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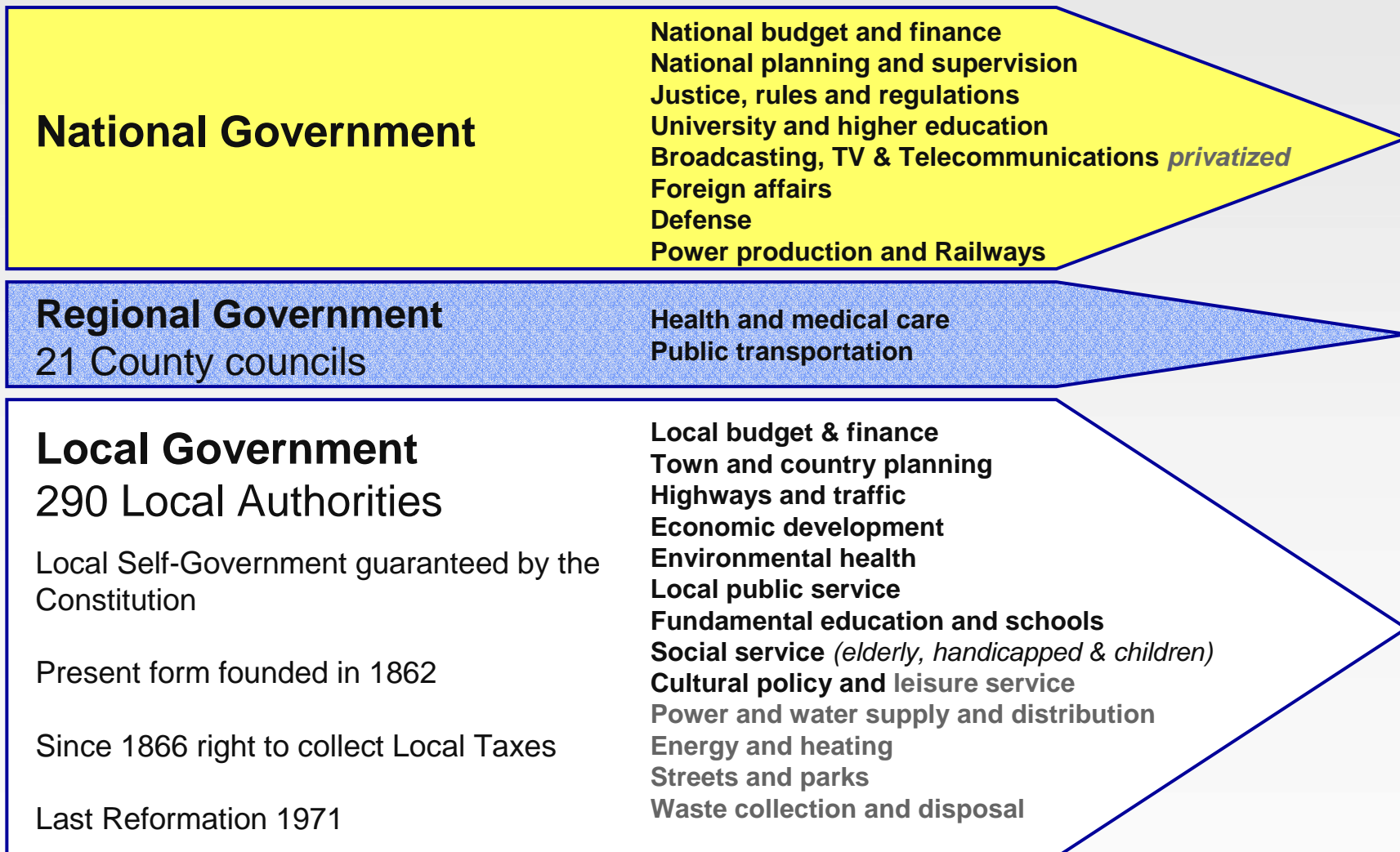
National Expert - Project Manager
“Cooperation for Competitive ICT-infrastructure”
Advisory Support to Local Authorities

Broadband Policy Making in Sweden

Long Tradition of Unique Cooperation and Dialogue between:

- **National Government**
- **Local Government**
- **ICT-industry and Private sector**
ICT Industry 5 % ICT Using Economy 95%

