



Committee of the Regions

EDUC-IV-007

**68th plenary session,
13 and 14 February 2007**

**OPINION
of the
Committee of the Regions
on**

**BRIDGING THE BROADBAND GAP
AND
i2010 eGOVERNMENT ACTION PLAN**

THE COMMITTEE OF THE REGIONS

- considers that the availability of broadband access at affordable rates across the EU is vital to ensuring quality public services, regional competitiveness and productivity and a more even development of the information and knowledge society, covering areas traditionally excluded. It considers that broadband connectivity should be supplied on the same basis as basic utilities such as drinking water and electricity;
- considers very important the references made by the Commission to rural development, the use of Structural Funds and its assessment of the compatibility with EU rules of publicly-funded broadband access projects;
- hopes that the new regulatory framework on electronic communications will develop a policy of radio-spectrum usage supporting the introduction of wireless broadband technology;
- echoes the Commission's call for Member States to strengthen their National Broadband Strategies by increasing the involvement of local and regional authorities;
- takes the view that inclusive eGovernment involves countering potential digital exclusion when services are provided online (the infrastructural and cultural digital divide), as well as developing social inclusion policies by means of ICT;
- notes that the use of eGovernment should be aimed at both the restructuring and updating of public services, and at achieving the goals of efficiency, effectiveness, cost efficiency, impartiality, transparency, simplification and participation. It believes that there is a clear need for public bodies to share best practices;
- recommends facilitating cooperation, the exchange of know-how, the sharing of re-usable solutions and initiatives towards greater transparency and public involvement in decision-making, particularly in parliamentary decision-making processes.

THE COMMITTEE OF THE REGIONS,

Having regard to the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Bridging the Broadband Gap* (COM(2006) 129 final);

Having regard to the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on i2010 eGovernment Action Plan: Accelerating eGovernment in Europe for the Benefit of All* (COM(2006) 173 final);

Having regard to the decisions of the European Commission of 20 March 2006 and of 25 April 2006 to request its opinion on both subjects, under Article 265(1) of the Treaty establishing the European Community;

Having regard to the decision of the Bureau of 25 April 2006 to instruct the Commission for Culture, Education and Research to draw up an opinion on both subjects;

Having regard to its opinion on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions i2010 - A European Information Society for Growth and Employment* (COM(2005) 229 final), (CdR 252/2005 fin)¹;

Having regard to its opinion on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Connecting Europe at High Speed: National Broadband Strategies* (COM(2004) 369 final), (CdR 257/2004 fin)²;

Having regard to its opinion on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the eEurope 2005 Action Plan: An Update*. (COM(2004) 380 final), (CdR 193/2004 fin)³;

Having regard to the draft opinion adopted by the Commission for Culture, Education and Research on 30 November 2006 (CdR 272/2006 rev. 2), (Rapporteur: **Mr Luciano Caveri**, President of the Autonomous Region of Valle d'Aosta (IT/ALDE));

¹ OJ C 192, 16.8.2006, p. 15.

² OJ C 71, 22.3.2005, p. 55.

³ OJ C 71, 22.3.2005, p. 59.

adopted the following opinion at its 68th plenary session, held on 13-14 February 2007 (meeting of 13 February 2007):

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1. **Broadband**

The broadband gap

The Committee of the Regions

- 1.1 **considers** that the Internet is one of the most brilliant innovations of our time. Its potential to generate economic growth can bring about substantial benefits such as the creation of new services, the opening up of new investment and job opportunities, productivity gains, reduced costs and increased quality of life.
- 1.2 **welcomes** the fact that the diffusion of information technologies plays a crucial role in the achieving the Lisbon and Gothenburg strategies, in terms of the improvement that they bring to the operations of existing businesses, for the growth of new and innovative businesses and the decisive contribution they can make in educating workers and citizens in general.
- 1.3 **points out** the importance of increasing the availability of information technologies at all levels of public administration, especially where public bodies are providing services directly to citizens.
- 1.4 **stresses**, however, that on-line services such as such as eGovernment, eHealth, eLearning and eProcurement can only become inclusive and more interactive when they become widely available to the EU's citizens and business community by means of broadband connections.
- 1.5 **considers**, therefore, that the availability of broadband access at affordable rates across the EU is vital to ensuring quality public services, regional competitiveness and productivity and a more even development of the information and knowledge society, covering areas traditionally excluded.
- 1.6 **welcomes** the fact that the Communication makes several explicit references to rural development, including possible ad hoc funding lines, is a clear indication of the significance attributed by the Commission to the potential benefits of a more widespread availability of broadband services. These benefits include increasing the competitiveness of rural areas and the balanced development of the territory – and generally, in areas with permanent

geographical and natural handicaps – as well as the high added value that it can bring to businesses traditionally located in those areas.

