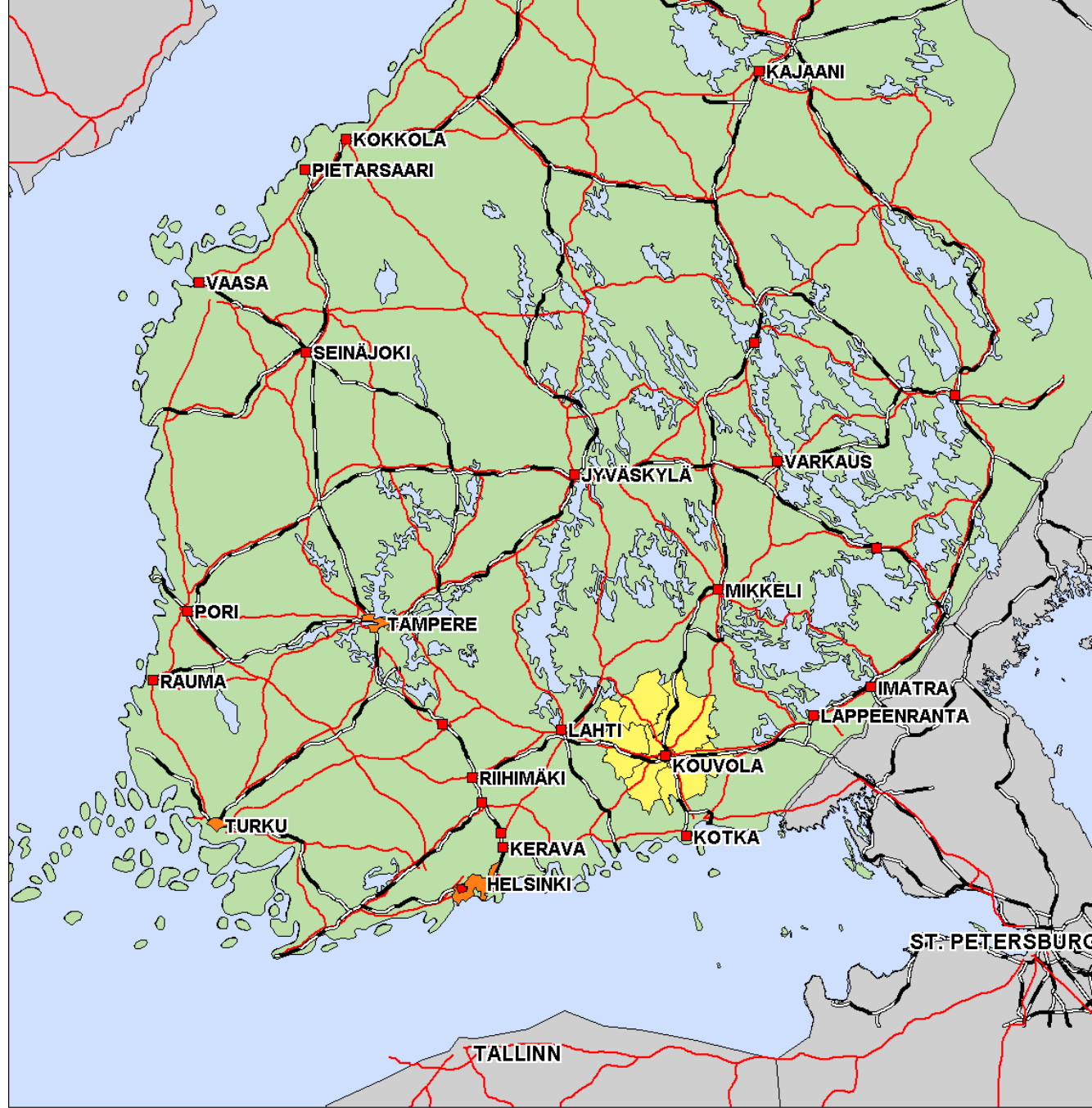


# KOUVOLA REGION IN EUROPE



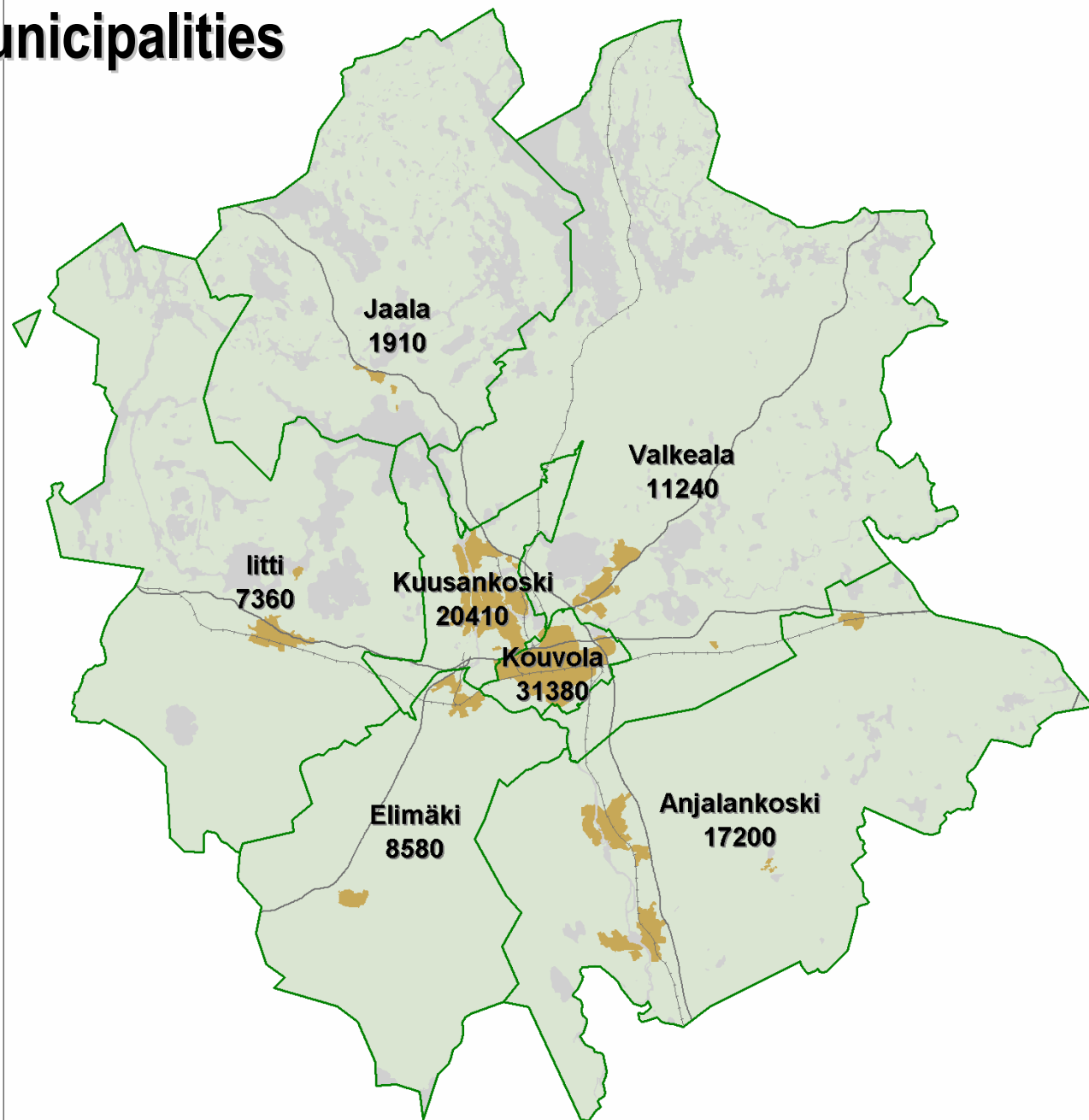
# The Kouvola Region Federation of Municipalities

Employees 300  
Budget 22 M€



# 7 independent municipalities

98 000 inhabitants  