Parliament – Legislative Power



Local authorities and County Councils in Sweden

290 Local authorities (max 800 000 – min 2 300)

Typical - 16.000 Inhabitants, 1.500 Employees

5 – 7 ICT-staff

21 County Councils (Regions)

Health & Medical Care, Public Transportation

25 – 30 ICT-staff

1,2 Million Employees

Turnover c:a 550 Billion Swedish Crowns per year

National programme – An Information Society for All

- Accessibility -> Broadband Policy
- Confidence
- Competence

Local IT Infrastructure Programme

- Identifying areas where market fails
- Stimulating market to establish Infrastructure in rural areas
- Develop Use of ICT in Local Government Activities

Governmental Broadband Initiatives in Sweden

Local

National

1993

2001 - 2006

**Deregulation
of
Telecom Market**

**Local Authorities
establishing
Local Area Networks**

**Governmental
Strategy Actions
for Broadband**

**Broadband
through
Deregulated Market &
Open Competition**

**Investments in new
Broadband Infrastructure
on Market Ground
est. SEK 16 Billion**

**Grants for
Broadband Infrastructure
in Rural Areas
est. SEK 6 Billion**

**200 City Networks =
alternative Infrastructure
to the Incumbent**

**Establishing Competitive
Infrastructure
for Broadband in Rural Areas**

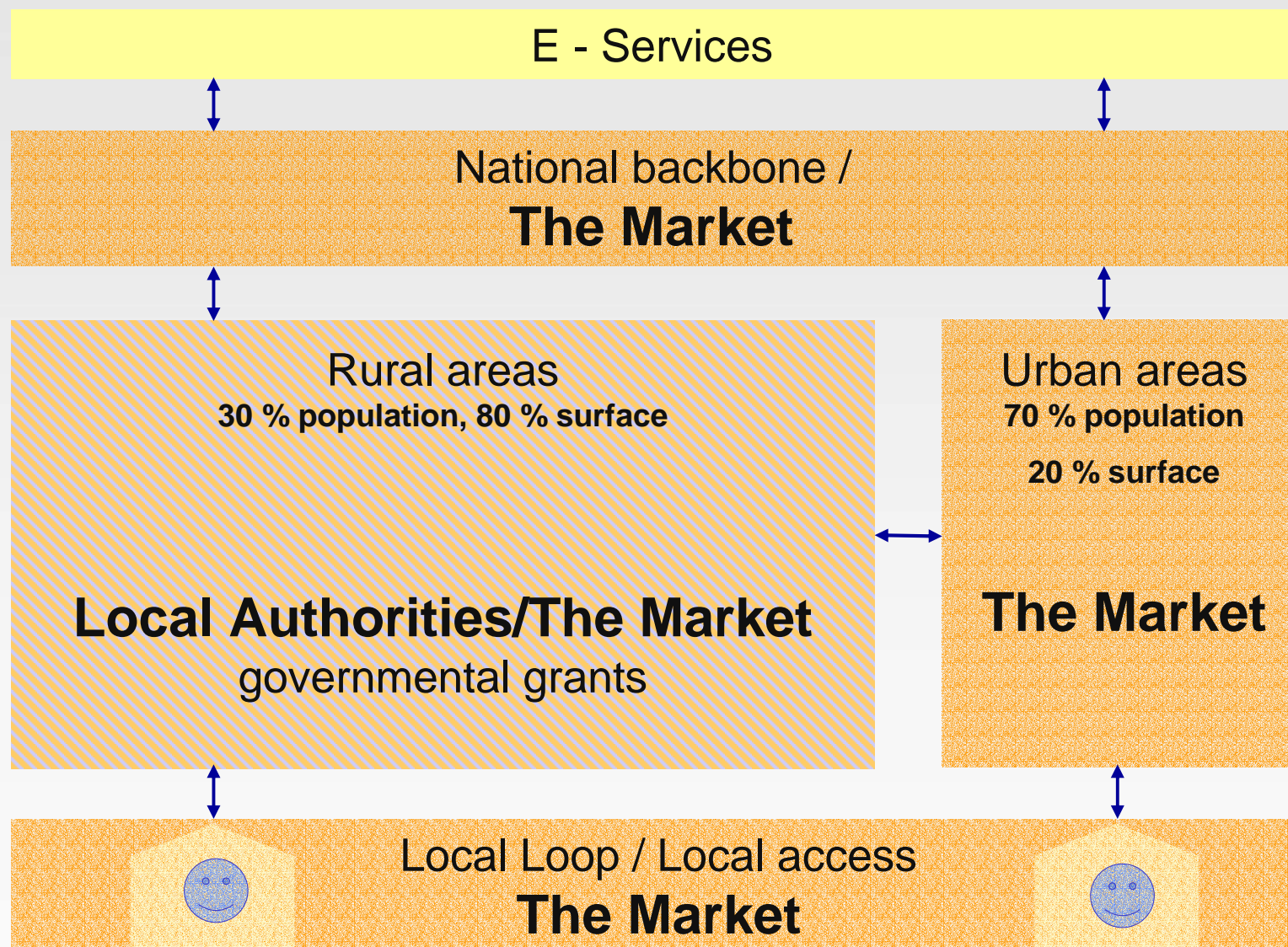
LON

Open Networks

Local Area Open Network

The Market Provides Broadband In Sweden

Local Authorities Provides Infrastructure for Broadband in Rural Areas



Broadband deployment in Rural Areas by Local Authorities, July 2004 (2006)

- IT Infrastructure Programme ready 100 %
- Procurement started/ready 90%
- Grants granted 50 %
- Local Authority Contributed 13 % (5 %)
- Networks will be Established in 2004 – 2006

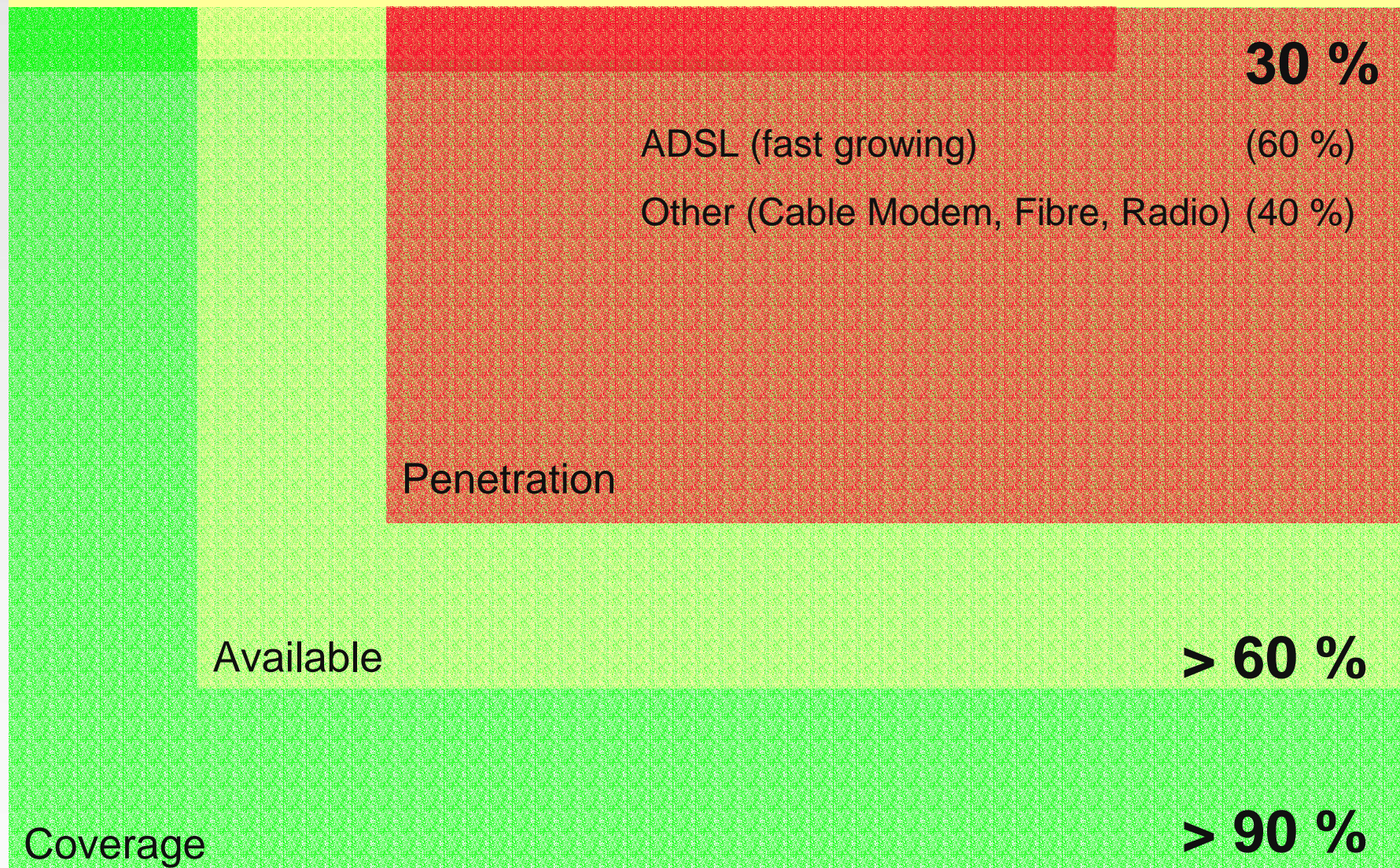
98% of the Cities in Rural Areas (3000 – 200 inhab) and 75 % of the Villages (199 – 50 inhab) will be deployed in 2006 with competitive Infrastructure for Broadband!

