

Speech by Commissioner Phil Hogan at the Presidential Seminar on the Problems of Communication in Rural Areas

- The Royal Highland Show, Ingliston

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- Check Against Delivery –

- First Minister Sturgeon, President Forsyth, State Secretary Mundell, Members of Parliament, Ladies and Gentlemen,
- Scotland holds some of the most remote and magnificent rural areas in Europe, where human populations have sustained themselves for thousands of years. **Our challenge, as policymakers of the new century, is to design blueprints for sustaining them in the years to come.**

- During a recent visit to the US, I attended a conference on rural development. I was pleased to tell the audience that we cherish our rural communities in the European Union, and view them as key drivers of our shared prosperity and sustainable growth.
- As problems of an urgent global nature multiply, rural areas are increasingly being viewed as holding many of the solutions, in terms of food security, renewable energy, environmental sustainability and water provision.
- Providing genuine connectivity will be vital if we are serious about enabling rural areas and the communities that live in them to be full partners in developing these solutions.
- In the agri-food sector, developing and using technological innovations for precision farming requires rapid connection to the internet.
- A plethora of small and medium-sized business opportunities will be available to any given area when full connectivity is realised. This will incentivise rural dwellers to stay in their local areas as well as attracting new residents.

- **Easy access to technology leads to innovation which leads to jobs.** We need not look far for evidence – I recently learned about the Sinclair, an early 1980s computer which was made in Dundee, with cheap copies easily available. As a result, Dundee became a micro-culture of tech and computer games, and today hosts over 40 gaming firms and the UK's biggest games prize – The Abertay.
- **Fast internet connectivity can lead to similar micro-cultures developing in remote areas, leading to a new influx of jobs and growth.**
- Furthermore, affordable fast internet access in the countryside will benefit society as a whole via new developments such as tele-medicine or tele-learning services – **areas of research which cannot be rolled out in most European countries until greater rural connectivity is developed.**
- Bringing fibre to the hardest to reach places first will also stimulate existing providers to invest in their own infrastructure before they start to lose customers.

- Picture the scene: **a rural user's experience of using the internet** will be entirely revolutionised with a decent fibre connection. A farmer could instantly download his Single Farm Payment form in one corner of the screen while having a simultaneous skype call with his agricultural advisor! Meanwhile his son's band are performing live via video link-up while his mother is being remotely treated by her specialist telemedicine carers from the clinic in the nearest big town.
- This picture is not pie-in-the-sky – it is achievable. As you know, the paradigm shift we must work towards has a name: FttH or "Fibre to the Home". If telecoms companies can't be steered to make these necessary changes, solutions may be found in rural areas themselves. Communities throughout Europe have developed innovative models of cable installation and financing.
- Not far from here, 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 B4RN customers have computer or tablet problems.
- So I am convinced that our goals are achievable with joined-up thinking, enlightened collaboration, and – of course – funding. We have to use taxpayers' money to attract private investment.
- The European Commission is committed to adding value by putting its money where its mouth is. One of the aims of the EU Digital Single Market package is to close the digital gap between urban and rural areas, with the ambition of providing fast or ultra-fast broadband across the EU by 2020.
- **Roughly €21.4 billion from the five EU Structural and Investment Funds will be devoted to Information and Communication Technologies. Within this, approximately €6.4 billion EUR will finance the roll-out of high speed broadband.**
- The estimated contribution from Rural Development funding will be between 1.6 and 2 billion Euro.

- I have placed the prioritisation of high speed broadband for rural areas as an important policy objective for my mandate. I am working closely with the Commissioner for Regional Development Corina Cretu to deliver a good result.
- These amounts will all be co-financed by investment from other private or public sources.
- The development of tailored financial instruments may also be desirable, so that local projects could access loans at competitive rates over a 10-15 year period. The Commission in cooperation with the European Investment Bank is assessing options for this at present.

(Conclusion)

- 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**.

- This is the key to enabling remote working and business from rural areas; eCommerce, creative sectors; precision farming; and **all the commercial, social and community benefits arising from full connectivity.**
- The wealthy information economy 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 21st century.
- If the countryside enters an era of genuine FttH connectivity, there is no reason in the world why tomorrow's information society jobs cannot be carried out IN THE COUNTRY.
- Thank you for inviting me here today and I look forward to hearing your deliberations.