

“Bridging the Broadband Gap of remote and rural areas”

Workshop on Developing Broadband in Poland Strategies, Impacts and Experiences

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European IS Policy initiatives 2000-2010

eEurope 2002

Aim: get Europe on-line

eEurope+ 2003

Aim: Accession & Candidate Countries on-line

eEurope 2005

Aim: e-services on secure BB infrastructure

Lisbon
Mid-term
review

i2010

Aims:

- Information Space
- Innovation & Investment in R&D
- e-inclusion

2000 2002 2003 2004 2005 **2006** 2010

Lisbon Agenda to 2010



The new IS initiative: i2010 (European Information Society in 2010)

Three main Goals:

- **A single European information space:** Promoting a borderless information space with the aim of establishing an **internal market for electronic communications** and digital services
- **Innovation and investment in research:** Stimulating innovation through investment in IST research, development and deployment of ICT and by encouraging eBusiness
- **Inclusion, better public services and quality of life:** Making the European Information Society as inclusive as possible



“Bridging the Broadband Gap Communication”

- Communication “Bridging the Broadband Gap” adopted on 20 March 2006.
- focuses on the availability of broadband infrastructure and services in Europe and in remote and rural areas in particular



Broadband matters economically and socially

- Broadband has the potential to increase productivity, stimulate innovation and improve the quality of life across Europe
- All instruments available at the EU level: Information society, cohesion and rural policies, mobilised to achieve this goal
- The “Broadband for all” policy goal may deliver close to 100% coverage by 2010 if policy is supported by all 25 EU Member States
- Rural, remote and less-developed areas of Europe, cannot miss this opportunity



Broadband matters economically and socially

Two examples:

- **United States:** increase of 1% in employment growth in areas with wide broadband coverage
- **Germany:** increase in broadband coverage and take-up of triple-play services estimated to increase of the German GDP by 46 billion euro by 2010 and creation of 265000 jobs.

