



08 February 2017

Merseyside Connected

To further extend coverage of Superfast Broadband across Merseyside

STATE AID PUBLIC CONSULTATION

1. Introduction

The Merseyside Connected Project is aiming to extend the availability of Superfast Broadband across Merseyside.

Merseyside Connected conducted its most recent public consultation between 8th February 2013 and 8th March 2013 as a precursor to the selection of British Telecommunications (BT) on 9th August 2013 for its Phase 1 project under the Broadband Delivery UK (BDUK) programme to deliver Superfast Broadband to the defined intervention area with State aid approved public funding of £10.8m.

The contracts with BT included provisions to ensure that the full amount of the public funding is deployed, and that in the event that take-up of superfast broadband services exceeds forecasts in the contracts, then the amount of public subsidy required would subsequently be reduced to reflect this. Any funds released are then available to be reinvested into further coverage of Superfast Broadband under the terms of the contracts.

In August 2015, BT announced that take-up across the UK was likely to exceed the forecast level of 20%. To date, BT has made available up to £129m across the UK to meet the contractual obligations outlined above. Merseyside Connected has received an initial allocation of £1.8m and intends to reinvest this in further coverage as part of the current contracts.

The purpose of this public consultation is to confirm the areas which do not have Next Generation Access (NGA) broadband infrastructure delivering at least 30Mbps, or where there are no plans to provide such infrastructure over the next three years. These are described as "white NGA areas". This is to enable all interested stakeholders - the public, businesses and telecommunications providers - to comment on the proposed white NGA areas before further coverage is committed.

Merseyside Connected will then submit its final proposals for the NGA white area, taking account of the outcome of the public consultation, to BDUK's National Competence Centre for clearance.

2. Timescales

This State Aid public consultation will be open and run for one calendar month until 16th June 2016.

Once the State aid public consultation is complete and the white NGA areas have been finalised by Merseyside Connected, a change will be agreed by the local body and BT to deliver the extended Superfast Broadband coverage.

3. NGA mapping

This section provides a brief overview of NGA mapping for the purpose of informing responses to this State Aid public consultation. An NGA map for Merseyside Connected can be found at Annex A of this document alongside a list of the associated postcodes.

The European Union State Aid rules are designed to ensure that any use of public funding ('State Aid') is targeted at areas of market failure and produces positive market outcomes while minimising any distortion to competition.

The State Aid rules require public interventions to be targeted so as to limit the risk of crowding-out or disincentivising existing and/or concrete planned private sector investments that would otherwise meet the desired policy objectives. In the context of broadband, the 2012 State Aid Decision permits the use of public funding only to extend broadband coverage in geographic areas where there is no provision of Superfast Broadband and it is unlikely to be developed in the near future (within the next three years).

The '*EU Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks*' (2013/C 25/01) can be found at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:025:0001:0026:EN:PDF>. The objective of the further investment is to provide access to NGA infrastructure which is capable of delivering access line speeds of at least 30Mbps.

The objective of this intervention is to target the reinvestment funding at areas that were designated as white NGA areas through the previous public consultation (carried out by Merseyside Connected in Feb/March 2013) and where there have subsequently been no plans to deploy as part of the existing contract between Merseyside Connected and BT. These areas are identified as white on the map and list at Annex A to this document.

Merseyside Connected has changed its definition of NGA white areas from that used in its previous consultation of Feb/March 2013. In Annex A, areas with speeds below 30Mbps are identified as "NGA white areas", whereas they had previously only been identified as NGA white areas where they had speeds below 24Mbps.

Nevertheless, the area that is the target of this intervention is identified as NGA white under both approaches.

In addition, the proposed intervention area includes a number of “under review” areas (green hatch on the map). These are areas where we are aware of plans for the provision of NGA broadband, but there remains some uncertainty and risk of these not being completed. These areas will be subject to continued monitoring and verification of supplier plans by Merseyside Connected and in the event that these plans fall away these premises will be mapped as white NGA and form part of the proposed intervention area and eligible for intervention via this aid measure.¹

4. Responding to this State Aid Public Consultation

The information requested is specified in the following section (Section 5). When responding to this request, Merseyside Connected would be grateful if you could provide the following:

- Your organisation’s name
- Your organisation’s address
- Your name
- Position
- Contact telephone number
- Email address

We also request confirmation from an authorised signatory that the information provided is suitably accurate and up-to-date.

