

# Speech by Commissioner Phil Hogan at Broadband 2020 and Beyond conference

Centre Borschette, Brussels

17<sup>th</sup> November 2015

- Check Against Delivery –

- Ladies and gentlemen,
- It is my honour to conclude what has been a very interesting, and I believe very important conference on broadband rollout in Europe.
- Fast and reliable broadband is already transforming the 21<sup>st</sup> Century economy, particularly in urban areas. As EU Commissioner for Rural Development, my message today is simple: **rural areas must not be left behind.**

- **The reality is that too many rural areas are depopulating**, so if we are serious about reversing that trend, we need to get serious about rural broadband rollout. And we have to face the facts: **rural broadband is currently lagging behind.**
- Even with strong progress in the last few years, only 25% of rural households are covered by high-speed broadband, compared with at least two thirds of urban areas.
- **This shortfall has to be tackled, and it has to be tackled now.**
- We already know that where genuine connectivity is achieved, new businesses, jobs and prosperity soon follow.
- But the benefits go beyond simply keeping people in the countryside. Rural areas and the communities living in them have a central role to play in the smart, sustainable economies of the 21<sup>st</sup> Century.
- Rural areas are no longer viewed as problems to be addressed reactively – they are increasingly viewed as holding many of the solutions to modern challenges.

- We are therefore seeking new and better ways to empower them to develop these solutions, in areas such as food security, renewable energy, environmental sustainability and water provision, to name but a few.
- **And connectivity will be vital.**
- The European Commission recognises this fact, and has prioritised rural broadband rollout in the EU Digital Single Market package. This makes it **one of our top 10 political priorities for the 2014-2020 period.**
- The ambition is to close the digital gap between urban and rural areas, by providing fast or ultra-fast broadband across the EU by 2020.
- And I would add, these are not just lofty words: we are adding real value by putting our money where our mouth is.
- **Roughly €21.4 billion from the five EU Structural and Investment Funds will be devoted to Information and Communication Technologies until 2020. Within this, approximately €6.4 billion EUR will finance the rollout of high speed broadband.**

- **The second key message I want to deliver today is that the Common Agricultural Policy is also playing a central role in making rural broadband a reality.**
- Many people still think of the CAP as just a mechanism to support farmers. In reality, the policy addresses the totality of rural life – aiming to create a spectrum of rural jobs and empower rural areas to tackle modern challenges.
- It is a holistic strategy which supports the rural economy and rural society.
- The European Agricultural Fund for Rural Development directly supports broadband provision in a number of ways, currently contributing between €1.6 and 2 billion Euro. Support is also available to train communities throughout the EU by to make the most of connectivity when it is in place.
- We have also made it simpler for Managing Authorities or other implementing bodies to draw down funding for public or private broadband projects.

- Successful implementation of rural broadband projects requires solid knowledge, not only of EU programming and eligibility rules, but also on public procurement requirements, state aid procedures, and sometimes financial instruments requirements. Not to mention technological knowledge.
- So decision-makers in rural Europe still need to navigate several different EU funds and bodies. As a result, a unifying European strategy to give every citizen the high-speed connectivity they need, is not always easy to discern.
- That is why I am very happy that Commissioner Oettinger and I have agreed to change this fact and tackle this challenge head-on
- And we have already started.
- Our Commission departments have been working closely together and Commissioner Oettinger, Commissioner Cretu and I have now written to Member States to launch **a new network of "Broadband Competence Offices"**.
- **These will in a very practical way** draw together everything that is needed to progress with the rollout of high-speed broadband in every single region.

- **The Broadband Competence Offices** will take the form of single contact points – both in Brussels and at national or regional level – which will respond quickly and efficiently to requests for help from any public authority or private investor wishing to roll out high-speed broadband in their territory.
- These Broadband Competence Offices (or BCOs) will inform and advise on EU programming, public procurement, state aid or even technological and technical support. They will be able to advise individual promoters on ways to invest effectively in broadband, preferably in combination with Financial Instruments.
- In addition, through the **Broadband Europe website** and regular workshops, BCOs will spread information, provide advice and facilitate the sharing of good practices.
- The BCOs will work in tandem with the newly-formed **“European Investment Advisory Hub”** at the EIB and will be operational as from spring 2016.
- So what will that future look like in a rural area?

- Picture the scene: **a rural user's experience of using the internet** will be entirely revolutionised with a decent fibre or 5G connection. An agricultural accountant will use his high-speed link to exchange documents with his clients, while having a simultaneous video call with his bank manager. Meanwhile his daughter is doing her homework using an online module while his mother is being remotely treated by her specialist telemedicine carers from the clinic in the nearest big town.
- And as Agriculture Commissioner I am eagerly promoting the opportunities that connectivity brings to farming itself.
- Imagine a myriad of sensors that constantly measure soil quality and weather conditions, sending data directly to the farmer's phone. Imagine specialised drones flying over fields to collect data for automatic analysis of plant growth and needs.
- Imagine specialised driverless vehicles traversing the fields, to apply a bit of fertiliser here, more water there, and optimising production. This represents Big Data and the Internet of Things, all rolled into one. Precision agriculture is coming and high-speed connectivity is the fuel powering the engine.

- This picture is not pie-in-the-sky – it is achievable. There are numerous examples of best practice in rural broadband happening at this very moment.
- In September I attended the Irish National Ploughing Championships, where I launched a rural broadband trial by the fibre broadband provider SIRO.
- This company selected Ratheniska, a small village in County Laois, as a trial centre for high-speed connectivity.
- Ratheniska typifies a small rural community, with its local primary school, community hall, sports club, farming community and smattering of local entrepreneurs.
- With broadband speeds of up to 1 gigabit, Ratheniska's connection will be 4 times faster than the fastest connection in Dublin. Indeed, it will be on a par with some of the world's leading cities, such as Tokyo and Hong Kong.
- This opens up a whole new world of possibilities for job creation. It means that a small rural community can be a full partner in shaping its place in the modern economy.



- Elsewhere in Europe, local communities have developed innovative models of cable installation and financing. In rural Lancashire, a project called Broadband for the Rural North will have connected 5,000 properties in 35 outlying parishes by the end of 2015, with an impressive local take-up rate of 65% for the service.
- This success story came about because the local community came together: local residents have managed every stage of the process, developing a share-based funding model; laying the cables and providing a voluntary help service when users experience problems.
- The British authorities have understood the significance of this achievement, culminating in project B4RN's Professor Barry Forde being awarded a MBE last week.
- It is now incumbent upon us to make these changes happen. Policymakers, service providers, rural communities and financial institutions all have a key role to play, and events like this one are an important step on that journey.

- ICT and broadband will keep **young farmers** in rural areas by contributing to both a higher quality of life and the availability of **new** technologies. This will lead to a **new generation of entrepreneurs and innovators** in rural Europe, with a spectrum of new jobs beyond traditional farming activities.
- Improved online public services will become available, facilitating the functioning and the competitiveness of rural business. Improved social services in rural areas will include health, education and culture.
- Ladies and gentlemen, it is no exaggeration to say that the future of farming, of rural entrepreneurship, and indeed of our rural communities generally, relies to a large extent on **the rural right to fast internet connectivity**.
- The wealthy information economy and the Rural Renaissance we dream of can start from the edge – literally – if we embrace the challenge together.
- **Let's make local the new global**; and make our rural communities the drivers of innovation in the 21<sup>st</sup> century.
- Thank you.