

'Tough choices' for UK broadband

The cost of taking fibre-based broadband to every UK home could top £28.8bn, says a report.

Compiled by the government's broadband advisory group, the report details the cost of the different ways to wire the UK for next generation broadband.

Another option, to take the fibres to street-level boxes, would only cost £5.1bn, it said.

Big differences in the cost of updating urban and rural net access will pose difficult choices, says the report.

High costs

In a statement Antony Walker, chief executive of the Broadband Stakeholder Group which drew up the report, said: "The scale of the costs involved means that the transition to superfast broadband will be challenging."

"We hope that this report will help to ensure an informed public debate on the key policy and regulatory decisions that lie ahead," he said.

The BSG report looks at the three most likely options for using fibre to boost the speed of the UK's broadband networks.

The cheapest option, at £5.1bn, is to take fibre only to the familiar street-level cabinets that act as a connection point between homes and exchanges. Beyond the cabinet to the home existing copper cables would be used. The BSG estimates that this system would permit speeds of 30-100 Megabits per second (Mbps).

The other two options involve taking fibre to homes via a shared or dedicated cable.

The BSG puts a £25.5bn price tag on the shared option which would see a small number of homes sharing the 2.5 Gigabits per second capacity of each line.

Giving every home or business its own dedicated cable is the most expensive option, said the BSG, and could cost up to £28.8bn. But it would mean each home would get up to 1Gbps.

But, warned the report, even these relatively simple choices conceal stark differences in the cost of taking fibre to different parts of the country.

For instance, it said that the high price of the cheapest option for fibre is already far higher than the amount telecoms firms have already spent cabling up the UK.

Also, it noted, taking fibre to homes in rural areas costs disproportionate amounts of money - essentially the more isolated a home the more it costs to take fibre to it.

The BSG estimates that getting fibre to the cabinets near the first 58% of households could cost about £1.9bn. The next 26% would cost about £1.4bn and the final 16% would cost £1.8bn.

The disparity in costs meant the UK faced some tough choices, said Mr Walker.

However, he added, enthusiasm for the take-up of broadband could make taking it to rural areas more palatable for telecoms firms.

"If operators could achieve a higher level of take-up in rural areas than we have predicted in our study, then the business case for deployment in those areas could improve significantly", said Mr Walker.

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