

The European Commission Local Government Broadband Wireless Conundrum

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Municipal Broadband Wireless and EC Regulation

- Municipal wireless projects are being evaluated by the European Commission or challenged in court when public access services might compete with private-sector offerings
- Prague and Wales networks to be limited to government and public-sector uses

Prague (May 2007): Commission concludes project does not involve state aid as no economic advantage within the meaning of Article 87 (1) EC Treaty is granted to the selected service provider, to public-sector content providers or citizens and businesses using the network.

Welsh Assembly (May 2007): a pure procurement transaction compliant with the EU procurement directives



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- **EU Competition Commissioner Neelie Kroes (May 2007):** *Investment in broadband networks is primarily a matter for private companies. State subsidies for such networks are only acceptable if they address a well-defined market failure or cohesion problem. I am glad that the city council of Prague modified its plans so that the project can go ahead without distorting competition.*



What is at stake?

- Potential encumbrance of local government in coping with market inefficiencies
- Stifling innovation driven by a pervasive information society
- Stifling entire communities' competitiveness in increasingly demanding global knowledge based purposed workforce
- Accentuating digital gap at a time when policy makers and regulators are exploring at the World Radio Conference in Geneva how to leverage spectrum into the Gigabits/second age



Turning the corner?

- Explore ways towards more flexible EC rules
- Allowing for greater local government leadership in experimentation with multi purpose networks
- Through innovative public/private partnerships models



Advancing the Discussion

Join the W2i Digital Cities Workshops

- Monday Nov 5th @ 5:45 PM
Broadband Wireless Regulatory Challenges
- Tuesday Nov 6th @ 2:30 PM (Working Lunch)
Broadband Wireless for Better Managed and Safer Cities



Thank You

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