

ICT for an Inclusive Society Ministerial Conference

Riga, 11-13 June 2006

PS5 Session on “Strengthening Cohesion between European Regions (PS5)

“Bridging the digital divide among European regions”

Speaking Points

The Commission adopted a Communication on this topic on 20 March, “**Bridging the broadband gap**”.

The main objective of this Communication is to give a strong **commitment to achieve broadband for all** Europeans through various EU policy instruments. Information society, structural and rural policies should be mobilised in full respect of state aid rules.

The idea is that using our policy instruments wisely with regard to broadband infrastructure and services we can do some very practical things to make growth and jobs a reality in the less developed regions and in the rural areas of Europe.

Broadband gaps

Broadband take-up is growing fast. Almost 25% of households subscribe to broadband in Europe. Nowadays there are almost 60 million broadband lines, a number that has quadrupled in the past three years. Europe is still behind world leaders, and growth is uneven across Member States. But we

are narrowing the gap. No doubt broadband is experiencing the fastest take-up among recent communication technologies.

The trend is good, but **broadband is not yet available to all**. Deployment costs are high, particularly in distant and scarcely populated areas. In these circumstances private operators often do not offer broadband because it is not profitable to do so.

Today we have a “territorial broadband gap”: in the EU15, more than **90% of urban households and businesses can have access to broadband, against 60% of rural population**. We do not have data for the new Member States yet, we will have them in a few months, but I expect the gap to be much greater.

The gap is not just about access. In rural areas speeds tend to be lower and prices tend to be higher, discouraging use of advanced services.

We must solve these gaps, because **broadband matters both economically and socially**. Studies on the United States show that thanks to broadband, there was an increase of 1 per cent in the employment growth rate of communities with wide broadband coverage compared to those without.

These results are confirmed by a recent study presented at the CeBIT IT fair in Hannover. An increase in broadband coverage and in the take-up of triple-play services in Germany is

estimated to lead to an increase of the German GDP by 46 billion euro by 2010 and to the creation of 265 thousand jobs.

Available Instruments

Achieving broadband for all is clearly a matter of working together. It is based on a **partnership between the Commission, Member States, regional and local authorities.**

Specifically, Member States are encouraged to revise and update their **national broadband strategies** introducing clear targets and concrete actions.

The **exchange of best practices and information will be facilitated.** A specific web-site will go live in 2007. Its aim is to facilitate the exchange of best practices, enabled aggregation of demand for broadband, share information on procurement strategies and provides information on regulation and ICT policy initiatives. A **Web-based questionnaire**, to be launched with the assistance of ERISA and the IANIS+ network this summer, will test the interest and support of regional and local authorities and rural communities for the initiative. There will be also the **organisation of events** for rural and less developed areas. The first event, jointly organised with DG AGRI and DG REGIO, is foreseen for the first half of 2007.

National, regional and local authorities need to be aware of the benefits of broadband services, of what they can do to harvest them, and of the instruments available.

This is a great opportunity for regions to invest in broadband and ICT and stimulate economic and social development. As was recognised in the Commission Lisbon Annual Progress Report, investing in broadband and ICT is one of the ways in which regional policy strengthens both cohesion and competitiveness.

Public intervention may accelerate broadband deployment in less profitable areas while ensuring, by means of open access requirements, that competition is preserved.

The **Rural Development** policy can fit very closely with projects under Structural Funds. Rural Development is also increasingly focused on creating new business opportunities in rural areas and broadband is the key infrastructure. For farmers, ICT opens up new management strategies and more efficient production. The Commission urges governments at all levels to use regional and rural development funding to spur broadband.

The Commission will continue to enforce the **EU telecom rules** rigorously and promote competition as well as commercial investment. The effective implementation of the regulatory

framework for electronic communications extends markets and promotes use.

The Commission also ensure that the EU spectrum policy contributes to the broadband for all objectives. **A more coordinated EU spectrum policy contributes to the “Broadband for all” objective.** New wireless communication services could benefit rural areas in particular, and for this, spectrum and an efficient management of it is essential. More flexibility on how radio spectrum can be used will have consequences – also in terms of bridging the bb gap in rural areas. Flexibility indeed facilitates the use of spectrum by a multiple number of wireless technologies. Flexibility can also allow for different spectrum usage in rural areas as opposed to urban areas.