60 000 in urban area



# The City of Kouvola





# BROADBAND COMPLETION

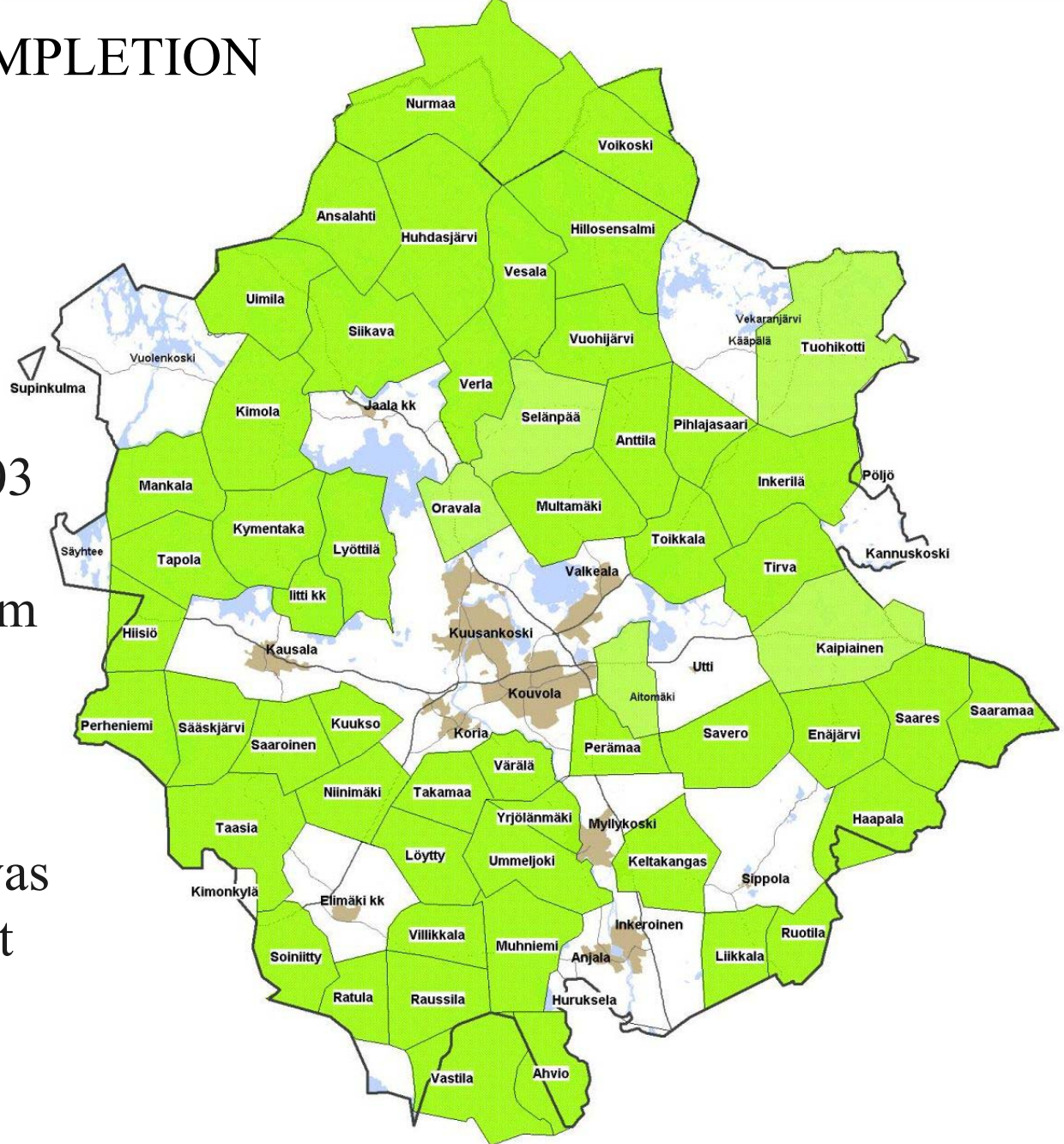
Population 98 000

Urban area 60 000

90 % of households  
were covered with  
ADSL-readiness 2003

87 phonecentres, from  
wich 56 not having  
readiness.

