



European Satellite Operators Association

Poland in the EU

From Digital Divide to Digital Inclusion

Aarti Holla-Maini
Secretary General
European Satellite Operators' Association
(ESOA)

www.esoa.net
sg@eso.net

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- Satellite solutions for broadband
- Legal & Policy Framework for broadband in the EU
- European best practices
- Broadband in Poland
- Challenges for Poland today
- Conclusions



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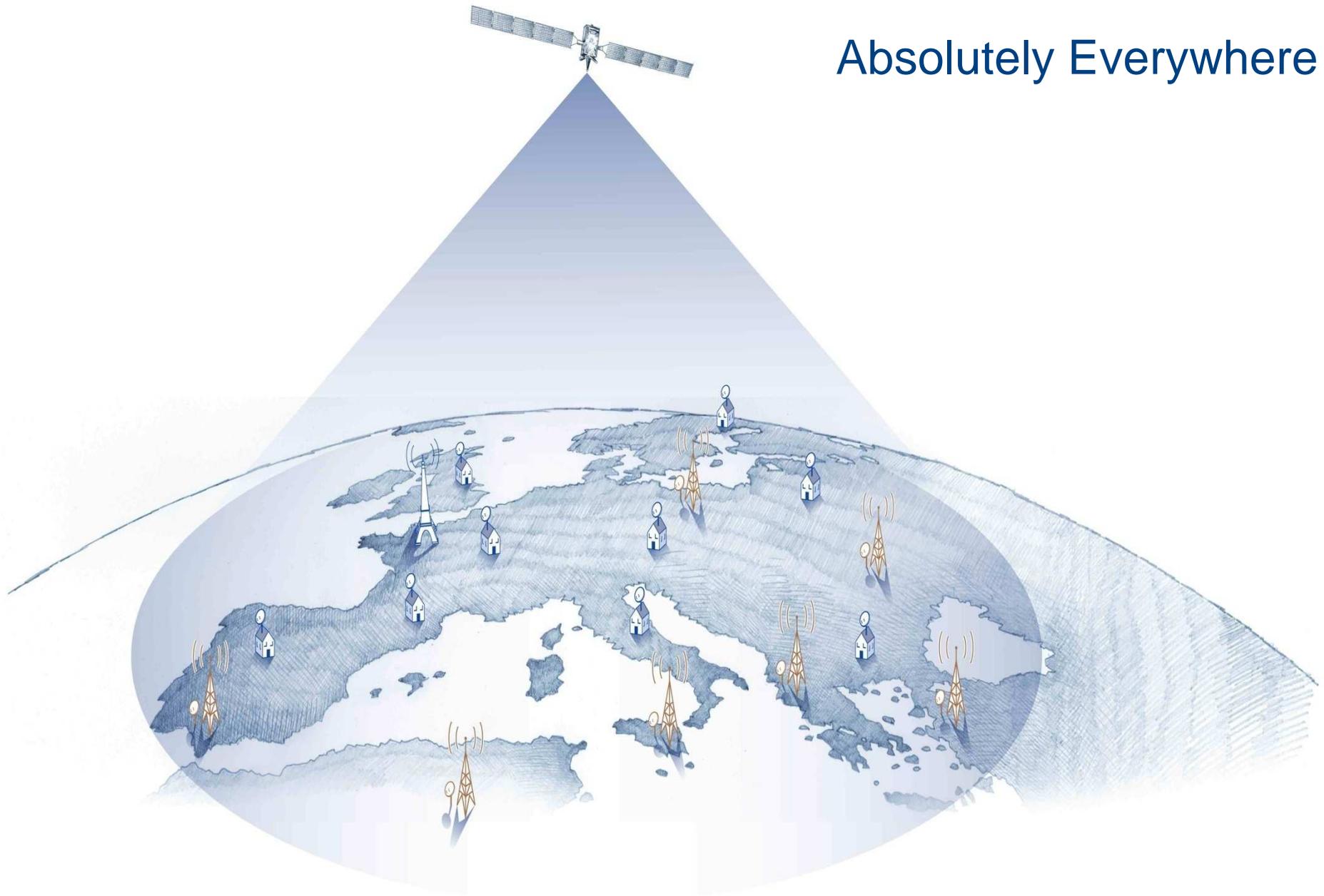
Who are we?



