity is already deemed illegal by the governments of the United States of America, Canada, the UK, and other European Union countries, and because pressure from copyright holders to prosecute repeat individual file downloaders who infringe these rights is increasing (Report, page 45), it is ever more difficult to be certain of the extent of this black market phenomenon. On balance, advances in technology, particularly as bandwidth increases, favour piracy not detection. For example, third-generation peer-to-peer downloading networks have not reached mass usage for file sharing because most current implementations incur too much overhead in their anonymity features, making them slow or hard to use. However, in countries where very fast fibre-to-the-home Internet access is commonplace, such as Japan, a number of anonymous file-sharing clients have already reached high popularity. It follows that, with ever faster download speeds in the next generation access phase of broadband services – e.g. Virgin Media’s 20/50 Mbps fibre optic broadband – third generation networks will be a more viable option, defeating many of the copyright holder’s and the ISPs’ attempts to trace the repeat offenders.</p>
<p>Action 12</p>	<p>We welcome a widespread consultation to establish whether rights holders would be prepared/willing to fund through a modest and proportionate contribution, a new approach to civil enforcement of copyright (within a framework applying to electronic commerce, copyright, data protection, and privacy); however, for the reasons already stated, we issue a strong note of caution about the likely effectiveness of this move. We do not recommend ‘resignation’ to the problem – in fact, we endorse education spending to inform young people about the moral obligations to protect the interests of artists and support measures to bring together all those with an interest in this – although we also accept the reality of the situation: that technology and market forces combined have changed the digital rights landscape beyond our ability to combat this. It follows that viable new business models and incentive structures are, as we have said, needed to counter-balance the negative impact of technological forms of piracy. It is also worth noting that strong measures to ‘trap’ copyright infringers may result in the civil or criminal prosecution of very large numbers of wholly innocent people. This could be politically and socially damaging as well as undermining the credibility of the legal process. We draw your attention to recent BBC coverage on this subject. As stated, our preferred approach is to find new business models to support quality creative production and protect artists’ and publishers’ rights: this task is paramount.</p>



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<p>Action 13</p>	<p>As stated, we believe that the advancements in anonymous peer-to-peer technology combined with the unreliable nature of data gathered on alleged illegal file sharing activities will severely hamper this legislative approach towards curbing the activities of even repeat infringers/pirates. Although such measures will have strong advocates, the socially-divisive nature of `net surveillance' could, in time, fuel more illegal activity. In our view, a full public inquiry into copyright theft and its implications is necessary.</p>
<p>Action 14</p>	<p>In relation to the provision of Original UK Content.</p> <p>We welcome an exploratory view of the local and regional media sector by the OFT.</p>
<p>Action 15</p>	<p>The existing Terms of Trade have brought considerable benefits and the government deserves praise for this achievement. We are highly-supportive of the new breed of independent production houses that have grown up since the Communications Act 2003, even though we also recognise how fragile these entities are in the winds of change blowing through the market. In this respect, we consider that Digital Britain does not go far enough in identifying bold new alternatives to the current programme production models, which are increasingly having to rely on the BBC and Channel 4. Protecting the rights of independent producers and offering them fair terms of trade through the BBC commissioning and production cycle is also crucially important here. But so is guarding their rights as copyright holders in Internet distribution systems that provide broadcasters with access to world markets for programme downloads</p>
<p>Action 16</p>	<p>We support the creation of a long-term and sustainable second public sector service organisation providing for quality to the BBC, drawing in part on Channel 4's assets. As the Report states, the key driver for this new body's success would be flexible and innovative partnerships with both the wider private and public sectors, and a range of options should be explored to enhance the structure of existing public-sector bodies.</p>

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Universal Connectivity	
In relation to Network Universal Connectivity on Digital Networks: Actions 17-21.	
Action 17	We support the planned Universal Service Commitment to provide access, education and understanding, affordability (hence, take-up) and connectivity for all. However, in common with a great many public and private sector respondents, we consider the 2Mbps target to be too low and unambitious to achieve what Britain requires from NGA technology. We point out that 2Mb/s is not a natural break point and the issue of latency is also not addressed in the Report. An alternative approach would be to have dynamic targets rather than a simple USC - for example, 80% of the population able to get 20 Mb/s or better, 15% able to get 10 Mb/s and the rest able to get 3 Mb/s. It would also help to examine how areas that are poorly served by existing infrastructure could be `turned around' through localised investment in fibre optic technology, WiMAX backhaul, WiFi hotspots, and local loop unbundling schemes. Target geographic areas for broadband access improvement could have a greater economic impact than a simple `minimum standard' applied throughout the UK; especially if the chosen figure is well below levels already available in urban areas.
Action 18	We broadly endorse the Report's proposal to define and impose a Universal Service Obligation (USO) that could help to achieve a national model of affordable services. This is especially valuable in providing services for those with disabilities, bringing them into the digital economy and supporting the principle of universal net access. Once again, though, we question the notion that USO services should be limited to 2Mbps coverage as the maximum target based purely on the 21CN and ADSL2+ technologies, since we see this as too limiting for the future needs of digital users.
Action 19	In relation to the take-up of universally available broadband We fully support the creation of a strong and effective Digital Inclusion Action Plan, along with the appointment of a Digital Inclusion Champion and expert taskforce to drive the Government's work on digital inclusion.
Action 20	We agree that the BBC has a key role in promoting the digital economy and point out that the corporation is already one of the leading advocates of digital inclusion. Development of platforms with open standards available to all content providers, particularly for programme dissemination at a local and regional across digital networks, is a key strategy that the BBC can do much to foster and develop.
Action 21	We support a Public Sector Delivery Plan initiative to ensure that public services online are designed for ease of use by the widest range of citizens. We recommend that government invests in project development using SME-based skills in this Region.



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Equipping everyone to benefit from Digital Britain

In relation to **Digital Media Literacy**: Action 22

We concur that a National Media Literacy Plan is a valuable contribution to the successful development and exploitation of the digital infrastructure. This applies especially to digital content creation, which needs to draw on skills that are in increasingly short supply in some sectors of the digital economy.

We look forward to Ofcom's Report on Media Literacy and to comments made by the BBC on same.

Screen East and the Eastern Region's universities and art colleges would like to contribute our views on this important subject, with recommendations for supporting and funding new training and development.

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