The chosen option was  
to expand the present  
ADSL-readiness



# ***Broadband to rural areas***

## **The need of broadband coverage**

- n. 5 500 households
- 1 000 farms
- 400 companies (which of 40 tourism)
- 6 000 holiday houses
- 30 schools or public services, whose internet connections are provided via traditional phonelines

# ***Broadband to rural areas***

## **EXECUTING OPTIONS**

- Creating own network with optical fibre 6 000 000 €
- Creating coverage by renting capacity from operators network (ADSL subscribers ) 1 300 000 €
- Simplified financial support (ADSL) 340 000 €
- Companionship project with local operator (ADSL) including administration 220 000 €
  - Project will participate achieving customer against discount
  - Operator choice by tenders
  - support to operator 160 000 € (through invite bids)



# ***Broadband to rural areas***

## **FINANCE**

- **FULLFILLED FINANCE SUPORT TO OPERATOR**
- Federation of municipalities 100 000 €
- ALMA (Goverment) 100 000 €
- Private (discount from operator) 140 000 €
- Neighbourhood regions. 15 000 €
  
- Costs per customer (1900 customer=subscriber)
  - Federation of Municipalities 55 €
  - ALMA (Coverment finacing for rural areas) 55 €
  
- TE-center (Employment and Economic Development Centre





# ***Broadband to rural areas***

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- **Customer Cost / month**

- 256 kbit/s / 256 kbit/s                      24,90 €
- 512 kbit/s / 512 kbit/s                      24,90 €
- 1 Mbit/s / 512 kbit/s                        30,00 €
- 2 Mbit/s / 512 kbit/s                        47,00 €
- 8 Mbit/s/ 1 Mbit/s \*)                       59,00 €
- Accession fee                                78,00 € (0,0 €)
- .

# ***Broadband to rural areas***

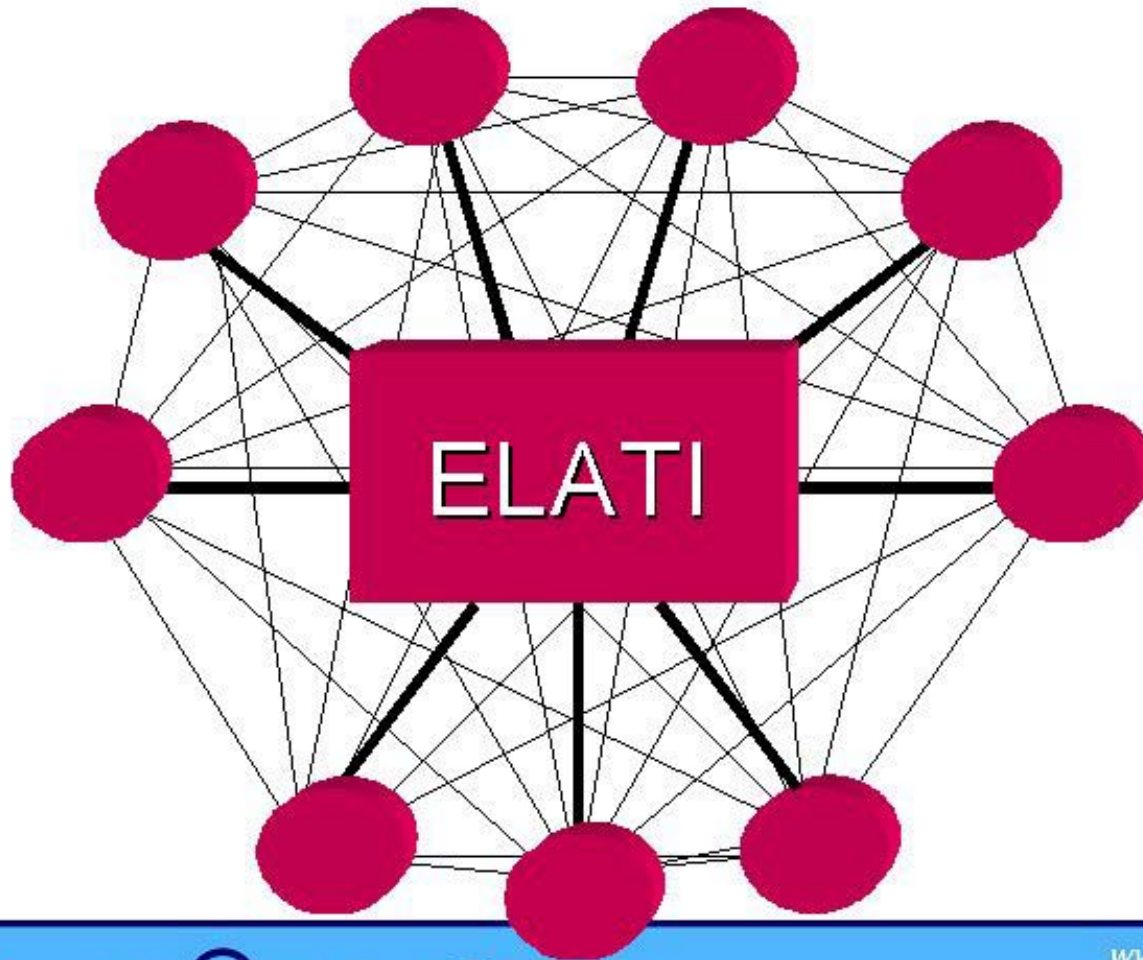
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## **Broadband for work**