- 11 operators in 8 Member States of the Union
- Combined annual turnover > €6 billion per year
- 146 satellites in service
- 9 supporting members:



Absolutely Everywhere





THE SATELLITES

Manufacture: €100m - €400m

Launch: €100m

Insurance: €15% of total investment



THE GROUND EQUIPMENT

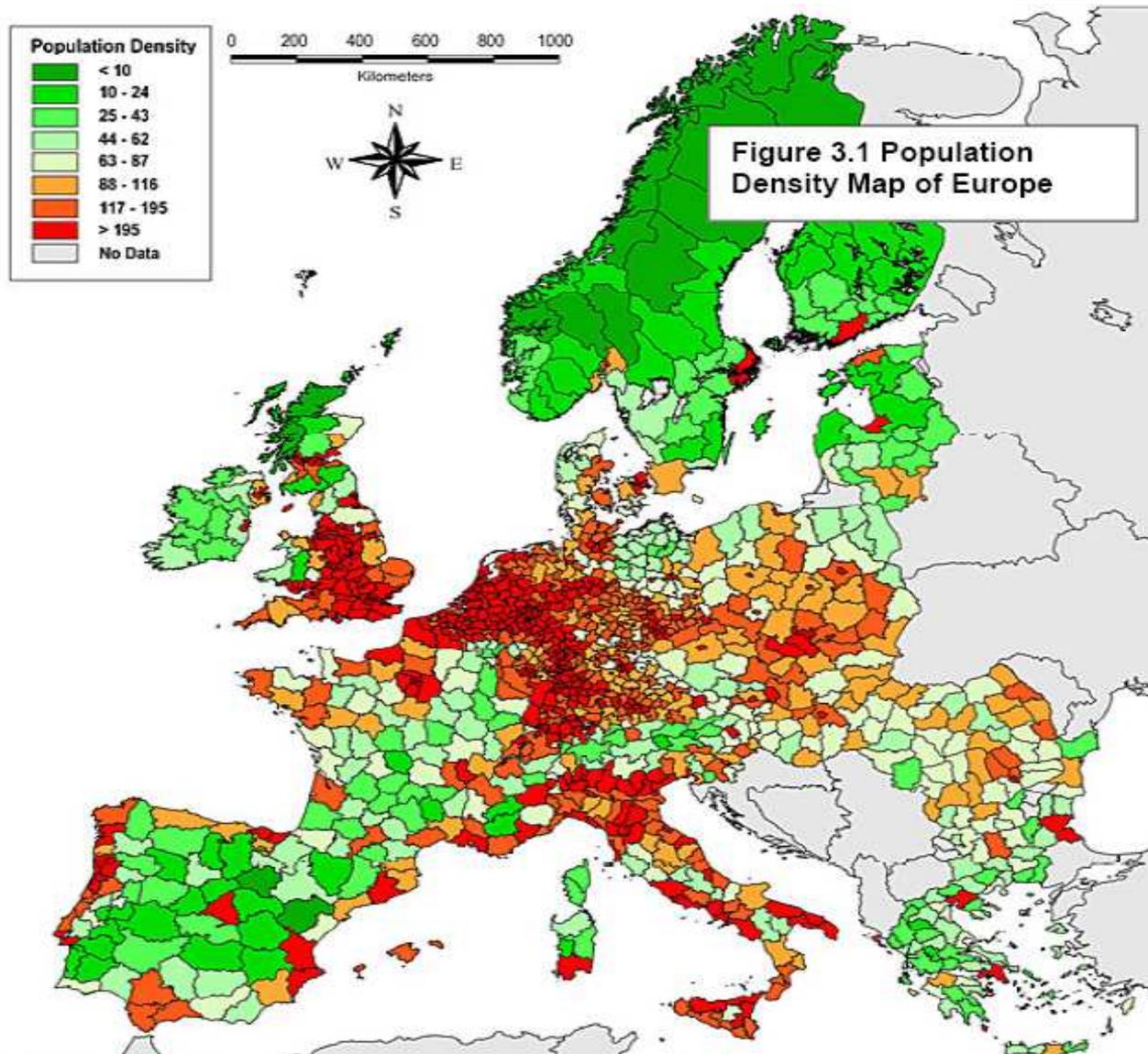
€250 - €500 per connection

- Eligible for EU funding
- Dishes require installation for immediate connectivity
- Direct investment into local economies
- Connecting REAL, not potential users

