



# Does Scotland need more Fibre?

Comments from UK Minister for Competitiveness have sparked a growing debate about the future of Scotland's broadband infrastructure... by Michael Feeley



**Bob Downes, head of BT Openreach in Scotland.**

A few weeks ago Stephen Timms MP, during his first major speech as the UK Minister of State for Competitiveness, put a bomb under the debate surrounding the suitability of the UK's current broadband communications infrastructure.

Timms said: "When I became e-commerce Minister five years ago, the UK was neck and neck with Croatia on broadband availability and use.

However, today we face a new challenge. Other countries are starting to invest in new, fibre based infrastructure, delivering considerably higher bandwidth than is available in the UK today.

"As Minister for Competitiveness, I see it as one of my highest personal priorities that we have a high performance telecommunications infrastructure in every part of

the country, enabling us to compete successfully on a global basis. That is why I have decided to chair a high level summit later this year to consider the circumstances that might trigger public sector intervention, the form that intervention might take and at what level it might sensibly take place. I want it to be an open exchange, to bring together key people from Government, from Ofcom and from industry. It is essential that the UK undertakes timely deployment of technology – we can't lag behind."

The rapid rise in broadband usage across the UK has fuelled a boom in online content, from high-specification websites to music download sites and video content. Earlier this year the government's independent adviser, the Broadband Stakeholder Group, warned

that by 2012 British internet connections will need to be about 10 times the speed they are now. At the moment, the average UK broadband household gets somewhere between two megabits a second – 50 times faster than dial-up – and eight megabits. BT plans to introduce a nationwide 24 megabits service next year, however in cities such as Hong Kong and Seoul, 100 megabit connections are common.

In response to Mr. Timms' comments, Ian Livingston, the Scots-born head of BT's retail division, told the Financial Times that the company would discuss investing in an ultra-fast network with the government and regulators at a summit in November or December.

Bob Downes, head of BT Openreach in Scotland, was also recently quoted in the press on the subject



of broadband provision, expressing surprise that the SNP-led Scottish Government had yet to make specific reference to the future of broadband. "It was not mentioned in the SNP's agenda for Scotland. There was nothing in the recently announced plan for Scottish Enterprise and the Broadcasting Commission doesn't seem to be factoring it in, despite the fact that for people under 30 most of their news consumption is online."

Downes has called on the Scottish Government to arrange a summit to assess the potential and demand for high-speed links and also called for ultra-fast broadband to be added to the remit of the newly created Scottish Broadcasting Commission. He also added that the provision of a fibre-based network in Scotland may involve a greater cost per head of population in Scotland than the UK average due to our vast rural areas.

When asked by Hi-Tech Scotland for a response to Stephen Timms comments, a Scottish Government spokesperson said: "Over 99 per cent of Scotland's population have access to broadband which is one

of the highest figures in Europe. We are also currently working to extend coverage to those who remain without broadband access.

"The delivery of higher bandwidths by commercial providers is ongoing and we are watching roll-out closely. We have also produced comprehensive research on next generation broadband services in Scotland, which outlined no current business case to intervene on the supply-side.

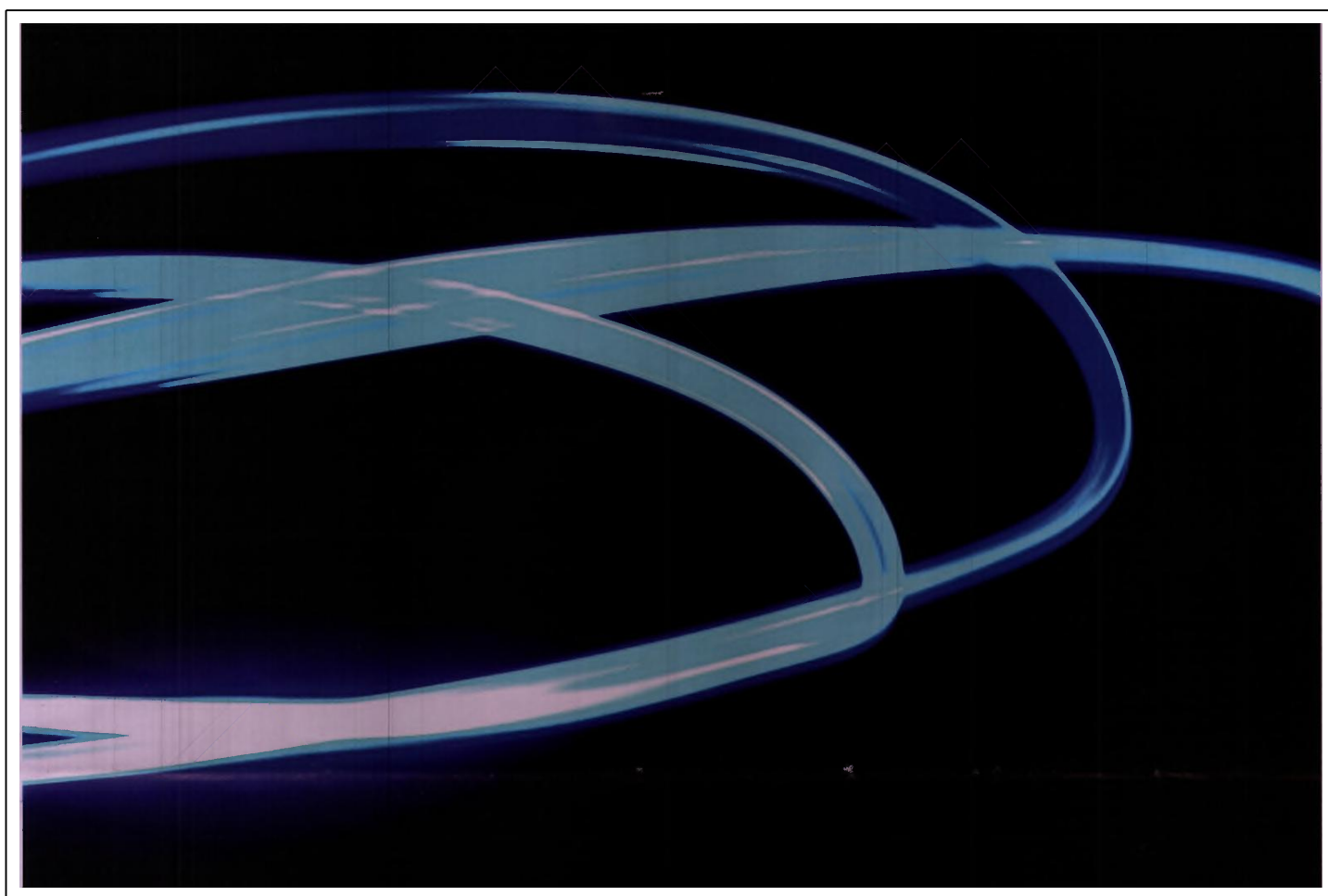
"We will monitoring developments and contribute as appropriate to wider debates on the issue including with the UK Government."