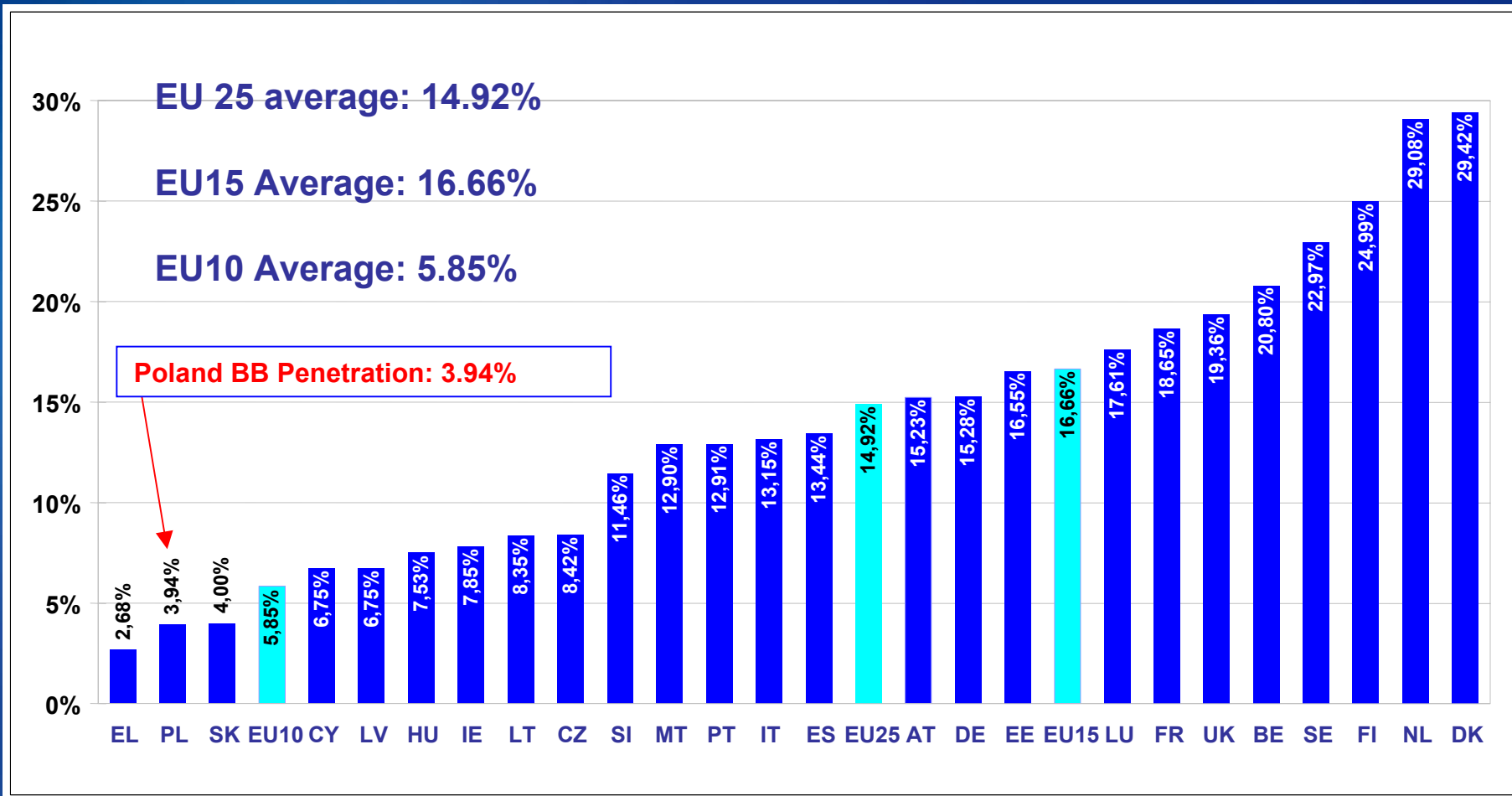


Broadband gaps

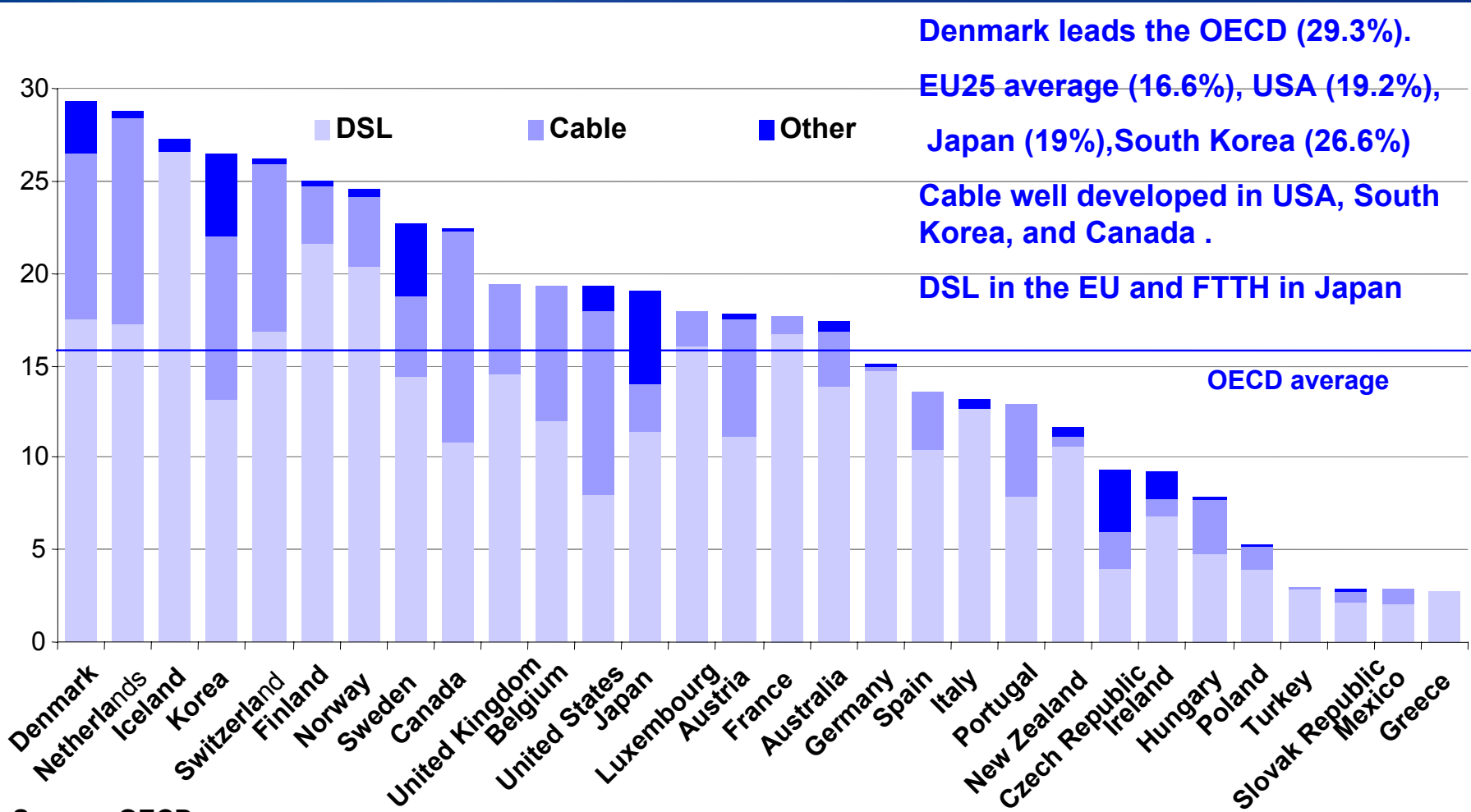
- Broadband take-up is growing fast
- Almost 25% of households subscribe to broadband in Europe.
- 60 million broadband lines
- Europe is still behind world leaders,
- Growth is uneven across Member States
- Remote and rural areas trail far behind these developments



Broadband Penetration rate as at July 2006



OECD Broadband Subscribers per 100 inhabitants by Technology: June 2006



Source: OECD OECD data are slightly different from the data used above but do provide a useful comparison with third countries



Two main sets of problems

Broadband is not yet available to all

- deployment costs are may be high, particularly in distant and scarcely populated areas.
- operators often do not offer broadband because it is not profitable to do so
- a “territorial broadband gap” in EU15 broadband coverage: 90% of urban households and businesses, against 60% of in rural areas
- broadband coverage currently excludes about 13% of EU15 population,
- Higher gap in the new MS.