*“A million extra businesses & households can
Connect to broadband via satellite within a year”*



Cost-Effectiveness of Satellite



- The cost of fibre/cable depend on population density
No commercial incentive to serve rural/ remote areas

- Cost of satellite is the same whether 10 users in an area or 100

Cost & reach mean that satellites easily serve ALL areas



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Broadband Policy Legal & Policy Framework

<p>EUROPEAN ECONOMIC RECOVERY PLAN (Council Reg 473/2009, Annex 3) MAY 2009</p>	<p>[Satellite] ground equipment enabling access to Internet stated as <i>eligible for public funding</i></p>
<p>Community Guidelines for the application of STATE AID RULES in relation to rapid deployment of BROADBAND NETWORKS (2009/C 235/04) SEPT 2009</p>	<p>State Aid allowed in white spots with “market failure” Criteria include: - Use of “Existing Infrastructure” - Selection of the “Best Economic Offer”</p>
<p>EUROPEAN DIGITAL AGENDA (Comm 2010/245) MAY 2010</p>	<p>FIRST PRIORITY for Member States: Broadband for All by 2013</p>
<p>EUROPEAN PARLIAMENT REPORT: “a new Digital Agenda for Europe” (A7 0066/2010) MARCH 2010</p>	<p>Recognition of satellite for rural regions: “an appropriate solution to ensure ... access to broadband Internet by ... within an acceptable timeframe & at a reasonable cost is through wireless technologies including <i>satellite which enable an immediate ubiquitous connectivity to the Internet backbone</i>”</p>
<p>ITU (UN body) Opinion 2 on the Implications of the Advent of Next-Generation Networks & ADVANCED BROADBAND ACCESS World Telecommunication Policy Forum, LISBON 2009</p>	<p>“That terrestrial & satellite-based broadband wireless technologies could offer leapfrog solutions to expand access significantly in many remote and rural areas, with <i>a unique role for satellite in expanding service delivery and coverage areas</i>”</p>

European Best Practices I

Connecting Schools



PAFOS, CYPRUS

- 6 schools connect via satellite to broadband generating local training & fostering education & employment of students & teachers
- 24th March 2009: Cypriot Minister of Communication & Works announces the connection of all schools & all 152 villages in Cyprus to broadband via satellite



European Best Practices II Connecting Farmers

Access to Internet is key to farmers, who operate in a global competitive environment

In the Netherlands & France, satellite operators enable connectivity for farmers



Farmers can:

