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## Getting the most out of broadband

By Jane Wakefield  
Technology reporter, BBC News

**With retail, housing and even hi-tech grinding to a bit of a halt in recent months, most commentators would agree that 2009 is going to be a slow year.**

But in the world of broadband things should be speeding up significantly.

Both BT and Virgin Media will kick-start their plans for next generation access in the UK in 2009.

Virgin Media will upgrade its cable network to deliver speeds of up to 50Mbps (megabits per second) during the first six months of 2009. In addition, BT will start its £1.5bn investment in fibre which will eventually see 40% of the country enjoying speeds of up to 60Mbps.

But not all commentators are convinced that the flavour of broadband on offer from BT and Virgin Media will be enough to satisfy the evolving appetites of users.

### Uploading speeds

The president of the Fibre to the Home Council of Europe, Joeri Van Bogert, believes only the ultra-fast, two-way speed of fibre to the home can revolutionise the way people use broadband.

"A lot of DSL and cable modem services can be complementary to Fibre To The Home (FTTH) but they are in no way a substitute for it," he said.

The main reason is that neither can quite compete with FTTH when it comes to speed - which starts at 100Mbps and could go up to 1000Mbps.

And uploading content - which some commentators see as the essential element of future broadband - is much slower for both cable modems and so-called Fibre To The Cabinet (FTTC), which relies on copper wires for the connection between the street cabinet and the home.

"Just take something simple, like photos. Increasingly, people want to upload them to share with friends and have them stored somewhere secure," said Mr Van Bogaert.

"FTTH is much more than a technology, it has the power to change the way we live, work and communicate," he said.

Using Nielsen's law - the broadband equivalent of Moore's Law - the FTTH Council has calculated that by 2013 the average broadband speed in Europe will be 35Mbps.

This is getting dangerously close to the top speeds of current generation cable modem (50Mbps) and even BT is reluctant to promise more than 60Mbps out of FTTC.

The FTTH Council predicts that by 2012 some 15 million homes in Europe will be hooked up to its technology.

Those in Europe who have FTTH connections already use three times more broadband and in France, the Netherlands and Scandinavia, where FTTH networks are well established, there are already some innovative services up and running.

"In the Netherlands people want to have their house connected to fibre because they believe it will connect them to the future. They are already doing things such as having daily conversations with their nurse or doctor," said Mr Bogear.

Health and education are just two public services which can be radically improved by super-fast broadband.

Community broadband projects in the UK are being partly funded by the NHS because of the cost savings it can make by having people monitored at home.

Watching and distributing video is becoming the norm for broadband users. The BBC's iPlayer has seen daily requests to stream or download TV and radio programmes increase from 36,000 in January 2008 to 957,000 in October of the same year.

And recent announcements that other broadcasters may be able to use the platform will see traffic increase even more.

Digital movie cameras are now delivering high-definition video and with devices such as the Flip offering instant upload facilities to users, contributing video to the net will become as popular as watching it.

## **TV market**

But FTTH is almost prohibitively expensive. The Broadband Stakeholder Group has predicted that providing a UK-wide FTTH network in the UK would cost £15bn.

There are currently no plans for any large scale FTTH deployments in the UK and BT has said it will only use the technology on new housing estates.

So far it has installed fibre to the home to a handful of houses on the Ebbsfleet development in Kent, but admits that the credit crunch means no other potential sites have yet been earmarked.

There are two other reasons for the lack of appetite for such networks according to Ian Fogg, an analyst with research firm Forrester.

"The challenge for the UK is the type of housing it has. There is a lot of relatively spread-out suburban housing and it is typically twice the cost to deploy fibre to the home as opposed to fibre to the cabinet."

The other is about TV.

"In the French market a lot of telcos have aggressively used TV as their business case, but the TV market is already well established in the UK with a strong free-to-air TV service and satellite offering from Sky," he said.

But there could be rich rewards for anyone prepared to take a gamble.

"Those who hold their nerve and make investments now will do well when we come out of recession," said Mr Fogg.

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