

1. Government Resolution

I propose that the Government issue the following resolution:

Government Resolution

National plan of action for improving the infrastructure of the information society

The Government has on this date issued the following resolution:

Objective of plan of action

1. The development of the communications infrastructure is ensured so as to give citizens and businesses, regardless of place of residence or location, access to information society services as permitted by the supply of such services and required by the needs of each respective user.

Through measures in accordance with the plan of action:

the public telecommunications network will be upgraded in such a manner as to make available to users a number of subscriber connections sufficient for access to information society services,

the reasonable price of broadband services will be ensured, and

the State contribution to funding necessary for the measures will be made available.

Target level in 2010 and measures required

2. Legislation and licence policy will be the tools employed to ensure that in 2010, every permanent residence as well permanent office of businesses and public administration bodies has access to the efficient use of e-services, transmission of digital images and up- and downloading of digital music and video clips.

In terms of technology, the use of these services requires a fixed or wireless subscription connection with an average downstream rate of 1 Mbps at least.

3. The telecommunications operator licences granted by the Government will be reviewed and the obligations under possible new licences assigned in a manner enabling

achievement of the target level in 2010. The change in the UMTS licence of the most important provider of communications services in non-built-up areas will take effect at the beginning of 2010.

4. The Communications Markets Act will be amended in such a manner that the target level for 2010 is defined as a universal service which a telecommunications operator subject to a universal service obligation is obliged to provide to permanent residences and business offices at a reasonable price by 2010 at the latest.

The definition shall be technology-independent, permitting the universal service to be implemented as a fixed or wireless connection. The Act shall permit the modification of the definition of universal service as necessary to reflect development in the information society.

Pursuant to the Act, the Finnish Communications Regulatory Authority will designate for each area a telecommunications operator subject to universal service obligation, which shall provide services in accordance with the universal service obligation.

5. The Communications Markets Act will be amended for the universal service obligation to apply also in practice to network operators as well.

6. A telecommunications operator shall provide the universal service to users at a reasonable price in the area in which the telecommunications operator has been assigned the universal service obligation by the Finnish Communications Regulatory Authority. The Finnish Communications Regulatory Authority shall monitor the reasonableness of service fees as provided in law. Telecommunications operators will be reimbursed for unreasonable net expenditure arising from fulfilment of the universal service obligation if the conditions under law are met. However, the premise shall be for telecommunications operators also in future to perform their universal service obligations without public funding.

Target level in 2015 and measures required

7. The target will be set that by 31 December 2015, an optical fibre or cable network permitting 100-megabit connection, or another network with equal properties, shall be available throughout the country according to demand, and that at least 99 percent of permanent residences and permanent offices of businesses and public administration bodies have access, through a fixed or wireless subscriber line of no more than two kilometres' length linked to the said network, to communications services and other information society services that require very high-speed connections.

8. The telecommunications operators will build and maintain the public telecommunications network on a commercial basis in accordance with law, licences and regulations. The public sector will support telecommunications operators in accordance with this plan of action if the target level for 2015 cannot be commercially achieved in a given area and this cannot be required of telecommunications operators under law,

licence or regulations. The adverse effects of the business subsidies on the communications markets and competition will be minimised through legislation to be enacted on the business subsidies and by more specific criteria and regulations to be issued by the Finnish Communications Regulatory Authority.

9. The public telecommunications network remaining at a standard required by the development of the information society also in non-built-up areas will be ensured as a part of overall regional and community planning. Regard will be had in planning to the needs of citizens, the business sector and public services.

The Ministry of the Environment together with the Ministry of Transport and Communications will assess in 2009 the means by which the planning of optical fibre-laying and the placement of base towers will be incorporated into overall land-use planning.

10. Under the leadership of the Ministry of Transport and Communications, the national broadband strategy of Prime Minister Matti Vanhanen's first Cabinet will be revised to support this plan of action. Particular attention will be paid to the promotion of optical fibre and wireless broadband in non-built-up areas.

The Regional Councils together with municipalities, the telecommunications operators active in the region and the Finnish Communications Regulatory Authority will by 30 October 2009, taking into account trends in population and regional development, assess the development of the demand for high-speed connections as well as the need for development of the public telecommunications network in the region. Inasmuch as the regional plans indicate that the level of service for 2015 will not be achieved commercially, plans for its achievement will be drafted by the Regional Councils.