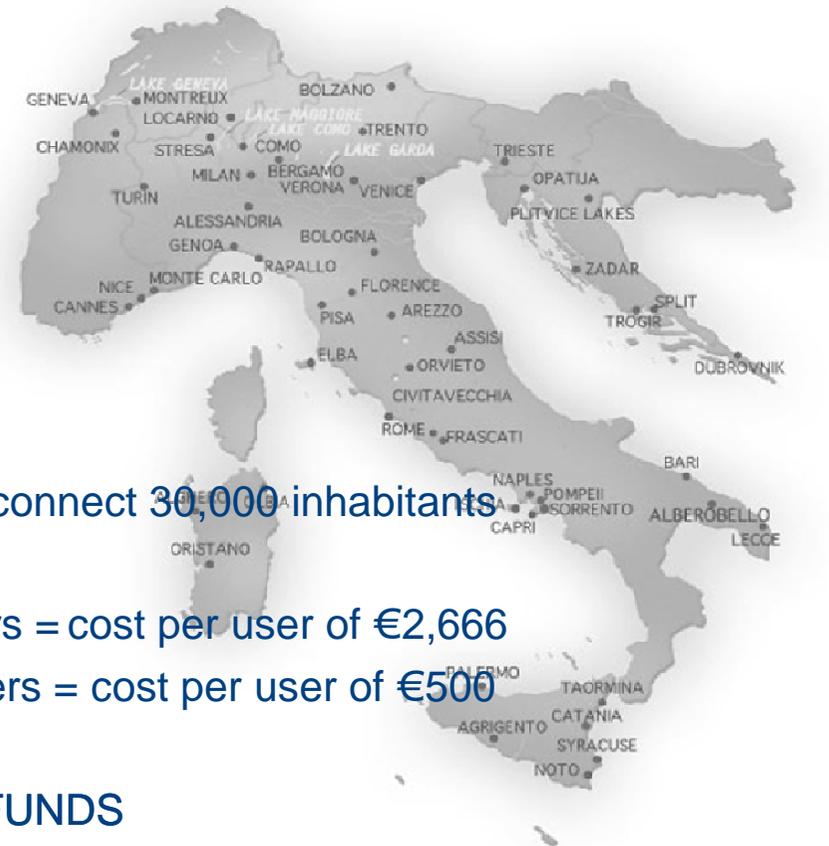
- Check crop prices
- Fulfil administrative formalities, subsidies, tax returns, etc
- Buy & sell on-line

LESSONS TO BE LEARNED

- *Case Study: Alta Valle di Reno, Italy*
- €400,000 spent on 10 *terrestrial* repeaters to connect 30,000 inhabitants
- After 6 months: 150 subscribers!!
- Terrestrial connectivity: €400,000 for 150 users = cost per user of €2,666
- Satellite connectivity: €75,000 for 150 real users = cost per user of €500

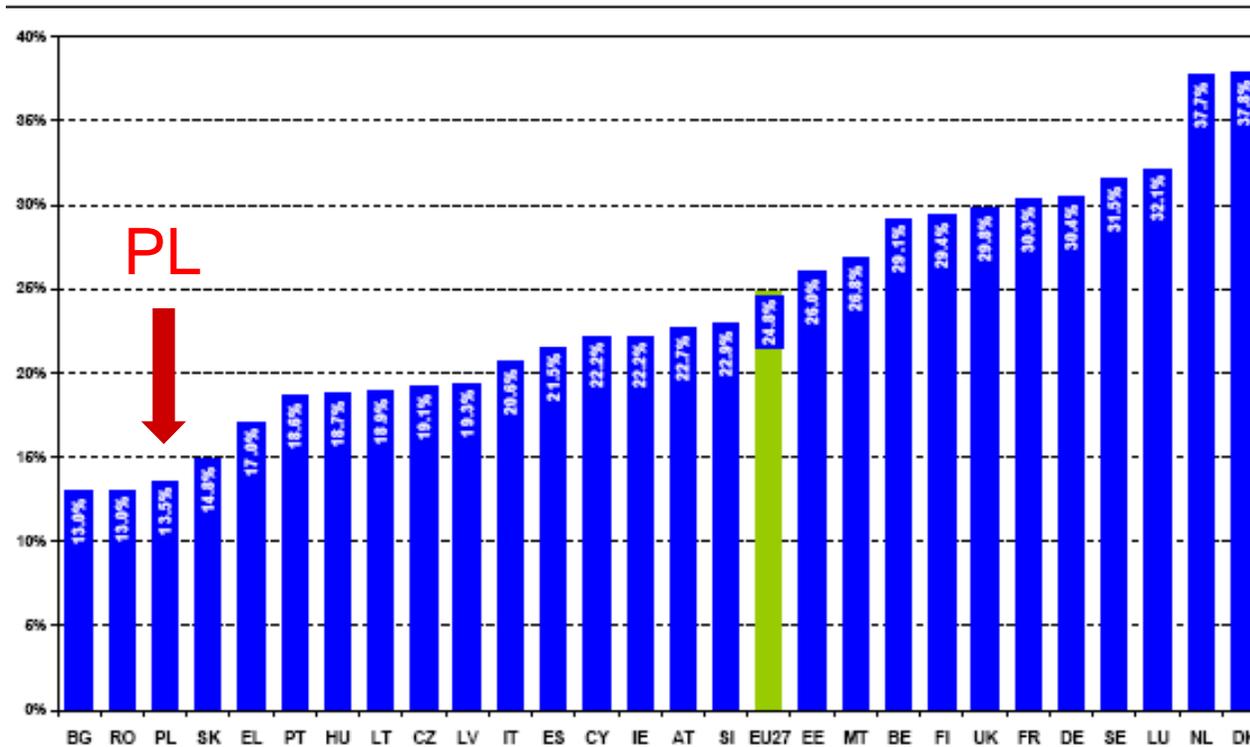
➡ INEFFICIENT USE OF PRECIOUS PUBLIC FUNDS

