

## [AT] Broadband Initiative in Austria

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Over the last few months various state agencies have published plans or introduced measures with a view to improving the way in which broadband Internet access is provided in Austria. `Broadband' can be defined as constant Internet access with a physical downloading bandwidth of at least 384 kbit per second, the billing being unrelated to the amount of time the customer spends using it. At the present time, only 19 % of the population have this type of Internet connection. There is a consensus that Internet access should be improved, especially in rural areas. An investigation carried out by the regulatory authority, the Rundfunk und Telekom Regulierungs-GmbH (Broadcasting and Telecommunications Regulator - RTR-GmbH), showed that more than one million inhabitants live in locations that cannot be supplied with broadband Internet.

On 14 April 2004 the Federal Government adopted a `Broadband Strategy'. It is designed to co-ordinate the tax incentives, the funding of the infrastructure expansion and the achievement of progress in the development of `e-Government'. At the moment there are tax incentives for setting up a broadband connection, but these will cease to apply at the end of the year. In addition, the Federal Land of Lower Austria is investing EUR 14 million in order to bring broadband into the Land. According to the Federal Government's plans, the extension of the cable networks to accommodate the Internet is to be funded for areas that have hitherto not been penetrated. The recipients of the funding will be obliged to give customers equal treatment, and they will have to meet specific targets, tailored for their own regions. Currently, EUR 10 million is available to fund this expansion operation, having come from Federal budget resources. A further EUR 10 million is to come from the Länder and the EU. The funding will take the form of non-refunded subsidies paid out over a period of two years. It is intended that the operational implementation of the broadband-expansion initiative will begin in the summer of 2004. By 2007 the whole of Austria should have the benefit of this kind of fast Internet access.

On 7 May 2004 the Federal Economic Chamber, the state agency for trade and industry, held the `Broadband Information Symposium'. It called for the co-ordination of the existing funding schemes and, at the same time, welcomed the initiative introduced by the Federal Ministry for Transport, Innovation and Technology, which has made it possible for private and commercial end-customers to be `hooked up' into the broadband network, paying particular attention to small and medium-sized enterprises in structurally weak areas.

Making the cost of a broadband connection tax-deductible was criticised as an ineffective means of funding access.

*Federal Ministry for Transport, Innovation and Technology Broadband Initiative*

