

Procedure file

Basic information		
INI - Own-initiative procedure	2006/2273(INI)	Procedure completed
Building a European policy on broadband		
Subject		
3.30.06 Information and communication technologies, digital technologies		
3.30.25.02 Information programmes and action plans		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		12/09/2006
		PPE-DE HÖKMARK Gunnar	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	IMCO Internal Market and Consumer Protection		19/12/2006
		PPE-DE HARBOUR Malcolm	
	REGI Regional Development		01/02/2007
		PSE BOURZAI Bernadette	
	CULT Culture and Education	The committee decided not to give an opinion.	
	JURI Legal Affairs		24/10/2006
		PSE SAKALAS Aloyzas	
European Commission	Commission DG	Commissioner	
	Communications Networks, Content and Technology	REDING Viviane	

Key events			
20/03/2006	Non-legislative basic document published	COM(2006)0129	Summary
29/11/2006	Committee referral announced in Parliament		
03/05/2007	Vote in committee		Summary
21/05/2007	Committee report tabled for plenary	A6-0193/2007	
18/06/2007	Debate in Parliament		
19/06/2007	Results of vote in Parliament		

19/06/2007	Decision by Parliament	T6-0261/2007	Summary
19/06/2007	End of procedure in Parliament		

Technical information

Procedure reference	2006/2273(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/36024

Documentation gateway

Non-legislative basic document		COM(2006)0129	20/03/2006	EC	Summary
Committee draft report		PE384.258	12/03/2007	EP	
Amendments tabled in committee		PE384.657	19/03/2007	EP	
Committee opinion	IMCO	PE384.587	26/03/2007	EP	
Committee opinion	REGI	PE384.594	27/03/2007	EP	
Committee opinion	JURI	PE386.337	11/04/2007	EP	
Committee report tabled for plenary, single reading		A6-0193/2007	21/05/2007	EP	
Text adopted by Parliament, single reading		T6-0261/2007	19/06/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)3798/2	18/07/2007	EC	
Commission response to text adopted in plenary		SP(2007)4174	13/09/2007	EC	

Building a European policy on broadband

PURPOSE: to present a Report on 'Bridging the Broadband Gap'.

CONTENT: this Commission Communication focuses on the territorial divide of broadband access in the EU ? i.e. the difference between uptake in the rural communities as compared to the uptake of broadband in the urban areas.. Its purpose is to raise awareness at both a local and national level of the importance that this divide has on the EU's overall development strategy. The findings of this Report are based on the 'Digital Divide Forum Report?', which was available for public consultation up until 16 September 2005.

Broadband enables new applications and enhances the capacity of existing ones. It stimulates economic growth through the creation of new services and the opening up of new investment and job opportunities. Further, the availability of broadband services is one critical element in assisting local communities in attracting businesses, in enabling tele-work, in providing healthcares and in improving education and government services.

Demand for residential broadband services in the EU has been growing fast. The number of broadband access lines has almost doubled in the past two years. In October 2005 there were about 53 million connections in the EU 25 ? corresponding to a penetration rate of 11.5% in terms of population and to roughly 20% of households. These developments have been mainly market driven and are enhanced by competition.

Yet, access in more remote and rural regions is limited. This trend can largely be attributed to high costs associated with low population densities and geographical remoteness. Thus, in spite of significant increases in broadband coverage an important gap between urban and rural areas of the EU 15 Member States plus Norway and Iceland remains. There are, as yet, no figures for the ten new EU Member States. The result is that households with access to broadband are concentrated in urban and suburban areas. In January 2005, DSL reached only about 62% of households in the rural areas. Furthermore, in these areas only about 8% of households subscribe to broadband, compared to an average rate of 18% in urban areas. Rural areas also lag behind urban areas in terms of connection speeds. Download speeds between 144 kbps and 512 kbps are common in rural areas compared to average speeds of between 512 and 1000 kbps in urban areas.

To address these shortcomings, the Commission suggests that the local and regional authorities are best placed to plan a broadband project

that takes account of local needs and technological requirements.

To address some of the shortcomings identified a number of actions are proposed:

Action 1: Implementation of the regulatory framework for electronic communications. The Report proposes that Member States fully implement this framework in order to enhance open access to broadband and to facilitate competitive entry in rural areas.

Action 2: Public funding. Public intervention in the forms of loans and grants, often as public-private partnerships, should be further developed in under-served areas. Fiscal incentives for subscribers should be explored, in compliance with competition rules and technological neutrality.

Action 3: State aids and competition policy. The Commission will seek to explain and disseminate its practice in order to provide guidance on state-aid rules applicable to broadband projects.

Action 4: Structural Fund and the Rural Development Fund: The Commission will organise a conference in the first half of 2007 to bring together the ICT and rural constituencies. The aim will be to analyse the needs of rural users and to create awareness of the potential of ICTs for rural development.

Action 5: Demand aggregation and procurement. The Commission will launch a website that stimulates the exchange of best practices and that will facilitate demand aggregation. It will act as a central information platform, publishing calls for tender and providing a one-stop shop for best practice exchanges. As such it may develop into a virtual meeting point between suppliers and local governments. Such an approach will allow very sparsely-populated areas to co-ordinate demands for broadband whilst at the same time establishing a critical mass for technological solutions.

Action 6: Fostering the creation of modern public services. Active policies at both Member State and regional level can provide connectivity for public administration, schools and health centres. The Commission will take account of the stimulation effect of e-government services in disadvantaged regions when preparing its Action Plan for e-government in 2006.