Second set of problems

The gap is not just about access

- areas speeds tend to be lower and prices tend to be higher, discouraging use of advanced services.
- Europe's broadband penetration rates are low (15%)
- policy responses sometime fail to adopt a balanced approach: too much focus either on supply or demand for ICT/broadband infrastructure and services



Main recommendations of the communication

- MS to revise national broadband strategies: clear targets, concrete actions that reflect regional and local priorities.
- An increase in the exchange of best practices and other relevant information.
 - **A specific web-site will go live in 2007. A Web-based questionnaire has been launched in Sept and close in December (ERISA/IANIS+) <http://www.ianis.net>**
- Organisation of events for rural and less developed areas.
 - **1st event, (DG INFSO, DG AGRI and DG REGIO) foreseen for the first half of 2007.**



The role of public intervention

- Public intervention may accelerate broadband deployment in less profitable areas.
- Commission Lisbon Annual Progress Report: “investing in broadband and ICT strengthens both cohesion and competitiveness”.
- 2007: Beginning of the programming periods of cohesion and rural development policies: a great opportunity to invest in broadband and ICT
- Need for a close coordination of Rural Development with projects under Cohesion policy for comprehensive strategy
- Commission urges governments to use regional and rural development funding to spur broadband in areas where the market is unable or unwilling to invest.



Planning IS/ICT action in Structural Funds (1)

- **Development of integrated regional IS strategies** based on balanced support for demand and supply measures
- **Use of context social, economic and technological indicators**: economic structure (specialisation, level of development, etc), availability of appropriate BB infrastructure at an affordable price, social/demographic make up of the region, etc.
- **Specific OPs on the information society** tend to increase the strategic and integrated approach of IS actions and ease the addressing of horizontal issues such as interoperability, standards, benchmarking, exchange of best practices at national/international level, etc;
- **Aggregation of demand**, availability of broadband data, mapping of infrastructure may ease transparency of the market, enable better assessment of the needs of specific areas



Planning IS/ICT action in Structural Funds (2)

- **Reinforcing regional and local capacity** for planning and implementing IS/ICT strategies and projects
- **Encouraging the strategic use of ICT in Business** (including e-business training) also with the assistance of regional and local catalyts.
- **Adopting e-inclusion measures for weak sectors of society** such as the unemployed, women, immigrants, disabled and elderly including PC ownership, digital literacy, and by including e-accessibility criteria and guidelines in public procurement
- Securing long term sustainability of rural and remote areas: **Coordination between SF and Rural development fund** aimed at realising common objectives and at securing complementary funding for ICT infrastructure and services
- Civil engineering work represents 80% of the total cost for the provision of an affordable ICT infrastructure. **Need for synergy in the building of energy, transport and ICT infrastructures** (eg: in Denmark, power companies are rolling out fibre to consumers as they work to bury overhead power lines)



Conclusions (1)

- Effective alternative infrastructures continues to appear as a key element in the success of broadband take-up
- National regulators' policies can play a vital role in setting out the right conditions for accessing the incumbent's infrastructure, in particular through unbundling.
- However, several other factors determine the success of broadband take-up, such as PC penetration, the level of income, education, ICT training, socio-cultural attitudes towards innovation/change, etc.



Conclusions (2)

- Adopt a balanced and strategic approach for the development of the information society by supporting both demand and supply for ICT
- The benefits from government intervention difficult to assess
- Complexity of the arguments used to define market failure.
- Public intervention has a role in accelerating broadband deployment and use of ICT.



Conclusions (3)

- Lisbon agenda: a clear responsibility to set objectives to improve productivity, employment, social inclusion and economic cohesion.
- The National Broadband Strategies constitute a useful instrument to plan investment in ICT
- Explore new ways to use these policies in a more proactive form:
 - consult relevant players at all levels regional and local to set clear targets,
 - call on the resources and the experience of market players
 - to plan public intervention in areas where the market fails to invest.



Further Information

- **i2010:**
http://europa.eu.int/information_society/eeurope/i2010/i2010/index_en.htm
- **Digital Divide:**
http://europa.eu.int/information_society/eeurope/i2010/digital_divide/index_en.htm
- **A Web-based questionnaire on Broadband needs of regional/local authorities (Sept-Dec 2006) (ERISA/IANIS+):** <http://www.ianis.net>