- 1.7 **considers** very important, therefore, the references to policies coming under the remit of the Directorate General for Regional Policy – in particular, regarding the use of Structural Funds – and of DG Competition – specifically, its assessment of the compatibility with EU rules of publicly-funded rural broadband access projects.
- 1.8 **fears** that a common pitfall in broadband deployment is the risk of market failure, where private operators perceive little return on infrastructural investment in remote, rural, low-population-density areas or where hilly terrain makes it a particularly complex and onerous task. Such openness and flexibility is a significant and positive sign, given that broadband is so crucial to the socio-economic development of such areas.
- 1.9 **points out**, in support of this argument, that the Committee of the Regions has, on several occasions, analysed and discussed the range of solutions being implemented by local and regional authorities across Europe; what emerged clearly was that there is no "one size fits all" solution. In particular, what may be suitable for a large urban centre may not be so for other areas, such as a small mountainous region, with a complex, rugged terrain, or sparse population in which extra efforts are required for the provision of any kind of service.
- 1.10 **recognises** the significant progress made in recent years in broadband deployment. However, in view of the EU's target of reaching at least 90% of its population by 2010, a substantial disparity remains in terms of infrastructure, between urban centres and remote areas, and between the old and new Member States.
- 1.11 **stresses**, however, that this target of covering 90% of the population is not enough on its own, if not viewed in tandem with other factors (geographical spread, population density, etc.). Indeed, in small communities, such as upland areas, which often have difficulty accessing basic utilities (fixed and mobile telephone services, terrestrial television, etc.) the other 10% could represent the exclusion of entire low-population-density areas.
- 1.12 **further points out**, in relation to the broadband gap, the need to also focus on the gap between broadband deployment and actual usage. To bridge this gap, non-technical measures need to be taken at local level, aimed at promoting the use of broadband among older people and disadvantaged or traditionally less-receptive social groups, such as rural communities (e.g., Internet demonstration events, provision of public access points, etc.).
- 1.13 **stresses**, finally, that while building the broadband transport infrastructure and developing the services it carries, it will be vital to ensure that all security requirements at every level are met to ensure optimum levels of protection and user privacy.

The situation of the new Member States

The Committee of the Regions

- 1.14 **points out** that data comparable to that which exists regarding the EU-15 on broadband penetration, coverage and actual usage of online services, is not yet available for the new Member States on a regional level.
- 1.15 **calls on** the Commission, therefore, to carry out forthwith a study of the state of play with regard to infrastructure in the regions of the new Member States and in the less urban areas of the old Member States, with a view to identifying the action needed to update existing infrastructure to the standard required to meet the Lisbon objectives.

Technological solutions

The Committee of the Regions

- 1.16 **warmly welcomes** the Commission's proposal to review the legislative framework on electronic communications.
- 1.17 **hopes** that the new regulatory framework will, with due regard for the subsidiarity principle, ensure non-discriminatory competition between operators and existing and future technologies, and will develop a policy of radio-spectrum usage based on the principle of *technological neutrality*. This is particularly important given that the recent introduction of wireless technology, which is particularly suited to overcoming coverage problems in rural areas or areas with difficult terrain, requires that sufficient spectrum be made available for broadband deployment.
- 1.18 **entirely agrees** the with the Commission's position regarding radio spectrum as set out in its four previous communications presented in September and November 2005 and in March and June 2006, when it advocated technological neutrality, transparency, efficient use of spectrum, and the fostering of a competitive and innovative environment conducive to the development of new technologies.
- 1.19 **shares** the Commission's vision that the use of frequencies should no longer be based on the logic that each band is allocated a specific technology, with services being carried on an assigned frequency (e.g., 900 MHz used by the eTacs mobile telephony service).
- 1.20 **requests**, therefore, that the Commission help to frame a strategy which allows flexibility in the use of technology within a given spectrum frequency.
- 1.21 **stresses** the importance of ensuring that the application of and compliance with the new regulatory framework based on technological neutrality leads to the provision of frequency

for wireless communications, for broadband deployment, in order to alleviate the considerable disparity suffered by areas with permanent geographical and natural handicaps.

- 1.22 **notes** that broadband deployment technologies such as WiMAX could hold the key to overcoming the problems of such geographically disadvantaged regions. In this regard, it is interesting to note, by way of example, that this wireless technology is the subject of huge investment by operators on the US market.

Need for public intervention

The Committee of the Regions

- 1.23 **considers that** broadband connectivity should be supplied on the same basis as basic utilities such as drinking water and electricity.
- 1.24 **notes that** closing the broadband gap in areas with a complex terrain, such as areas with permanent geographical and natural handicaps, requires greater investment than in lowland areas, thus making profitable investment non-viable.
- 1.25 **stresses**, in light of this, that open public consultation through the Digital Divide Forum **HAS** confirmed the need for public intervention both on the part of national and local authorities and on the part of industry and the voluntary sector.

