## Basic information

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

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| ITRE Industry, Research and Energy | HÖKMARK Gunnar (PPE-DE) | 12/09/2006 |

| 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 | HARBOUR Malcolm (PPE-DE) | 19/12/2006 |
| REGI Regional Development | BOURZAI Bernadette (PSE) | 01/02/2007 |
| CULT Culture and Education | The committee decided not to give an opinion. | 09/10/2006 |
| JURI Legal Affairs | SAKALAS Aloyzas (PSE) | 24/10/2006 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Communications Networks, Content and Technology | REDING Viviane |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 20/03/2006 | Non-legislative basic document published | COM(2006)0129 | Summary |
| 29/11/2006 | Committee referral announced in Parliament | | |

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|---|---|---|---|
| 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 | Decision by Parliament | T6-0261/2007 | Summary |
| 19/06/2007 | Results of vote in Parliament | | |
| 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 55 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | ITRE/6/36024 |

Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE384.258 | 12/03/2007 | |
| Amendments tabled in committee | | PE384.657 | 19/03/2007 | |
| Committee opinion | IMCO | PE384.587 | 26/03/2007 | |
| Committee opinion | REGI | PE384.594 | 27/03/2007 | |
| Committee report tabled for plenary, single reading | | A6-0193/2007 | 21/05/2007 | |
| Text adopted by Parliament, single reading | | T6-0261/2007 | 19/06/2007 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2006)0129 | 20/03/2006 | Summary |

# Building a European policy on broadband

2006/2273(INI) - 20/03/2006 - Non-legislative basic document

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 shortcoming 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

2006/2273(INI) - 19/06/2007 - Text adopted by Parliament, single reading

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.