

# Universal Service: The UK's Experience

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# Universal Service in the UK

## USO, not USF

The UK imposes **universal service obligations** onto two communications providers within the country.

Currently, there is **no Universal Service Fund**, although legislation does permit Ofcom to set one up if deemed appropriate.

## Fixed, Not Mobile

The universal service obligation currently covers **fixed telephony and broadband services**.

There is no mechanism for mobile broadband as a universal service, although **mobile broadband can play a part** in determining eligibility.



# Understanding the Universal Service Obligation



# Description of the Broadband Universal Service Obligation

## Scope / Scale

- Created by 2018 legislation, implemented by Ofcom in 2020 to guarantee everyone a 'decent' fixed broadband connection at home.
- Not eligible if covered by another publicly-funded scheme in next 12mo.
- Estimated 500,000 properties without broadband access. Around 80,000 homes without mobile alternative option, eligible for USO.

## Service Specification

- *Quality of service minimums:* 10Mbps download, 1Mbps upload, latency that allows voice calls over connection.
- *Technologically neutral:* where mobile coverage can provide decent broadband (4G+), this may be a preferred solution.

## Industry Participation

- Two communications providers, BT and KCOM, named as USO providers.
- Based on geography and selected on an application basis.

# Requesting a broadband connection via USO

- 1** Anyone who cannot already get decent broadband can now **make a request to BT/KCOM** to get a connection.
- 2** Ofcom's rules require BT to ensure USO customers **pay the same price** as the rest of the UK (and no more than £54 a month).
- 3** If building a USO connection will cost BT more than £3,400, BT will offer customers the choice to pay the **extra building costs**. As this cost can be quite high, customers looking for support may need to look for other, publicly-funded schemes.

# Mobile coverage in the UK

Challenges and complementary dynamics to  
the Universal Service Obligation

# Strategies to increase mobile broadband coverage

The UK has relied on a range of different strategies to help close the digital divide and provide high-quality mobile broadband. Currently, the UK has around 99% of premises covered by 4G and 992% by geographic coverage.<sup>1</sup>

- 1 Competitive markets:** Market competition remains the default first preference for expanding broadband coverage for affordable services within the UK with simple licensing, affordable spectrum, and pro-consumer switching policies. In this context, mobile network operators have already reached 48-64% of premises outdoors with 5G coverage.<sup>1</sup>
- 2 Targeted use of coverage obligations:** Coverage obligations have been amended into *some* spectrum licences for the licence holder to provide and then maintain a network capable of providing the relevant service to a set universality target.
- 3 Shared Rural Network:** Agreed in 2020 between the Government and four mobile network operators, includes 4G coverage obligations to 88% of the landmass by 30 June 2024 and 90% by 30 June 2026.

<sup>1</sup> From Connected Nations update, December 2022. For 5G coverage, this is based on the very high and high confidence intervals. Work to validate MNO's new 5G predictions remains ongoing.



# Shared Rural Network

Agreement between Government and four mobile network operators in 2020 to expand 4G mobile coverage\* across the United Kingdom.

Includes legally enforceable coverage obligations that were added to spectrum licences of all four MNOs.

**88%**

4G coverage by 2024

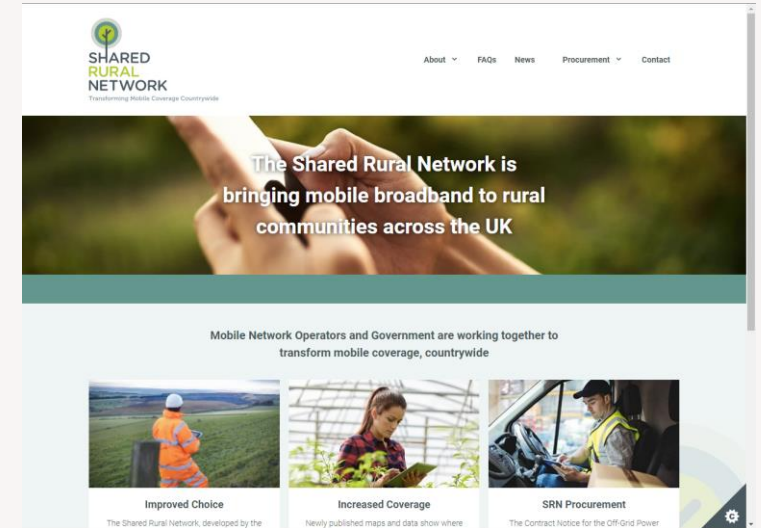
**90%**

4G coverage by 2026

**Nation-specific targets**

4G coverage by 2026

By 2026, 4G coverage to an additional **280,000 premises** and **16,000km of roads**



\* Targets set to 2Mbps download speed.

# Reflections from the UK Experience

## Involve Industry in Connectivity Solutions

**In both fixed and mobile coverage, industry plays a central role.**

USO implemented on application basis.

SRN developed by mutual agreement between Government and industry.

## Build from Market Conditions

**Shared Rural Network as an example.**

SRN as a response to gaps that the market hasn't been able to cover yet.

Designed by negotiation between Government and industry on closing the digital divide.

## Adapt/Iterate to Market Developments

**UK'S USO as an example.**

Legislation includes a requirement for review of USO based on take-up of higher speed broadband services.

Government can reconsider QoS standards for 'decent' broadband and funding/financing mechanisms.

**Thank you!**