The use of EU funds

The Committee of the Regions

- 1.26 **shares** the Commission's view on the importance of encouraging local and regional authorities to make optimum use of the possibilities offered by the Structural Funds and the Rural Development Fund, in terms of both the supply and usage of broadband. The Committee has on several occasions shown the need for and the benefits of this approach.
- 1.27 **hopes** that the Commission will make its guidelines more precise concerning situations where wireless broadband services are deployed with the aid of Structural Fund resources in regions where partial supply of such services already exists. Geographically, it is impossible in practice to limit access to these services – especially where new wireless technologies are used – to sparsely populated areas without them also being accessible in built-up areas where these services are already available.
- 1.28 **points out**, however, that not all rural areas and areas with permanent geographical and natural handicaps – where bridging the broadband gap is of particular urgency and is particularly problematic – are actually disadvantaged areas as defined by the eligibility criteria for the Structural Funds.

- 1.29 **considers it important**, therefore, to find new and flexible ways of intervening effectively in these areas, whether through policies providing economic support to infrastructure schemes set at local or regional level and coordinated at national and EU levels, or through guidelines on dealing with market failures, common in the above-mentioned areas, in accordance with the EU principles of free competition.
- 1.30 **notes**, with regard to broadband deployment in areas with permanent geographical and natural handicaps, in which, as previously mentioned, operators are reluctant to invest given that there is no prospect of a return on their investment, public-private partnerships or modern forms of project financing are not practicable, at least without the public sector providing the bulk of the investment, and for which new types of incentives must therefore be found.
- 1.31 **considers**, furthermore, that there is little use in introducing tax relief for subscribers given that the problem of broadband deployment is principally one of *supply* rather than *demand*. It would be more worthwhile to consider tax relief or incentives for the operators themselves for infrastructure projects in areas with permanent geographical and commercial handicaps, thus reducing the yield curve of the investment.
- 1.32 **welcomes**, in view of the CoR's long-standing firm commitment to furthering the exchange of best practices, the Commission's proposal to further promote best practice exchange and to facilitate demand aggregation through a pan-European website, which will act as a central information platform for suppliers and local and regional governments.
- 1.33 **considers** it very important, therefore, that the Commission should actively seek to build substantial synergies between its own sectoral programmes and the funding provided through the Structural and Rural Development Funds.

Regional and national broadband development strategies

The Committee of the Regions

- 1.34 **echoes** the Commission's call for Member States to strengthen their National Broadband Strategies by increasing the involvement of local and regional authorities and setting measurable targets for broadband rollout, particularly in terms of public services.

2. i2010 – eGovernment Action Plan

The link between broadband and eGovernment

- 2.1 **shares** the Commission's view that broadband is one of the key enabling factors in expanding the information society, and in particular, in ensuring equal access for all citizens, increasing the competitiveness of business and improving the efficiency of Public Administrations (PA).

- 2.2 **considers** that the "infrastructural *digital divide*", whereby the gap between those living in areas where advanced infrastructure and services are available and those living in areas with permanent geographical and natural handicaps where such infrastructure is lacking, is a substantial barrier to the participation of all in the information society (eInclusion) and to the ability – particularly in the case of the public sector – to devise innovative ways of interacting with clients, citizens and businesses. It thus constitutes a very real and substantial democratic deficit.
- 2.3 **considers** that there is a continuing "cultural *digital divide*" – a gap in the knowledge needed to become a user of ICT Services between new and old Member States, between one Member State and another, between urban and rural areas and between the different generations and social classes that make up European society; it is crucial, therefore, to find means of intervention with which to equip as many citizens as possible with the basic knowledge needed to profit from innovation in this field.

No-one left behind – advancing inclusion through *eGovernment*

The Committee of the Regions

- 2.4 **takes the view** that inclusive eGovernment involves countering potential digital exclusion when services are provided online (the infrastructural and cultural digital divide), as well as developing social inclusion policies by means of Information and Communication Technology (ICT).
- 2.5 **notes that**, in order to prevent marginalisation from public services, administrations should take a multi-channel approach, allowing users to interact by whichever means they prefer (physical counter, website, digital TV, mobile telephony, etc.).
- 2.6 **considers** that in order to increase eAccess to services for socially disadvantaged groups, training and support measures must be provided so that equal opportunities are ensured.
- 2.7 **acknowledges** the need for public administration portals to comply with *web usability* standards as defined by the W3C. Compliance should be assessed by suitable internationally-recognised certification bodies.
- 2.8 **considers** it important that each inclusion project should form part of an overall programme framework in order to reduce the risk of introducing fragmented non-synergistic measures.