- new companies considering investment in the region,
- existing companies for renewing business (e.g. countryside tourism, accounting companies, newmedia, farms)
- companies that transfer large files, (e.g. graphic design, construction design)
- teleworkers (e.g. it-supporters, reporters)



# Foodsectors benchmarking system



[www.laatuketju.fi](http://www.laatuketju.fi)

*Syö hyvin! LaatuKetju pitää.*

# Production Benchmarking to Farmers

## direct information of production

Information banks  
all information regarding  
to **cultivation**

Information banks  
all information regarding  
to **domestic animal  
and milk production**

Analyzes of raw materials

technical quality information  
information regarding safety  
quality information of industrys raw materials

Finance information

based on accounting  
key figures  
benchmarking figures

Quality- and environment meter

companies quality- and environmentcare  
info  
benchmarking figures





# ***Broadband to rural areas***

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## **Broadband for services**

Citizens also wished broadband connections for:

- Improving services for countryside. Bank, post, e-shopping and education services are available via internet.
- Countryside is a good place to live, but services are needed. Especially the young adults wish for services on the net
- Social plans ; equal possibilities in rural and urban areas, same price, same services fast and stable internet connection.
- At the end of 1990's e-democracy plans made it possible for everyone to see the agendas and minutes of the municipalities in the net.
- "Learningnet" – programme was introduced to the whole Finland via Kouvola



# ***Broadband to rural areas***

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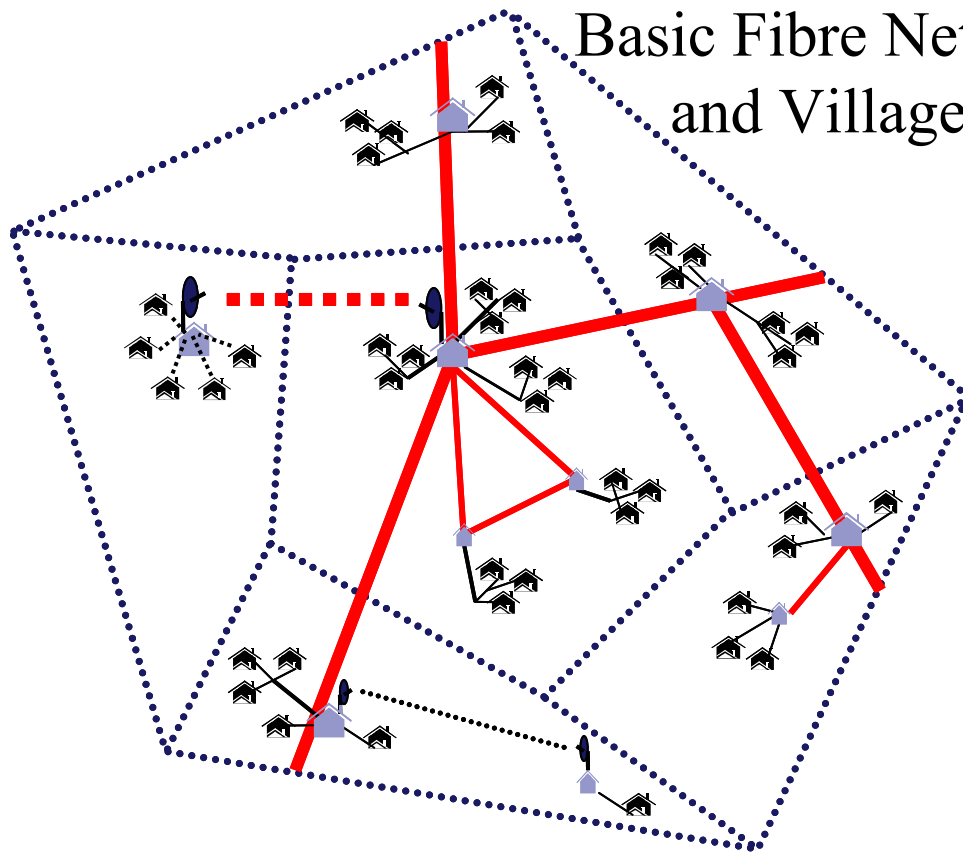
## **Broadband for services**

- users; municipalities, health services, rescue services, libraries, schools, church, business, households,



# ***Broadband to rural areas***

## **IMPLEMENTING BB TO KOUVOLA REGION**



Basic Fibre Network to Municipality and Villages was already built.

# ***Broadband to rural areas***

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## **IMPLEMENTING**

- There were no cost effective grounds for Kouvola Region to build new network, since there already were a several networks owned by the operators.
- Internet operating is not public duty in Region.
- Co-operation contract was done with the local operator (Telia Sonera) and public sector concentrated to get customers and making services
- Tens of affairs in the villages and approximately 30 newsletters published. These have most doubtly promoted the broadband to come more general in the whole province of Kymenlaakso.