The regional plans shall comprise municipality-specific surveys of internal migration and changes in actual demand.

11. The plans of the Regional Councils will be evaluated by the Finnish Communications Regulatory Authority. The decisions on the allocation of the broadband subsidy among regions will be taken by the Government.

12. The Regional Councils will put plan implementation out for competitive tendering and will select the company, consortium or other party implementing the plan in the best and most economical manner to receive the business subsidy. The competitive tendering will be implemented in such a manner that the necessary construction can take place in 2010–2015 and the target level is achieved by 2015.

13. Customers will acquire their subscription connection at their own expense from the telecommunications operator or other provider of their choice.

Extending the domestic help credit to cover the installation and maintenance of and guidance in information and communications technology equipment, software,

information security and telecommunications will also promote the equality of citizens in acquiring a broadband subscription.

14. The acquisition of subscription connections of a speed higher than the universal service level in agriculture and tourism as well as other business will continue to receive support from public funds through existing forms of subsidisation.

15. Inasmuch as the target level for 2015 is not achieved commercially, business subsidies not to exceed 67% of the costs will be given to upgrade the public telecommunications network. The subsidies will consist of a State contribution (no more than 33 percent), a contribution by regions and municipalities (ca. 27 percent) and a contribution from EU structural funds (ca. 7 percent). The Government will strive to direct funds from any possible EU-wide economic recovery package also to broadband undertakings.

The State will only contribute to those costs of regional plans vital to the achievement of the target level for 2015. The State's broadband subsidy in the years 2010–2015 will come to an estimated 11 million euro at most. Any compensation mentioned in item 6 of this Resolution paid by the State to telecommunications operators for unreasonable net expenditure arising from fulfilment of the universal service obligation is also included in this ceiling.

16. The expenditure appropriations needed for the State contribution under the plan of action will be allocated to the item of the Ministry of Transport and Communications in the State budget, meaning an appropriation of roughly 11 million euro in both 2010 and 2011. The total investment subsidy will be budgeted for 2010 as a budget authority of 66 million euro.

17. Frequency auctions will be piloted in 2009 with the frequencies modelled by the radio frequencies working group in spring 2008. A separate Act will be enacted on the auctioning in 2009 of certain radio frequencies set aside for the provision of wireless broadband. The aim is to gather experiences and to use these to evaluate the benefits and drawbacks of auctions.

Inasmuch as the fixed-term expenditure arising to the State from investment subsidies for broadband construction exceeds 66 million euro, the expenditure will be covered as necessary with a tax-like telecommunications network compensatory payment to be collected from telecommunications operators. The telecommunications operators offering broadband service will be liable for this payment, which will be determined on the basis of the number of each operator's broadband subscriptions.

The payment will in effect for a fixed term. The auction revenue and the compensatory payments will be credited to the State budget as distinct items.

18. The Finnish Communications Regulatory Authority will pay the State contribution of the broadband subsidy, in accordance with the plan on the regional allocation of the

subsidy adopted by the Government, to the telecommunications operators or consortiums of these selected by the Regional Councils on the basis of competitive tendering.

19. The recipients of the subsidy will provide the Finnish Communications Regulatory Authority and the Regional Councils with annual reports on the use of the subsidy and on the progress of the undertakings. The Regional Councils will update the status of the network structure and of supply, the demand forecasts and the development of supply, modify the road maps as necessary and provide a report on these to the Finnish Communications Regulatory Authority, which in turn will monitor and supervise the use of the subsidy by the enterprises and prepare a compilation of the Regional Councils' reports for the Ministry of Transport and Communications. The Ministry will then report on the realisation of the plan of action as part of the report on State annual accounts.

20. The drafting of a new plan of action to prepare for the post-2015 situation will commence in 2012. In drafting the new plan of action, the needs for changes to the plan of action in effect must also be catered for, in the event of demand or supply differing from that anticipated, for example.

Conditions to the realisation of the plan of action

21. This resolution is conditional and will be realised in respect of the State provided that the Regional Councils and municipalities for their part act in accordance with the objectives and measures of the resolution.

22. The State subsidy will be notified to the European Commission in the manner separately provided in law. Realisation of the subsidy is subject to Commission approval.