Written evidence submitted by BT (RUT0289)

BT is pleased to respond to the points made about broadband access in some of the submissions to the committee’s inquiry in Rural Tourism in England.

Introduction

We agree that access to fast broadband is vital in rural areas and have been investing in the roll out of fibre and, along with other consumer providers, we have been persuading people to take it up as it becomes available.

More than 99% of UK premises have access to basic broadband (2Mbps), the best in the G8. And over 90% of premises now have access to superfast broadband speeds over 30Mbps according to industry data, the highest of any of the big five EU economies and some 8% higher than Germany, our nearest rival. Average UK broadband speeds are now 28.9Mbps, enough to watch multiple HDTV feeds simultaneously.

Rural premises

Much of this is due to BT and Openreach’s multi-billion fibre roll-out. And of course this includes rural premises, particularly since BT and the Government have ensured rural premises benefit through the BDUK scheme. 30 out of 44 BDUK contracts have completed phase 1 of the rollout. Further deployment continues apace with more than 30 BDUK phase 2 contracts well under way with rollout. Over four million premises have benefited directly from the BDUK rural programme since the start of the roll out in 2012, contributing to the Government’s target of 95% superfast coverage by the end of 2017.

Thousands of people have been able to set up businesses in rural areas or work from home where this was not previously possible; rural areas are benefitting hugely from fibre roll-out.

The EU’s Europe’s Digital Progress Report 2016 – Connectivity states that “63 % of rural homes had a fixed broadband subscription across the EU in 2015. Luxembourg, the Netherlands, the UK and Germany registered the highest figures.” Ofcom reported in its December 2015 Connected Nations Report that the coverage situation has particularly improved in rural areas from 22% in 2014 to 37% in 2015. And in its latest Communications Market Update Ofcom again reported that this has further improved this year with superfast coverage at 58% of UK rural premises and 76% of UK rural premises able to access at least 10Mbs in June 2016. In the months since that data was produced this will have again increased as we are passing a new premises every 30 seconds.

Our £3bn investment in fibre is adding between 0.3% and 0.5% GVA (Gross Value Add) per year over 15 years to local economies across the UK and KPMG reports that by 2025 BT’s planned investment in ultrafast fibre technology could add between £20bn and £30bn to the economy.

Community Fibre Partnerships

However, ‘universal’ broadband cannot be turned on at the flick of a switch; we are engaged in one of the world’s fastest fibre roll-out schemes but, by definition, there will always be some areas which are delivered later than others and we have still to reach some areas with fibre. We understand the frustration of people who cannot yet access these services and we want to do whatever we can to ensure that no-one is excluded. Our ambition is to ‘never say no’ and BT is committed to working with all communities to find a fibre solution to help address the places that even with BDUK funding we still can’t get to, and the community fibre partnership scheme is designed to enable this.

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1 (source ‘Superfast Broadband – Boosting Business and the UK Economy by Regeneris Consulting in 2012).
2 Delivering Britain’s Digital Future: An Economic Impact Study of September 2015
A dedicated BT team is focused on helping communities understand what we can do, and support them to bring faster broadband to parts of the UK not covered by existing rollout plans.

We work with communities to find out if a community project can work and provide the tools to understand and establish local demand. For further information and community fibre case studies visit [http://www.communityfibre.bt.com/](http://www.communityfibre.bt.com/).

We are also working with BDUK and local authorities to deliver subsidised satellite broadband in the most challenging areas (Further details can be found on the BT Media & Broadcast [http://www.mediaandbroadcast.bt.com/wp-content/uploads/BT-MandB-BDUK-Satellite-Broadband-DS.pdf](http://www.mediaandbroadcast.bt.com/wp-content/uploads/BT-MandB-BDUK-Satellite-Broadband-DS.pdf))

**Take up**

Despite concerns expressed about access to superfast broadband in rural areas, the take-up rate is 28% of premises passed in BDUK areas, where fibre is rolled out. One of the reasons for this is that people are happy with the speeds they get over current ADSL broadband. However, BT Consumer, other communications providers using Openreach’s network and local authorities are carrying out campaigns to let people know the availability of access and the opportunities available through faster broadband.

**Cornwall**

By way of example, in partnership with Cornwall Council and the EU, we've helped bring fibre broadband to more than 95 per cent of the county against an original target of 80 per cent. 30 per cent of Cornwall, some 85,000 premises, are served by our ultrafast fibre to the premises product (FTTP). That includes more than 12,000 Cornish companies.

Plymouth University carried out research into the economic impact of broadband in Cornwall. Superfast connections have helped boost the economy by more than £186m, created thousands of new jobs and saved public money.

Of those businesses connected for at least one year, 79% say there have been performance improvements. Almost half of these have been able to develop new goods and services. Connected businesses showed an average of more than four times more growth in revenues over the same period than non-connected businesses.

Nearly half (49%) reported that superfast broadband had helped their business to generate new sales. Almost a quarter (24%) of that group say new trade is from overseas, showing how superfast broadband is giving Cornwall’s businesses a platform to compete in global markets.

**Mobile**

EE (now a part of BT Group) has set the target of maintaining and extending its network leadership position, with the goal of reaching 95% 4G coverage of the UK’s landmass by 2020, equivalent to well over 99% of premises. Significant progress is already being made, with 4G geographic coverage now more than 70%, and will reach beyond 90% by the end of 2017 (exceeding our 90% voice coverage licence obligation). To achieve this, EE is building hundreds of new mobile sites in rural areas and upgrading all existing masts to 4G.

**Summary**

In summary, we believe that rural UK is getting a huge boost through the growing availability of superfast broadband and better 4G coverage. But we know we need to do more, and we are doing
our very best through our roll-out and investment that few others are willing to make, particularly in fixed broadband.

Rural UK is getting a huge boost through the growing availability of superfast broadband, and better 4G coverage. It is important that the huge strides made in terms of digital connectivity are recognised so that businesses do consider working from rural areas rather than just making an assumption that nowhere outside of a town has superfast access, as this is simply not the case.

We do understand how people feel who do not yet have access but they are either in our plans or we have special schemes to help them access broadband, as described above. We are also in discussion with regard to universal broadband access with the Government and Ofcom and hope that this will help achieve high-speed coverage across absolutely all parts of the UK.

*November 2016*