# ***Broadband to rural areas***

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## **RESULTS**

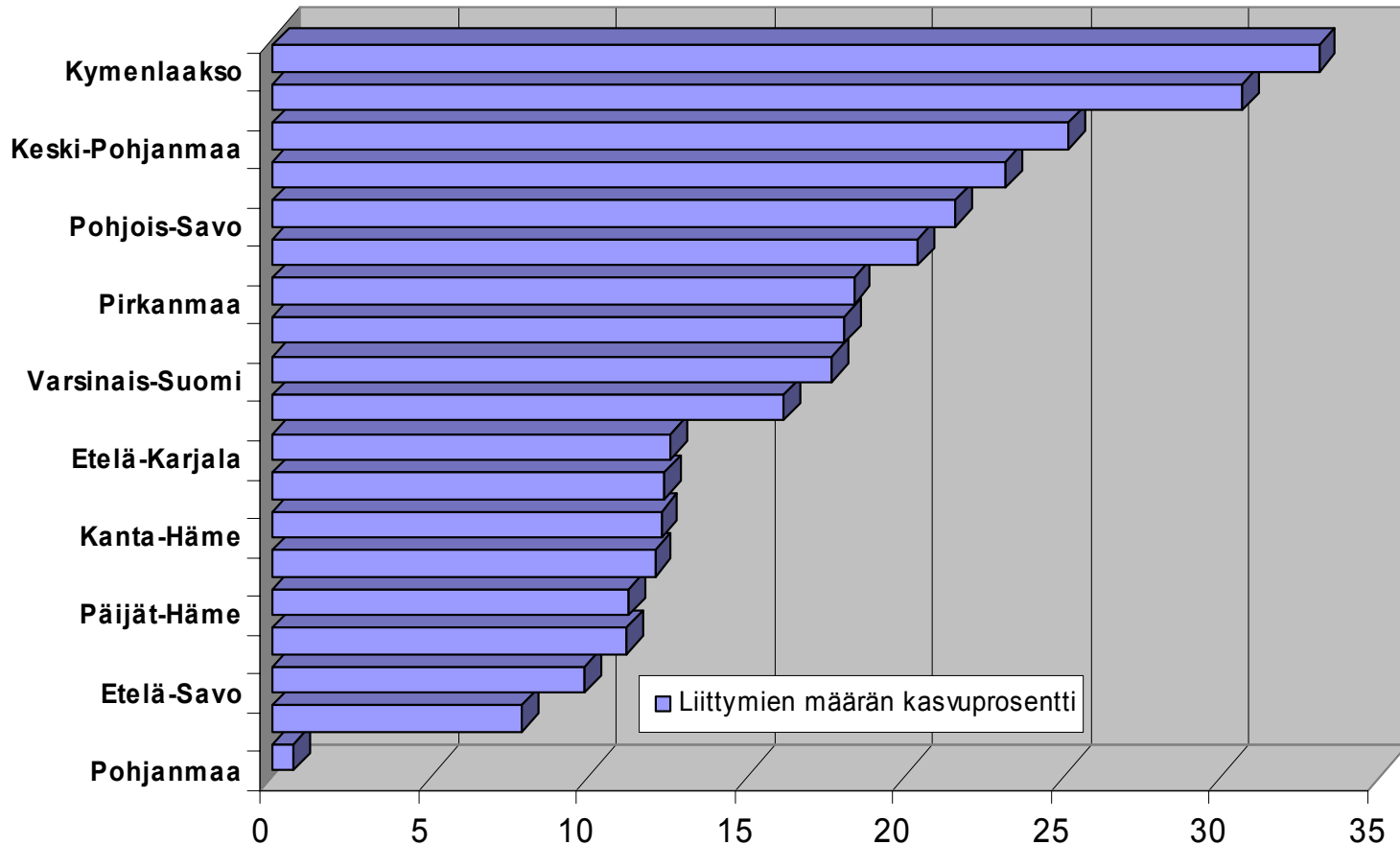
- Customers 2200 09.2005 (goal 850)
- Customer density 40 %
- 
- Broadband penetration in Kymenlaakso 33,8 %,
- II place in Finland 2004. 2005 ?
  
- Level of costs compared to own ADSL investement ~15 %
- Level of costs compared to own optical fibre < 5 %
- Equal capacity in urban and rural areas.
- Own optical fibre network only for rural areas was not possible.



# RESULTS

## Growth of internet penetration

Internetliittymien kasvuprosentti 2001-2004



# ***Broadband to rural areas***

## **DENSITY OF BROADBAND 2004**

- At the end of 2001 Kymenlaakso was second last when considering internet connections.
- At the end of 2004, according to the consumer barometer, Kymenlaakso was number one (58%, highest in the whole country)
- Considering broadband connections Kymenlaakso were 2004 at the second place. 35 % of households had a bb connection.
- (average in Finland 01.09.2005 is now 43 %)
- At the countryside the density of connections is over 35 % on Kouvola Region



# ***Broadband to rural areas***

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## **Legislation**

- **The law of activities in municipalities reaches for equality amongst citizens and regions.**
- **Obligatory, necessary tasks of municipalities basic services (education, healthcare watersupply, local traffic)**
- **Duties municipalities can take care voluntary (create possibilities for Business environment, Housing and equally Living conditions, Internet Broadband ).**
- **These voluntary tasks can develop with the common evolution of society.**





