On the Way to a Real Digital Economy?

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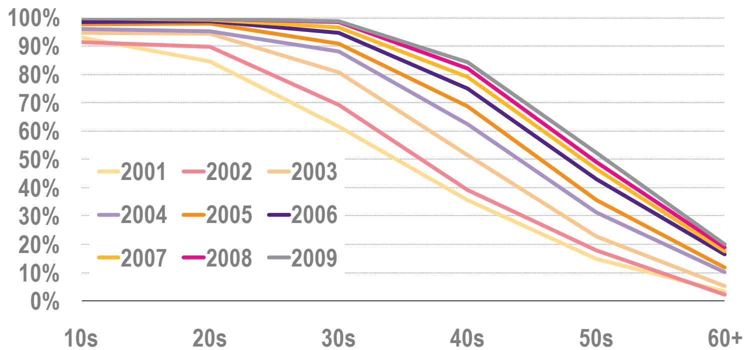
28 April 2010

IIC conference, Brussels

Online is key, we are not all online

plum

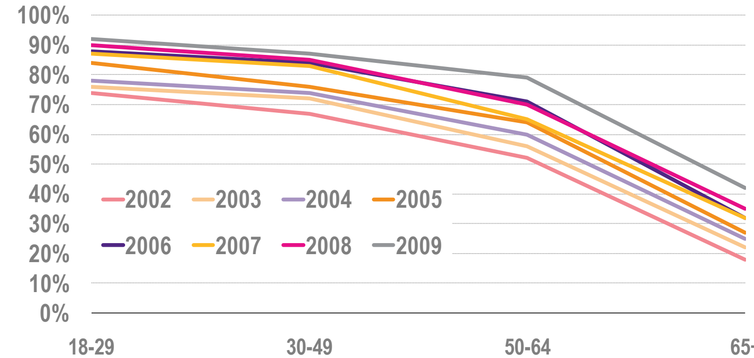
% of Individuals in Korea who have used the Internet in the last month, by age



Source: Plum Consulting, KISA ISIS

Age group

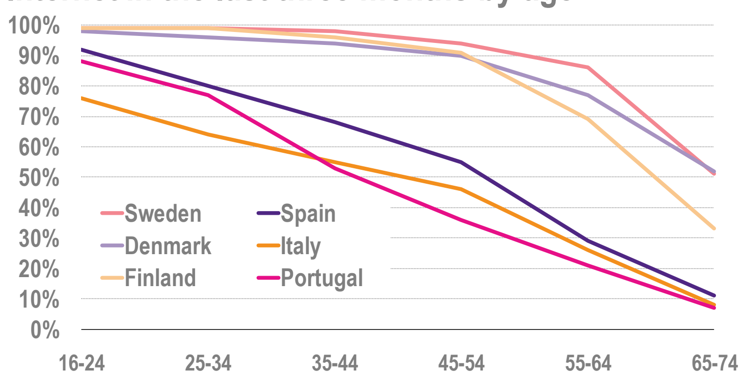
% of Individuals in the US who use the Internet, by age



Source: Plum Consulting, Pew

Age group

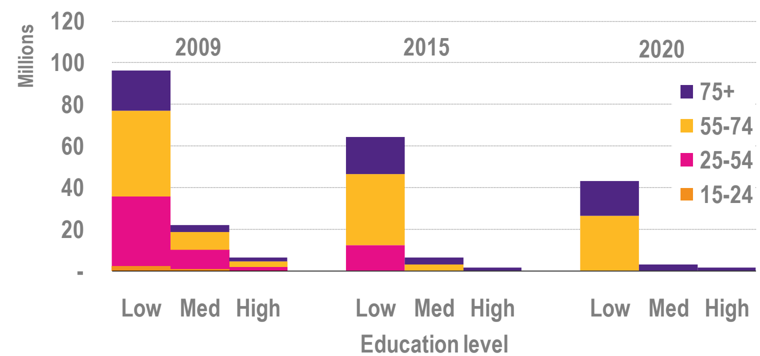
% of Individuals in 2009 who used the Internet in the last three months by age