Please send your response to arrive no later than 17:00 on 16th June 2016 to:

Via email to merseysideconnected@liverpool.gov.uk (marked “Merseyside Connected Public Consultation Response”).

Or by post to:

Merseyside Connected
Public Consultation Response
Liverpool City Council
Office of the Chief Executive
Municipal Buildings
Dale Street
Liverpool
L2 2DH

Please note that any information you provide in your response will be treated as commercially confidential to your organisation. However, it may be necessary to share some or all of your response with our professional advisors and/or DCMS/BDUK, Ofcom, the National Competence Centre, and the European Commission, in the course of seeking State Aid approval. The Merseyside Connected name is also subject to certain legal obligations to disclose information in certain other limited circumstances.

¹ See paragraph 65 of the Commission’s Broadband guidelines.

It should also be noted that it is a State Aid requirement to utilise the information provided in response to this consultation to refine our State Aid maps to define White/Grey/Black areas for NGA. However, the published maps will show the aggregated White/Grey/Black NGA areas, not the data provided on a per-operator basis.

If you have any questions about this State Aid public consultation process, please contact the Merseyside Connected Team by email at:
merseysideconnected@liverpool.gov.uk

5. Information Requested

If you are a telecommunications provider, this section specifies the information you are requested to provide in response to this State Aid public consultation.

Merseyside Connected is requesting information on, and supporting evidence for, any current broadband infrastructure or planned investment (within the next 3 years) in broadband infrastructure in Merseyside, where these may not already be included within the proposed NGA Intervention Area map / list attached.

For the avoidance of doubt, if you are content with our proposed State Aid Intervention Areas, no further response is required.

For any current or planned coverage not included within the proposed State Aid Intervention Areas shown on the attached map / list, Merseyside Connected is requesting information on the premises covered (or planned to be covered) by your broadband infrastructure investment. By 'covered' (or 'passed') Merseyside Connected means that fixed network infrastructure is or will be available to the premises, potentially subject to a final drop connection, or that the premises are able to receive a suitable quality radio signal over the air interface (in the case of wireless or satellite coverage), potentially subject to the installation of a suitable antenna. Where an operator is responding with current or planned coverage for NGA, it must respond to confirm those premises that it is able to provide a broadband service with an access line speed (or equivalent) of at least 30Mbps.

Any information provided in response to this State Aid public consultation should include, but need not be limited to:

- Detailed maps for NGA and Basic Broadband showing the existing coverage, and separately maps detailing the planned investment in NGA and Basic Broadband for at least the next 3 years.
- Details of the actual premises covered or passed (within postcodes (at 7-digit postcode level), and confirmation that fixed network infrastructure is available to the premises, potentially subject to a final drop connection, or that the premises are able to receive a suitable quality radio signal over the air interface (in the case of wireless or satellite coverage), potentially subject to the installation of a suitable antenna.

- A detailed description of the technology solution(s) deployed (or to be deployed) in your broadband infrastructure, and where these claim to be NGA, demonstrate how they meet the minimum standards as set out in the BDUK NGA Technology Guidelines².
- A description of the services/products currently offered, and separately those services/products to be offered within the next 3 years.
- Installation, annual/monthly subscription, and additional volume or per-service tariffs for those services/products (identifying whether such tariffs are inclusive or exclusive of VAT).
- Upload and download speeds typically experienced by end-users, and how these may vary by factors such as distance, increased take-up or demand, contention, etc.
- Appropriate indicators of the quality of services (e.g. contention ratios, bandwidth allocation per user, etc), including any characteristics (e.g. latency, jitter) that are required to support advanced services such as video conferencing or HD video streaming.
- Evidence to substantiate actual or planned coverage claims, including business cases and evidence of available funding to enable plans to be fulfilled.
- Details and planned timing of roll-out of any future investments, including further investments required to cope with future increases in take-up and demand.

Please supplement the required information above with any supporting evidence as you consider appropriate (e.g. links to public websites, etc).

² <https://www.gov.uk/government/publications/state-aid-guidance-technology-guidelines>