# ***Broadband to rural areas***

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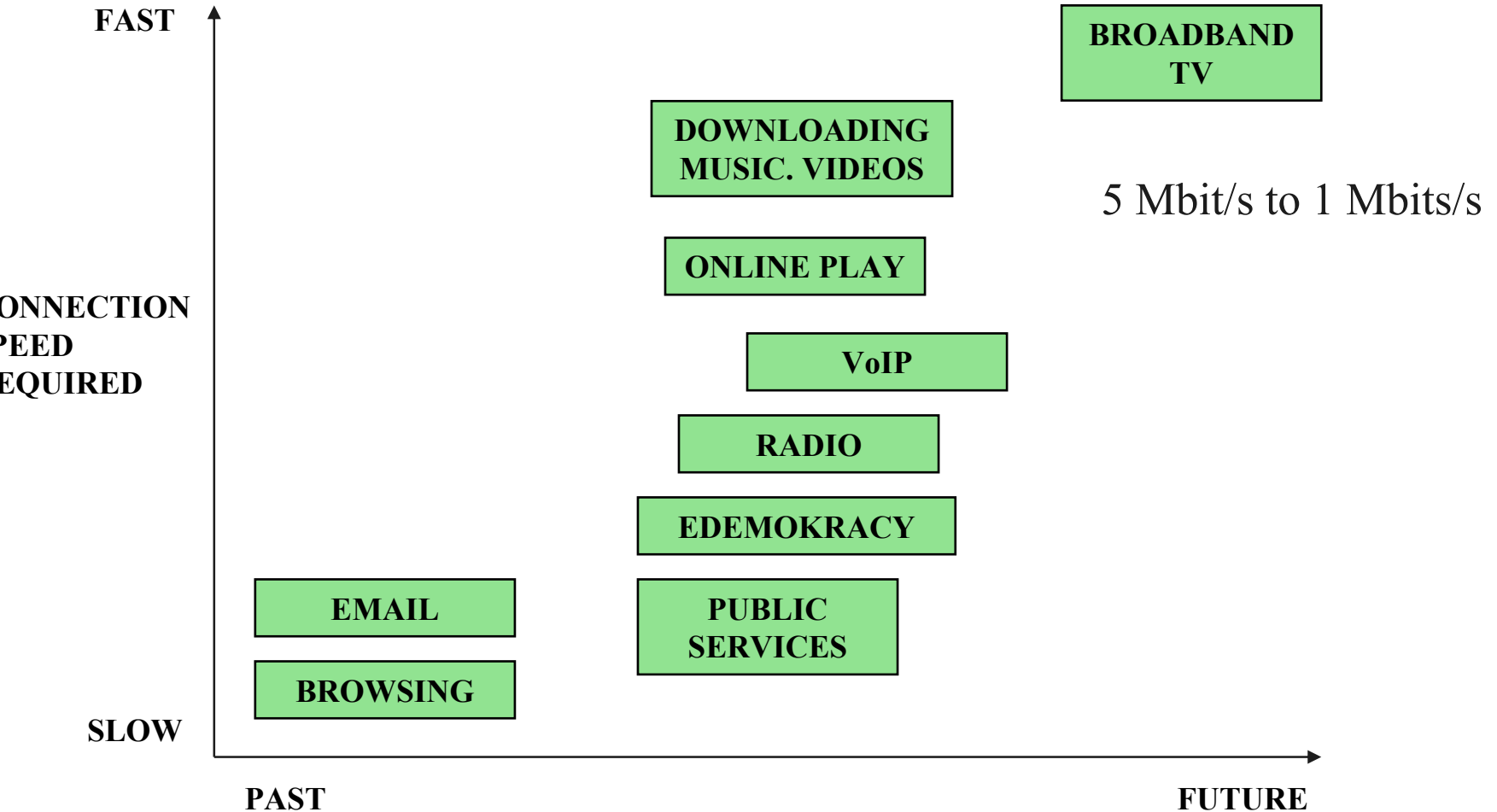
## **Legislation**

- **At this moment in Finland ICT services are known to be necessary to secure business life and citizens needs.**
- **There are good grounds to see that ICT projects, such as creating broadband network can be regarded into necessary tasks and provided by municipalities.**
- **Settlements and companies in countryside are in weaker position than population in centres. These services support and make infrastructure more versatile before all on the areas market neglects.**