Procurements end up in :

Private Companies	50 %
State Owned Companies	25 %
Local Authority Company	25 %

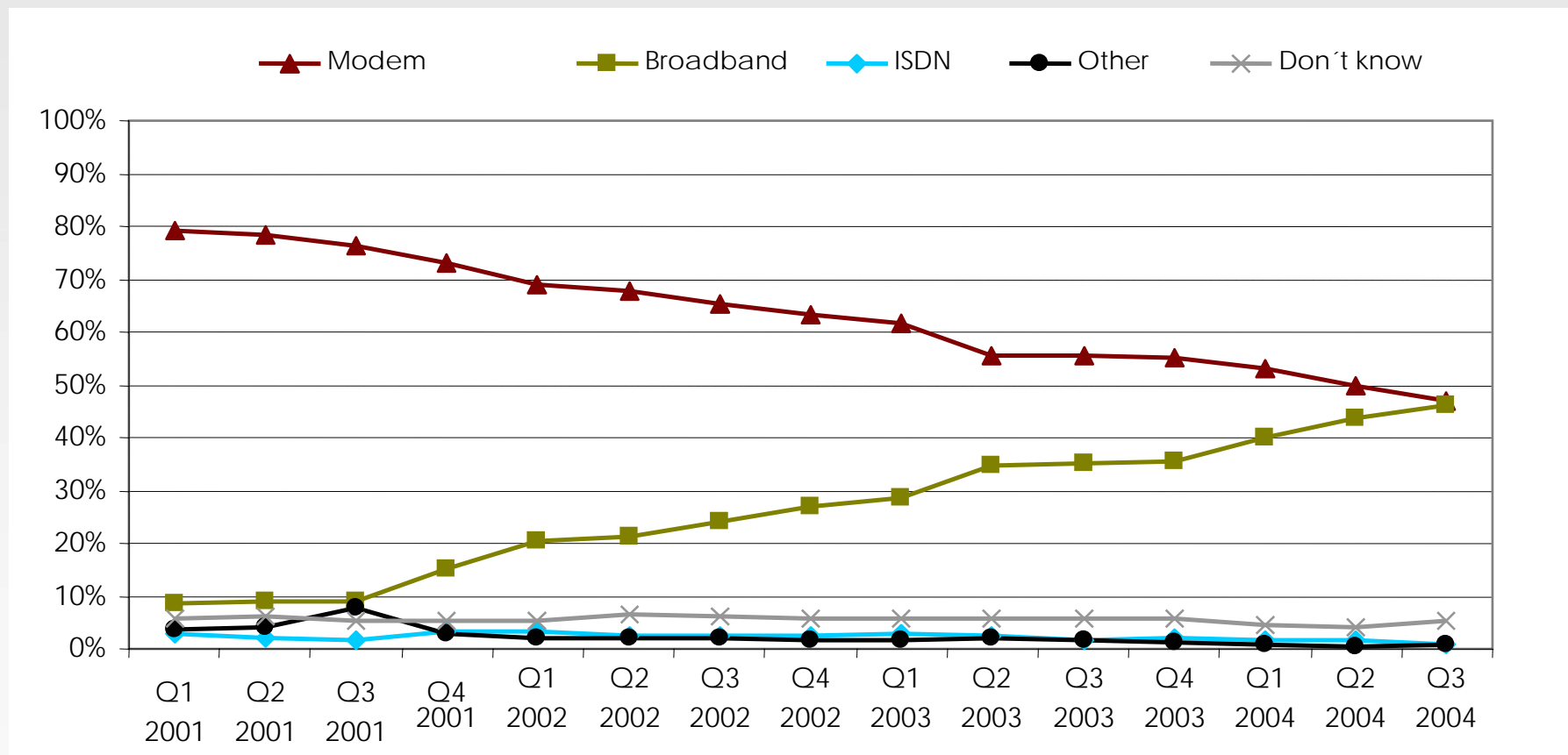
October 2004

ADSL / Cable-TV / Fibre / LAN / Radio



Access to Internet

Q1 2001 - Q3 2004; individuals 15-74 year old



Broadband Market in Sweden

Q3, 2004

Increased Competition

> 130 ISP offering Broadband Services

85 % of the Local Authorities has two or more Operators

30 % of the Local Authorities has four or more

Competitive Networks -> penetration >80%

Closed Networks -> penetration < 20%

Prices are going down, i. e. Dark Fibre

Diversity of Market Players and Products are increasing

The Incumbent are loosing Market Shares (< 42 %)

Next Killer Application in Sweden

200 Urban Area Networks Developing Common Standards
for Triple Play - > 500 000 households within 6 year

Digital TV is not only BROADCAST but INTERACTIVE
Programmes - > demanding much more capacity in the
upstream channel than the copper net provides

IP-Telephony