Source: Plum Consulting, Eurostat

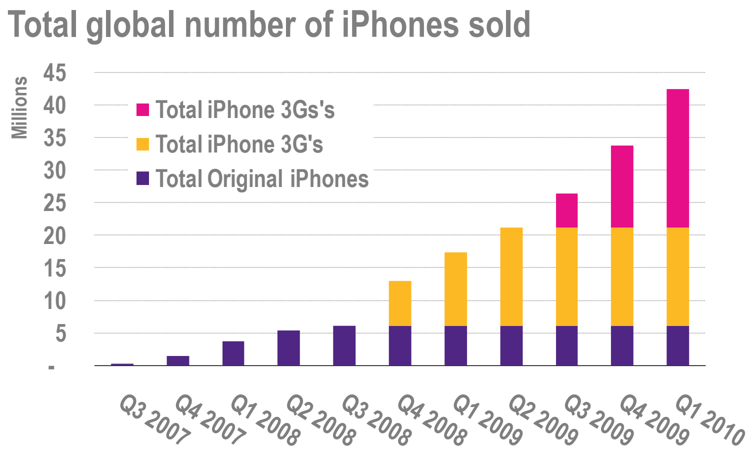
Age group

Non-Internet Users in the EU15 by age and education level reached

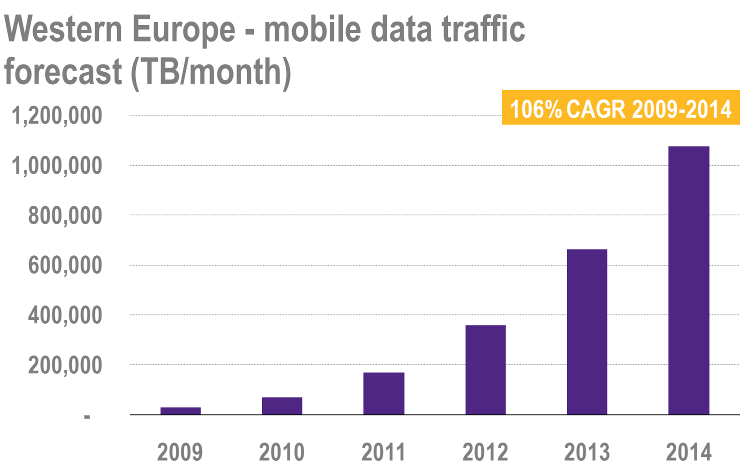


Source: Plum Consulting, OECD, Eurostat

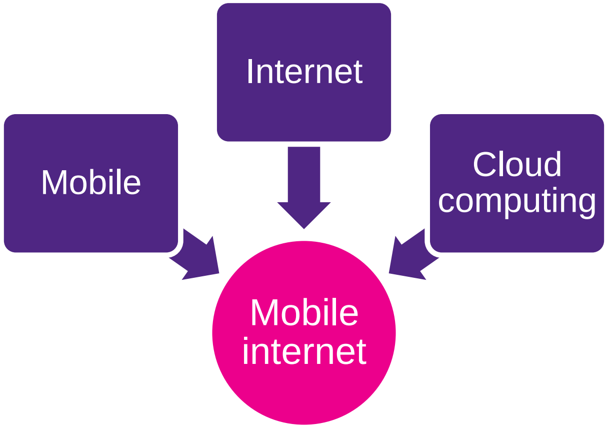
Mobile is changing the game



Source: Plum Consulting, Apple quarterly financial results



Source: Plum Consulting, Cisco



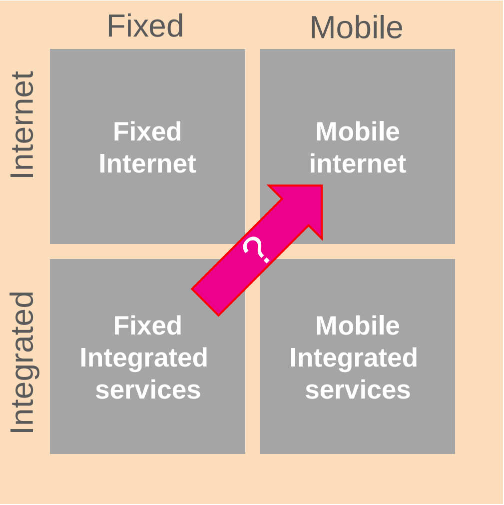
Is mobility & affordability more valuable than speed?

		Current		Next	
		Copper (DSL)	3G	Fibre	LTE
Premise	Download speed	2	1	4	4
	Upload speed	2	1	4	3
	Capacity & resilience (at reasonable cost)	4	1	4	2
Wide area	Mobility, personalisation Location aware & sensor rich: navigation, local & visual search, augmented reality	0	2	0	4
Social value	Health monitoring, employment search, civic applications (location & camera) Internet adoption: affordability, ease of use	1	2	2	4

Is regulation a barrier in Europe?

"Mobile broadband represents the convergence of the last two great disruptive technologies – Internet computing and mobile communications – and may be more transformative than either of these previous breakthroughs." FCC National Broadband Plan, 2010

Regulators in Europe tend to focus on:
- **"Incumbency"**
- **"National market"**
- **"Protection" of legacy infrastructure & service resellers**



No mentioned of open internet issues in "Digital Britain" report

"The funding for this intervention will come from a landline duty on fixed connections and we have to consider whether it would be equitable to allow the fund to be used for mobile or wireless technologies that also meet the technical specifications." BIS (UK), 2010

"Creative destruction" is required to deliver the real digital economy

Destruction of:	Creation of:
Vertically integrated homogeneous services Legacy networks	Global heterogeneous network independent services Enhanced wireless and fibre access

Spectrum rights and reallocation	Platform neutrality	Legacy "switch off"	Access	Internet
Liberalisation and clear rights	Platform neutral public service broadcasting delivery policy	Analogue TV switch off	Non-discrimination and equivalence	Open access to the internet
Spectrum release, licence renewal, trading and pricing	Platform neutral telecoms USO	Copper, 2G/3G and terrestrial TV switch off	Value rather than cost based regulation	Information, privacy, content policy and inclusion

The challenges go beyond regulation to public policy and strategy