➡ DON'T LET THIS HAPPEN IN POLAND!



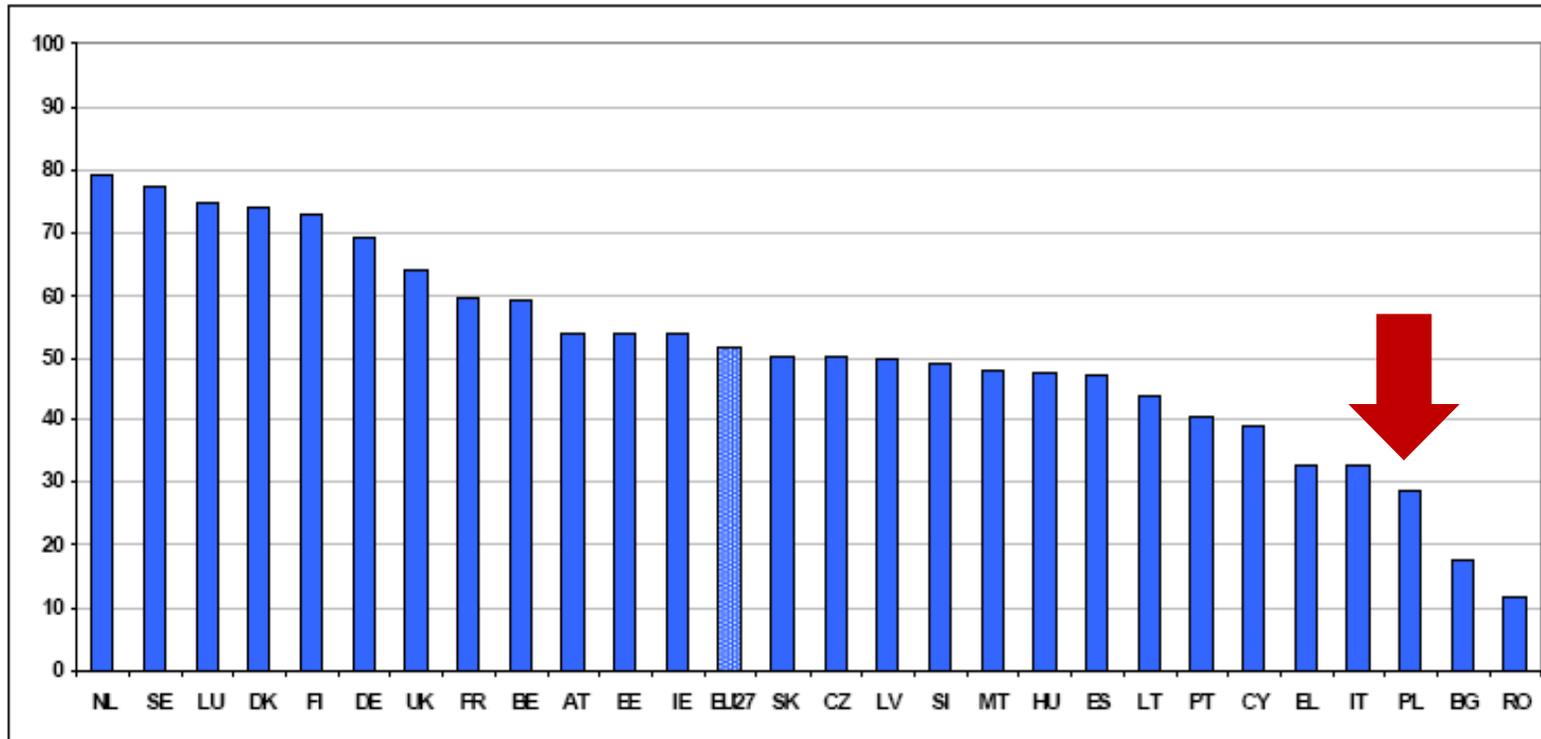
Broadband Penetration in Europe

Average = 24.8%



- In Poland only 13.5% of all households have Internet access

Individuals who used the internet for finding information about goods or services for private purposes in the last 3 months, 2009 (%)



Source: Eurostat ([isoc ci ac i](#))

- Those Polish households who Do have Internet Access do not make full use of it to access information/ services



Trends in Internet Use in the EU

- Traditional communications (telephone & mail) being replaced by VOIP (Internet calls), email & chat services
- Internet is being used for downloading music & video content
- Around 60% of EU citizens use the Internet (even though around 10m households still have no access!)
- Rural/ remote/ low income/ low education/ unemployed/ the aged are the groups at risk of e-Exclusion
- These groups also display lower digital skills



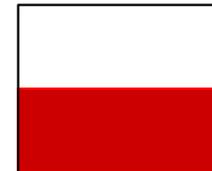
Facts on Broadband in Poland

- Low DSL coverage (75% national and 52% rural: 2nd lowest in EU27)
- Low BB penetration (13.5 %, the third lowest in the EU27)
- 39% of Polish citizens have never used the Internet
- Little increase in business BB connectivity

➔ In January 2011, EU Event on Broadband in Rural Areas:
➔ Tremendous progress can be made using satellite between now & then
➔ Satellite operators would be delighted to show Polish case studies!



- Of all EU countries, PL has access to the most EU funds
 - Close to 5 billion PLN is planned to be invested in backbone/ distribution networks for Internet access
- Operational programmes of National Cohesion Strategy 2007-2013:
RPO, PO KL, OP, PO RPW, RDP
- Some programmes are running since 30 months with hardly any results
 - In most cases, project implementation will only occur from **2014 onwards**



- ➔ PL risks losing EU allocated funds (“de-commitment”)
- ➔ EU target Broadband for All for 2013 will be missed