Building a European policy on broadband

The committee adopted the own-initiative report drawn up by Gunnar HÖKMARK (EPP-ED, SE) on building a European policy on broadband. The report stressed the opportunities that would be created by an internal market with nearly 500 million people connected to broadband, and said that the deployment of broadband networks offering reliable transmission at competitive bandwidth was crucial for business growth, social development and the enhancement of public services.

The report called on the Member States to promote the deployment of broadband services in rural areas - which was a key factor in ensuring that everyone could take part in the information society - and to promote broadband connections in every school, university and educational centre in the EU. It said that "the key to closing the broadband gap is innovative technology", which offers interesting and cheaper solutions for remote, inaccessible and rural areas, and noted that new technologies such as wireless links, mobile and satellite communications must be taken into account when radio spectrum is allocated.

The committee emphasised that digital literacy is an indispensable basis for exploiting the opportunities offered by broadband, and pointed to the responsibility of public education in this area. It also noted that investment in e-health, e-government and e-learning application can play an important role in driving consumer demand for broadband, and called on the Commission and Member States to give preference to broadband Internet solutions and technologies in the computerisation of government departments, the education sector and SMEs. Moreover, it wanted to see structural and rural funds used to support "a core set of European e-services", which would help to achieve further integration and strengthened cohesion as well as to create a single European electronic market via the use of broadband.

The report also urged the Community institutions and Member States to work with industry and address problems (such as micro-payment, security and trust, interoperability and Digital Rights Management) that hamper the development of new business models in the field of broadband.

Among other recommendations, the committee called on the Commission to help create a supportive environment for innovation and new technologies by providing a regulatory framework that invites competition and private investment and by supporting the necessary infrastructure. It also stressed the important role that the Member States could play by implementing the EU regulatory framework for electronic communications, thereby creating legal certainty in this area.

On the question of consumer protection, the report urged the Commission to examine the availability of Internet services at reasonable and affordable rates throughout the EU to all citizens and whether there is a need to modify the existing universal service requirements. The Commission should also address consumer concerns regarding secure and safe broadband use.

Lastly the committee stressed that public funding should only be used where the roll-out of broadband infrastructure is not economically viable for private undertakings and should not serve to duplicate existing infrastructure capable of providing broadband services. In this connection, the Commission was urged to "provide guidance and disseminate good practice" on the observance of State aid rules regarding public financial support to broadband projects. The report insisted that public funding of broadband infrastructure must adhere to the principle of 'technology neutrality'.

Building a European policy on broadband

The European Parliament adopted a resolution based on the own-initiative report drafted by Gunnar HÖKMARK (EPP-ED, SE) on building a European policy on broadband. Discussing the potential of broadband, Parliament stressed that the opportunities that an internal market with nearly 500 million people connected to broadband would bring about, would give the EU the capacity to be a world leading knowledge-based economy. General access to broadband was an essential prerequisite for social development and improved public services and public authorities should make every effort to ensure that all citizens have access to broadband, thereby enabling its benefits to extend to every section of the population, particularly in the less-developed areas of the Union.

Broadband deployment in rural areas was a key factor in the participation of all in the knowledge society, and broadband services were equally decisive for the economic development of the regions. Member States must promote broadband connections in every school, university and educational centre in the EU, with a view to a future where no child in the EU and no individual involved in educational programmes is left off line.

The key to closing the broadband gap was innovative technology, which makes it possible to construct high-capacity broadband connections. Broadband services would help the least-developed regions to attract businesses, facilitate distance working, offer new medical diagnostic and care services, and achieve improved educational standards and public services. With regard to content, Parliament felt that investment in e-health, e-government and e-learning applications could play an important role in driving consumer demand for broadband, and thus create the critical mass necessary for large markets to emerge in these areas.

Private investment was essential for wider broadband deployment and universal coverage. Parliament urged the Community institutions and Member States to work with industry and address problems (such as micro-payments, security and trust, interoperability and digital rights management) that hamper the development of new business models in the field of broadband. It went on to state that the role of the Community institutions and Member States was to create a supportive environment for the development of innovation and for the introduction of new technologies by providing a regulatory framework that invites competition and private investment, and to use relevant funds to drive demand for broadband services and, where justified, to support the necessary infrastructure.

It was imperative that national regulators, competition authorities and national and local governments simultaneously give priority to promoting more vigorous competition in broadband markets as well as to applying remedies to address abuses of dominant positions and cartels, and finally to reducing barriers to entry, so that the market is able to deliver innovation.

Improving broadband infrastructure should be a special priority for the use of EU structural and rural funds. MEPs believed that these funds could also be used for upgrading or replacing broadband networks that do not provide connections with suitable functional capacity. Nevertheless, the report also calls on the Commission to closely examine whether the EU regulatory framework is fully implemented and whether state aid rules are applied whenever those funds are used for broadband investments. EU funding should not favour specific players or technological options, but only the most efficient solutions and should only be permitted in under-served areas. The Commission should ensure that all service providers have equal access to any broadband networks that have been rolled out with the help of EU structural and rural funds.

Parliament advocated functional unbundling of access networks of market incumbents from their operating activities, so as to ensure fair and equal treatment of all operators. It then called on the Commission, in its forthcoming green paper on universal service, to examine the availability of Internet services at reasonable rates to all citizens throughout the EU, and to consider whether there is a need to modify the existing universal service requirements. The green paper should, furthermore, address consumer concerns regarding secure and safe broadband use.