### Global Perspective

In global terms, however, there is little doubt that Scotland is already lagging much of the industrialised world in terms of fibre-based broadband provision. Hong Kong, South Korea and Japan are the world leaders in the percentage of homes that receive broadband communications services over direct fiber optic connections, accord-



The Rt Hon Stephen Timms MP.







ing to a new global ranking of fiber-to-the-home (FTTH) market penetration issued jointly by the FTTH Councils of Asia-Pacific, Europe and North America.

According to this first ever official ranking of FTTH deployments in the world's economies, 21.2 percent of homes in Hong Kong are wired with FTTH, followed by South Korea at 19.6 percent and Japan at 16.3 percent.

United States round out the top 11 economies, with FTTH penetration rates of between 1.4 and 1 percent of households. Only economies with penetration of 1 percent or more were included in the ranking.

The three regional FTTH Councils joined together to create this first official global FTTH ranking in order to provide the telecommunications industry, governments and regulators with a unique

Announcing the global ranking at the FTTH Council Asia-Pacific's Beijing Conference, Shoichi Hanatani, President of the FTTH Council Asia-Pacific said, "For the first time we have a tool to monitor the transition that is now occurring around the world, from legacy copper loops to powerful new optical fiber access networks."

The global ranking follows the unified definition of FTTH terms announced by the three councils last year, and which has formed the basis for recent market research by each council. For completeness and accuracy the ranking includes both FTTH and FTTB (fiber-to-the-building) figures, while copper-based broadband access technologies (DSL, FTT-Curb, FTT-Node) are not included.

"By pooling the data from three regional market studies, the compiled information completes a dedicated resource for global telecommunications professionals to compare industry research from different regions of the world, and

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Scandinavian countries occupy the next three positions, with Sweden having 7.2 percent of its households connected to FTTH, Denmark at 2.9 percent and Norway at 2.5 percent.

Taiwan, Italy, People's Republic of China, The Netherlands and the

snapshot of international fiber access penetration. Going forward, the councils will update and re-issue the rankings on an annual basis, as well as work jointly to further refine the research methods in order to provide more in-depth information.



open some eyes to the wider FTTH picture," said Joeri Van Bogaert, President of the FTTH Council Europe. "This will be useful in monitoring the success of government and regulatory policy in supporting the historical transition to fibre-based broadband."

"With this global ranking, it is now evident which countries are FTTH leaders and which are FTTH laggards," said Joe Savage, President of the FTTH Council North America. "What is most interesting is how the leading economies in FTTH penetration are also those with clear public policies aimed at promoting deployment of next-generation broadband networks as a matter of strategic national importance."

With few exceptions, Europe lags well behind the US and Asian tiger economies in the availability of high-speed broadband services (100 Mbps and upwards). The FTTH Council Europe believes that the development of fibre-based access networks is fundamental to the

deployment of such services, and hence to reaping their benefits for European citizens and businesses. The Council's charter is to work with European governments, policy-makers and opinion leaders qualify and quantify the benefits to be gained from fibre-based broadband access networks, and to identify and help to erode the barriers to their development. Council members are drawn from the telecoms (vendors), broadband content and academic sectors.

» [www.dti.gov.uk](http://www.dti.gov.uk)

» [www.bt.com](http://www.bt.com)

» [www.ftthcouncil.org](http://www.ftthcouncil.org)

See Feeley's Final Thought on page 22 for the Hi-Tech Scotland editor's take on the broadband debate...