- ➔ Users still face years of digital exclusion

- Within all operational programs of National Cohesion Strategy 2007-2013 (*RPO, PO KL, OP, PO RPW, RDP*), "digital exclusion" activities limited to **the construction of network infrastructure** to access the Internet
- Other aspects of e-Inclusion (creation of motivation to use Internet services/ content; improving digital skills of various groups (*older generations & retired persons, active on labor markets, rural & small town inhabitants, transformation leaders: teachers, leaders of local organizations, health-service professionals faced with e-Exclusion*)
→ were not considered important

Poland's most important EU Co-financed Projects are therefore driven by fibre:

- Long to implement
- Costly
- & still with the *Hope* of eventual subscribers



Opportunities for Funding Broadband in Poland today

Operating Programme: Innovative Economy, Priority VIII can/ could be used for BB projects:

% of total funds committed as at April 2010*:

- ◆ Measure 8.3: 8%
- ◆ Measure 8.4: 1%

Imbalanced implementation across Poland

- ➔ Measure 8.3 is available for funding satellite projects, but beneficiary groups need to be expanded
- ➔ Measure 8.4 : still unclear

* Report of UKE /May 2010

- The „last mile“ in Poland needs more wireless connectivity
 - The framework of the programmes needs review to:
 - Safeguard technology neutrality & to be open to different, innovative solutions
 - Expand the beneficiary groups of measures
 - The co-ordination & implementation of all projects needs to be speeded up
-

- ➔ The European Digital Agenda requires a revolutionary approach to implement innovative solutions to achieve the objectives
- ➔ The large Polish territory with all its ‘white spots’ presents a “green field” where such a revolution is still possible
- ➔ *An Internet of Equal Opportunities has to be possible; even regions like Podlaskie can be home to revolutionary applications such as Facebook or Twitter!*