Making efficient and effective government a reality – metrics and benchmarking

The Committee of the Regions

- 2.9 **notes that** the use of ICT should be aimed at both the restructuring and updating of public services, and at achieving the goals of efficiency, effectiveness, cost efficiency, impartiality, transparency, simplification and participation.
- 2.10 **notes that** fewer visits to local government offices, less time spent queuing to fulfil administrative procedures, easier form-filling, single front office and reduced rates of error due to direct control of data are all advantages that could help steer service provision towards more modern methods than those traditionally used.
- 2.11 **thinks** it would be useful to develop metrics for measuring cost, benefit, impact, etc., using a common EU framework of indicators and methods.
- 2.12 **is convinced** that public sector investment, aimed at system integration and cooperation, at sharing information and at delivering online services, should for this reason be based on the following financially quantifiable – and therefore comparable – key benefits: time saving for the public and businesses (end users); increased PA efficiency and productivity. There are also qualitative benefits such as: higher level of PA-service-user satisfaction; greater PA transparency and accountability.
- 2.13 **considers** that, in order to establish the common assessment metrics system, it would be useful to compare the various national or regional systems and then adopt the best model.
- 2.14 **believes**, therefore, that there is a clear need for public bodies to share best practices, both in terms of administration and in terms of technology, in order to optimise the use of available resources, but also to create added value by building up professional eGovernment communities, using a root and branch approach. Examination of worst practices – experience which has failed to deliver the expected results – can also be useful in assessing risk factors and critical issues.
- 2.15 **suggests** that publicly purchased applications used by certain administrations could be made available in their original format, with documentation attached, for the free use of other PAs that request them, in order to tailor them to their own needs.

High-impact key services for citizens and business

The Committee of the Regions

- 2.16 **considers** it crucial – if eGovernment is to take off across Europe – to identify the services creating high added value that can have a real impact on citizens, business and the

administrations themselves and that can drive the large-scale deployment of the key enablers discussed below at point 2.20.

2.17 With regard to the recognised key service of eProcurement, **would like to see:**

- all Member States bringing their procurement rules in line with EU legislation;
- Member States establishing an administrative structure for handling eProcurement;
- minimum standards being set regarding technology, interoperability and security across the various platforms.

Key enablers of eGovernment

The Committee of the Regions

2.18 **considers** that PA innovation and eGovernment development depend on certain factors, including: the structuring of public sector bodies, the convergence of EU legislation, the fostering of an innovative culture among public authority officials and the administering of ICT-based applications.

2.19 **advocates**, with regard to these factors, the following:

- analysis and overhaul of PA back office procedures, aimed at the provision of *on-line* services for citizens and businesses that are deemed strategic within the action plan, and at examining various means of cooperation making increased use of electronic documents and email;
- regulatory intervention, aimed at defining ICT strategies, rules, standards and common formats in order to increase interoperability and practical cooperation;
- ongoing extensive training for all staff, particularly aimed at specialist technicians (e.g. networks, systems, security, privacy, etc.), staff working directly with procedures involving a heavy usage of ICT (e.g. Web technologies, security, privacy), staff generally or indirectly involved in innovation and modernisation drives (e.g. teaching digital literacy, privacy);
- promotion of open source platforms, involving a moderate degree of investment, aimed at extending the drive towards eGovernment and online services to small-scale administrations;
- introduction of federated authentication systems allowing identification of users wishing to access network services;
- sharing of public information, in order to eliminate duplication and redundant information, aimed at ensuring greater accuracy of data, including personal data;
- setting up of Local Services Centres aimed at kick-starting and sustaining eGovernment, providing and administering ICT services for participating administrations (particularly small- and medium-sized), continually enhancing the operability and level of the services and providing professional and technological resources.

Strengthening participation and democratic decision-making in Europe

The Committee of the Regions

- 2.20 **considers** that better public decision-making and more extensive involvement of citizens are critical for the cohesion of European society and that ICT can contribute at various levels, even if many questions still need to be addressed, from the risk of exclusion to the quality of decision-making.
- 2.21 **recommends** facilitating cooperation, the exchange of know-how, the sharing of re-usable solutions and initiatives towards greater transparency and public involvement in decision-making, particularly in parliamentary decision-making processes.
- 2.22 **considers it crucial** to rationalise and structure communication between standards authorities to ensure a coordinated pooling and use of all the resources, especially regarding services that every public administration provides for the public and businesses.
- 2.23 **is aware** of the benefits of involving the public in the continuous improvement of administrative performance and services provided by the public sector. One way of facilitating this involvement could be by establishing a permanent online facility to which users could send their comments and suggestions.

Brussels, 13 February 2007.

The President
of the
Committee of the Regions

The Secretary-General
of the
Committee of the Regions

Michel Delebarre

Gerhard Stahl