# ***Broadband to rural areas***

## HOW TO USE BROADBAND NOW AND FUTURE



# ***Broadband to rural areas***

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## **FIBRE CABLE**

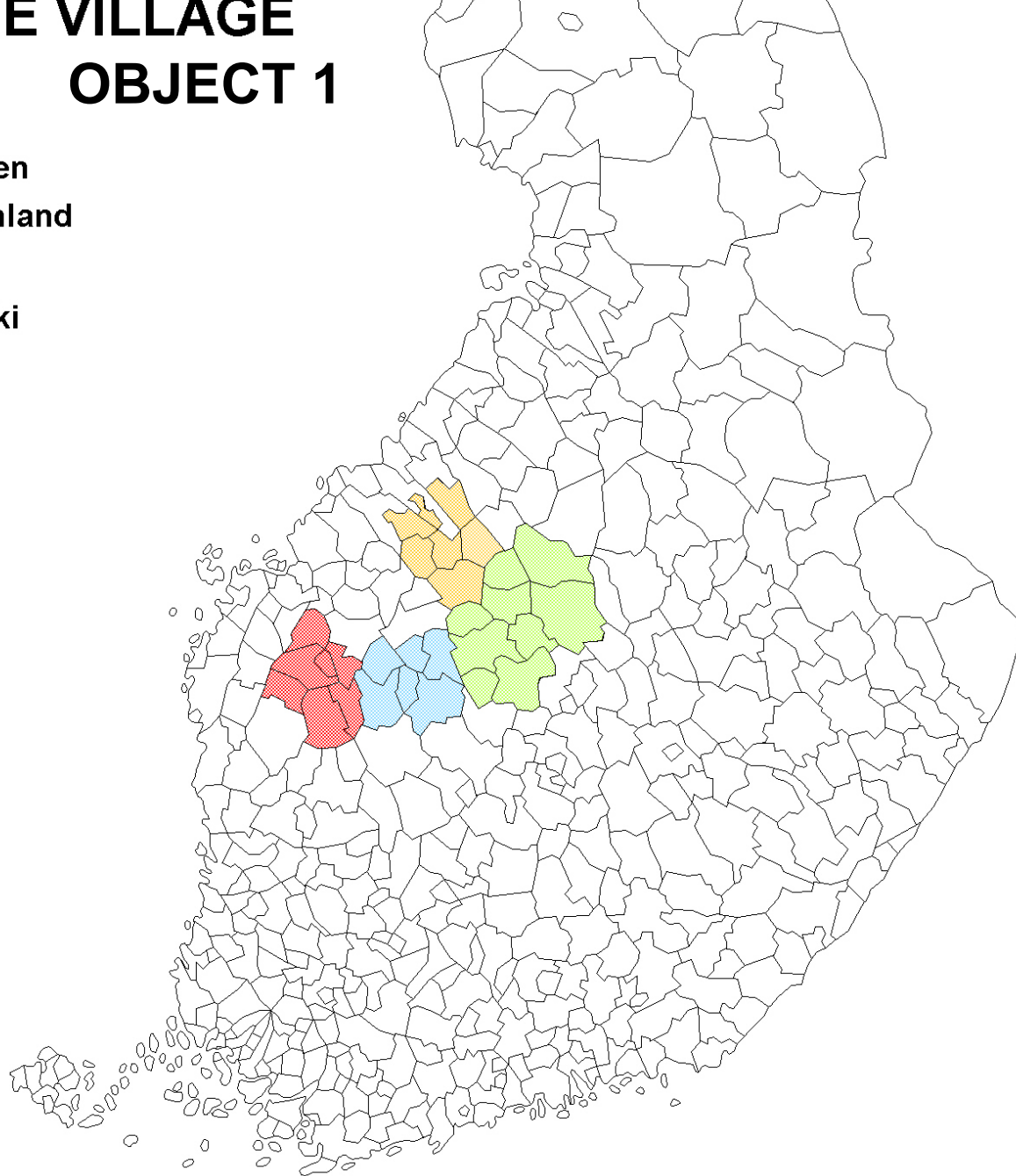
- The costs of Villagenetworks created in Finland differ a lot depending on terrain, household density and used technique. The average cost is 2000 – 4000 euros / household
- Services that require fibre cable are specially the distribution of tv-programmes via internet. Also rental videos, work and downloading music were mentioned.
- Network operators are introducing Triple Play service concepts combining telephone, internet and distribution of tv-programs over broadband



# BRE TO THE VILLAGE

## FINLAND OBJECT 1

Region of Kaustinen  
Northern middle Finland  
6net  
Region of Seinäjoki



# ***Broadband to rural areas***

## **Fibre cable networks; Objective I**

- Region Kaustinen Costs 4 milj €  
(1250 subscribers, á 3200)
- Finance: Municipalities 25%, European Union 75%
- Services: internet, educational institutes, different units of municipalities
  
- Northern middle Finland 1 800 000 €
- Finance: Municipalities 20%, European Union 80%
  
- 6net 1 700 000 € (400 subscribers, á 4250)
- Total budget 4 300 000 € (á 4800)
- Finance: Municipalities 40%, European Union 45% + customers 15%
- Services: Internet, VoIP
  
- Region of Seinäjoki 1 700 000 €
- Finance: Municipalities 30%, customers 25%, Entrepener-center, ALMA 45%



# ***Broadband to rural areas***

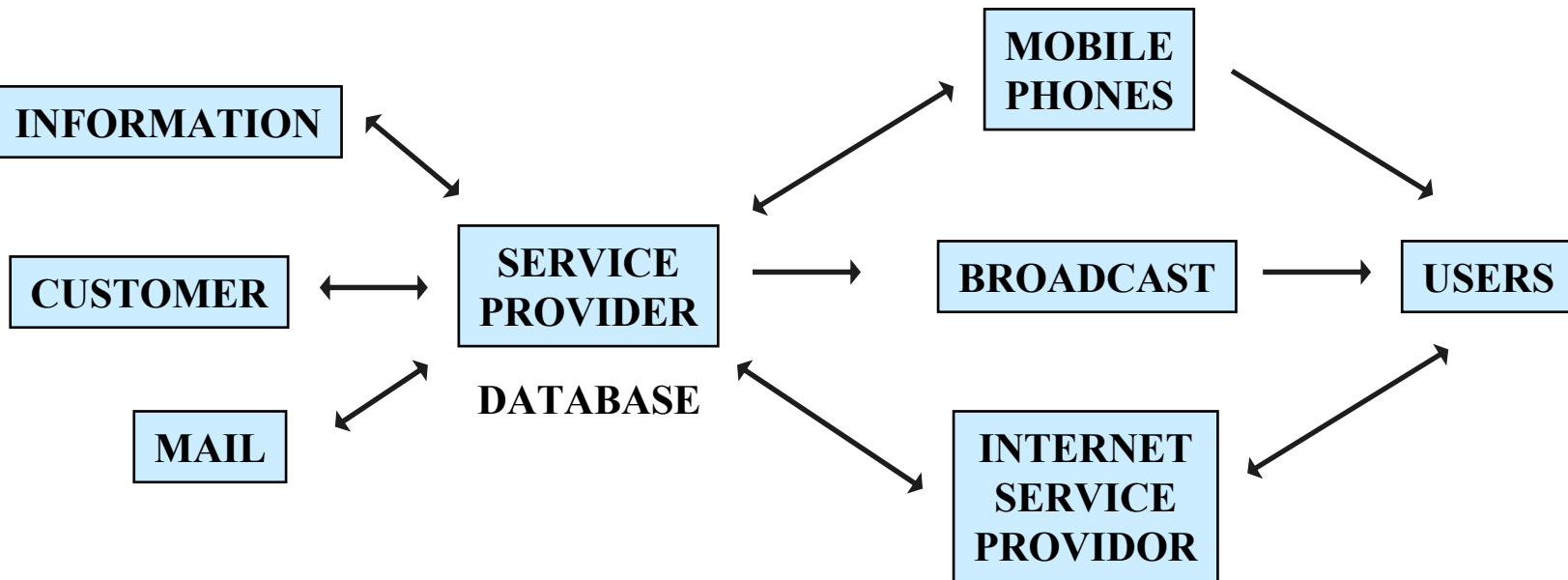
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## **BROADBAND IN SWEDEN**