IT in Health and Medical Care

Conclusions

Developing the Telecom Market

- **Continue the LLUB (Local Loop UnBundling)**
 - Increase Competition in the Local Loop
- **Establish Competitive Infrastructure**
 - Open Local Area Networks
 - Creates New Conditions for Competition
- **Establish and maintain Dialogue**
 - Clarifying Roles and responsible
 - Identifying Obstacles
- **Implement New Legislation**
 - Separate IT-infrastructure and Carrier Services from Content Services

The Most Critical Issue for ICT Development

ICT and Internet is no longer solely an issue for the ICT-Industry

It is now also an issue for Public Responsibility and Planning

How?

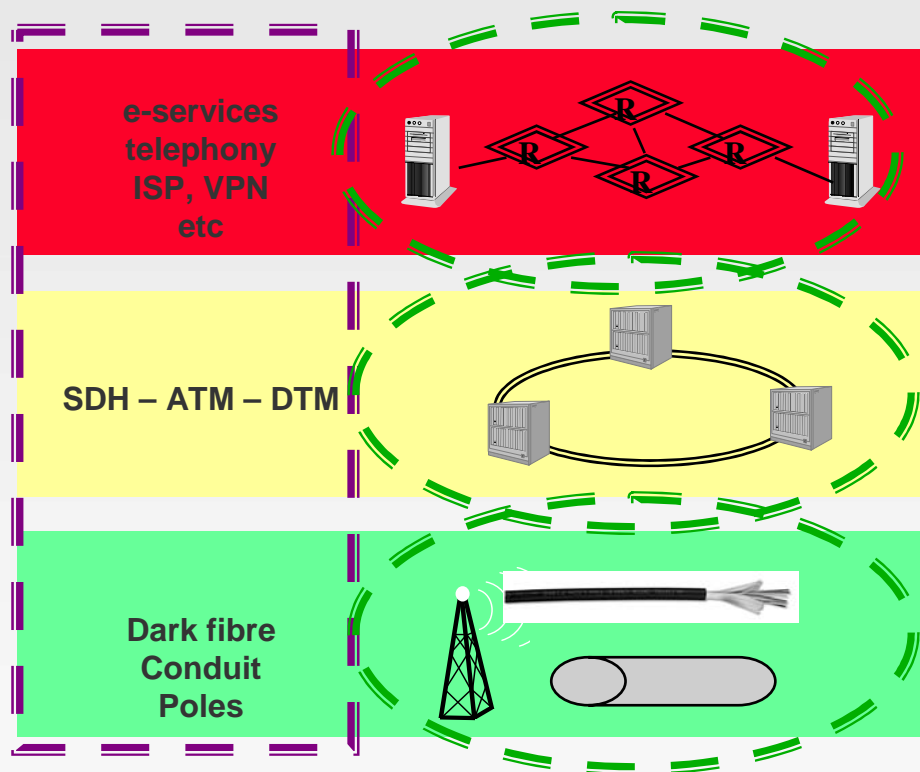
Holistic Planning

combined with

Decentralized Deployment

Local Authorities and the ICT Market

- Traditional and New Business Cases -



Traditional

New

Should the Car Industry be Allowed to Own the Roads?

Changing Business Cases

- from vertical to horizontal competition!

Capturing Customers,
Excluding Competitors

