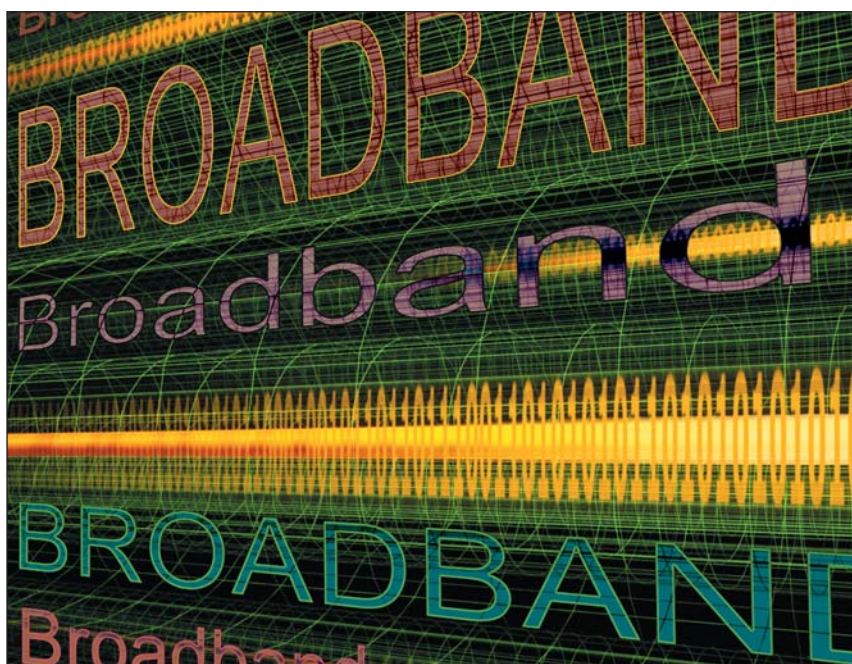


Playing catchup – again

The latest set of price cuts by BT could finally see high-speed broadband internet access becoming affordable for a greater proportion of the nation's households. But, with Europe and the United States already connected, is it all a bit too little, too late?



February's announcement by BT of price cuts for broadband internet access has created a lot of excitement. Replacing conventional dialup using a modem with an always-on high-bandwidth pipe is seen by everyone concerned as A Good Thing: necessary for the internet to fulfil its potential as a business proposition and as a consumer entertainment and information medium.

DTI minister Douglas Alexander has been banging on about creating 'Broadband Britain' for months. It's one of those Blairite slogans that make good headlines but rarely get explained.

Don't bother passing go

But if the DTI really wanted universal high-bandwidth internet access, it would have leaned on BT years ago, prompting its monopoly-minded management to open up its network to its rivals.

Instead, a succession of ministers have made many fine-sounding speeches about encouraging competition and stimulating business, while doing precisely nothing.

Then when BT grudgingly lets a little air into the dungeon and it is far too late

to make a difference to its suffocating competitors, those same ministers take the credit for opening the windows.

"Five months ago I challenged BT to lower broadband prices. BT has now taken up this challenge," said Alexander after BT's announcement. You'd almost think his heart was in the right place, if he had one.

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"This takes us closer to the dawn of broadband Britain," said AOL's chief executive, Karen Thomson, of the price cuts.

Closer to the dawn? That would explain why it's so dark! While in the rest of Europe it's the broadband equivalent of 9am and everyone's starting a day's work, we're in bed, snoozing through the alarm.

Money talks, BT spins

BT's argument that broadband hasn't appealed to the masses because of lack of content is a red herring. There is already plenty of content – music, video, animation, huge information-rich sites – to warrant broadband.

In Germany Deutsche Telekom has been offering broadband internet for €10-13 per month and no installation charge since April 2001. "Uptake of broadband is a question of price and nothing else," maintains Dr Bernhard Rohleder, director general of Bitkom, the German association of IT, telecomms and new media.

BT talked up February's price cuts as if the company had done something heroic: "It will now be even cheaper and easier to get connected to high-speed internet and our existing customers will see a substantial fall in their monthly rental," said Alison Ritchie, chief executive of BT Openworld. Well, she didn't actually say it. She signed off some prepared text written by a PR dalek.

Nice deal if you can get it

But how exactly does she think will it be easier for those who live in rural areas, outside the 5.5km radius of an ADSL-capable exchange, or those serviced by one of the 40 percent of exchanges yet to be upgraded?

We seem to make a habit of making the first step then sitting back while others zoom past. We had our civil war 100 years before anyone in Europe had a revolution, then failed to develop our democracy. Looks like we're repeating that history in telecomms. ■

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