

# EU presses for broadband's way forward

**Great as the World Wide Web may be as a source of entertainment and information, it's not enough for people to go online. Rather, Internet access is only truly useful with a broadband connection rather than by dialup, and the European Union is stepping up efforts to make high-speed Internet connectivity more widely available so that more can be done online.**

Currently, only 13 percent of the population in all 25 member countries has access to broadband, even though in the richer 15 states broadband is available to about 60 percent of households and businesses. As a result, the penetration rate of high-speed Internet access in the poorer, rural and recently joined countries has been particularly low.

"Broadband Internet connections are a prerequisite for e-business, growth and jobs throughout the economy. Competition and open markets are certainly the best drivers of broadband in the EU," said Viviane Reding, commissioner for information society and media. "However, broadband connections must not be limited to the big cities. If the EU and its 25 member states make a clever use of all policy instruments, broadband for all Europeans is certainly not out of reach by 2010. But the time to act is now," she added.

Granted, the EU has made significant strides in promoting broadband, and governments are ensuring that the telecom sector is deregulated so that there is more competition in the market to ensure cheaper prices and higher-quality services. But market forces have not always been as effective in ensuring that rural and poorer areas have access to the system, which is when government intervention may be useful.

"Where there are genuine market failures, the EU structural funds play a vital role in stimulating investments in broadband infrastructure and services, boosting competitiveness and innovation and enabling all regions of Europe to participate fully in the knowledge economy," said Commissioner Danuta Hubner, who is responsible for regional policy.

Already, the EU has started budgeting for the initiative as part of the greater plan to develop rural areas across the union by creating more business opportunities in the countryside.

"There is a particularly strong concentration on broadband and information and communication technologies. ... We now want to put them into the mainstream of our Rural Development programmes. ... I urge member states to tap the potential of broadband in their national rural development strategies," said Mariann Fischer Boel, the commissioner for agriculture and rural development.

The commission also pointed out the need for greater cooperation between the public and private sectors to ensure that local needs are met and services remain affordable.

Of course, the case for broadband over dialup has been made by a number of public institutions, including the International Telecommunications Union. The U.N. agency said earlier this month that not only is broadband critical to ensure greater productivity gains, but it also pointed out that "low cost technologies exist today that can promote broadband access and enable developing countries to 'leapfrog' over older technologies to advance into the broadband future rapidly."

At the same time, the ITU pointed out the need for regulators to step in to ensure that broadband becomes a reality sooner rather than later.

"As competition becomes viable, and market forces begin to discipline operators' behaviour, it may be wiser to reduce the regulatory burden on all operators, incumbents and new entrants alike, rather than

imposing the same regulatory structure on competitors that has always been applied to the monopoly incumbent," the ITU said.

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