- Government supports the building of broadband networks in areas which have been neglected by market actors. In Sweden a total of 576 million euros has been reserved for this purpose.
- The Swedish government froze the assets of year 2005 that were planned to use on the building of broadband network. This action slowed down the construction on some areas.
- 
- In June 2005, 31% of all Swedish households had a broadband subscription. The corresponding figure in Finland was 38%



# ***Broadband to rural areas***





## **4) Social interaction and networks**

Creating possibilities for the local development by creating contact networks for small groups, young peoples and medium enterprises by opening new views and opportunities to use new information and co-operation tools. For example; internet blogs

Equal level of service for both rural and urban areas especially for the young people.

# Building co-operation networks

- Bid (business improvement district) (local perspective, street level tasks, events)
- Participation of enterprises and shopkeepers to develop own business (benchmarking)
- Benchmarking information from similar projects in the EU
- From broadcasting services to local information in marketing (small service companies are hidden in the villages, they require a cheap way to come out in publicity)
- Everybody can be a reporter
- Strong local perspective in new forms of media

# The Finnish Information Society Programme

- Chaired by the Prime Minister
- One of the four Government's policy programmes
- Releasing the energy from citizens ( activating young people and active groups with new technology into co-operation)
- To create new innovations
- Value networks created by business persons renew trading



# NEW WAYS OF WORK



Individual Workspaces



Mobile work



Co-located Workspaces



Traditional conference room



Distributed Workspaces

## **Inquiry for the users**

- Majority of the connections were 512kbit/s and 1Mbit/s. 20% had a connection of 2Mbit or faster. The users were happy with their connection speeds.
- Using banking services and search of information were the most popular activities in the internet. (90%)
- News reading with 75% was also popular.

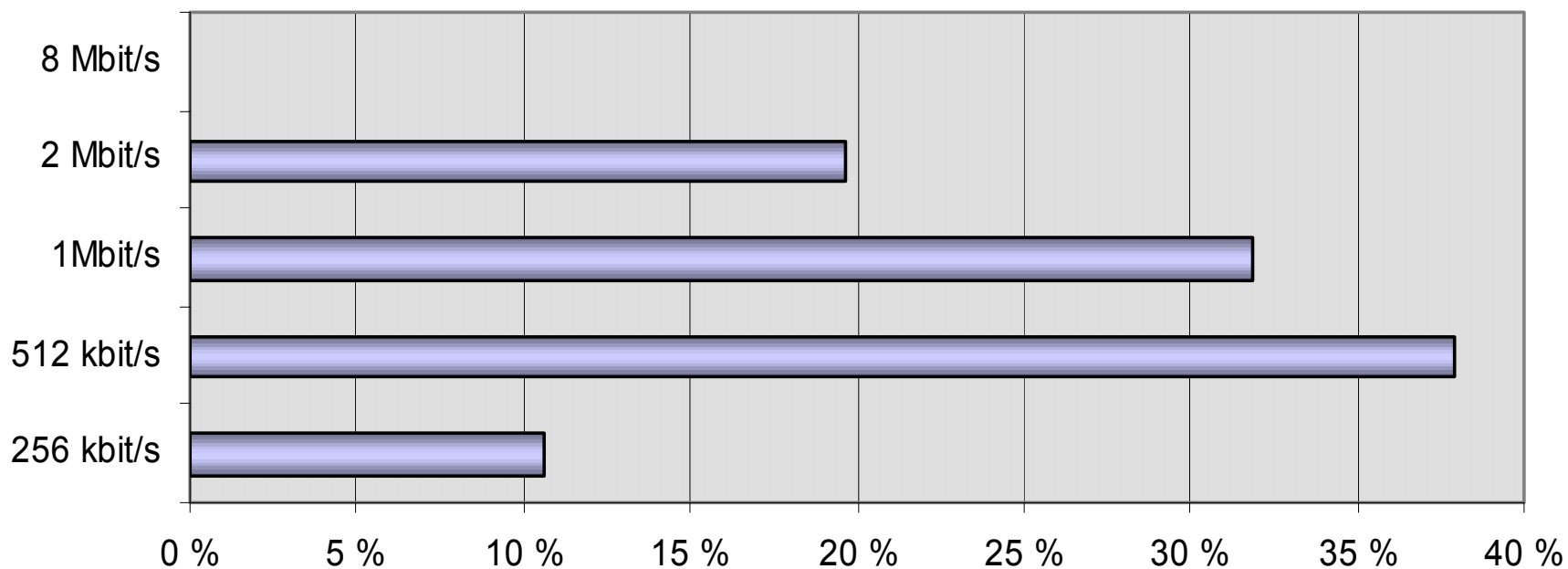
## **Inquiry for the users**

- Online shopping was also quite popular, 60% of the people told that they use the internet to buy things (average in Helsinki 25%)
- Studying, online play, chat and phone calls over the internet were all used circa 20-40% of the answerers
- 90% told that the availability of the broadband in the rural areas was considered a very positive thing and that it had also increased the vitality and atmosphere.
- The investment to buy broadband was considered almost 100% worthwhile.

# ***Broadband to rural areas***

## **Inquiry for the users**

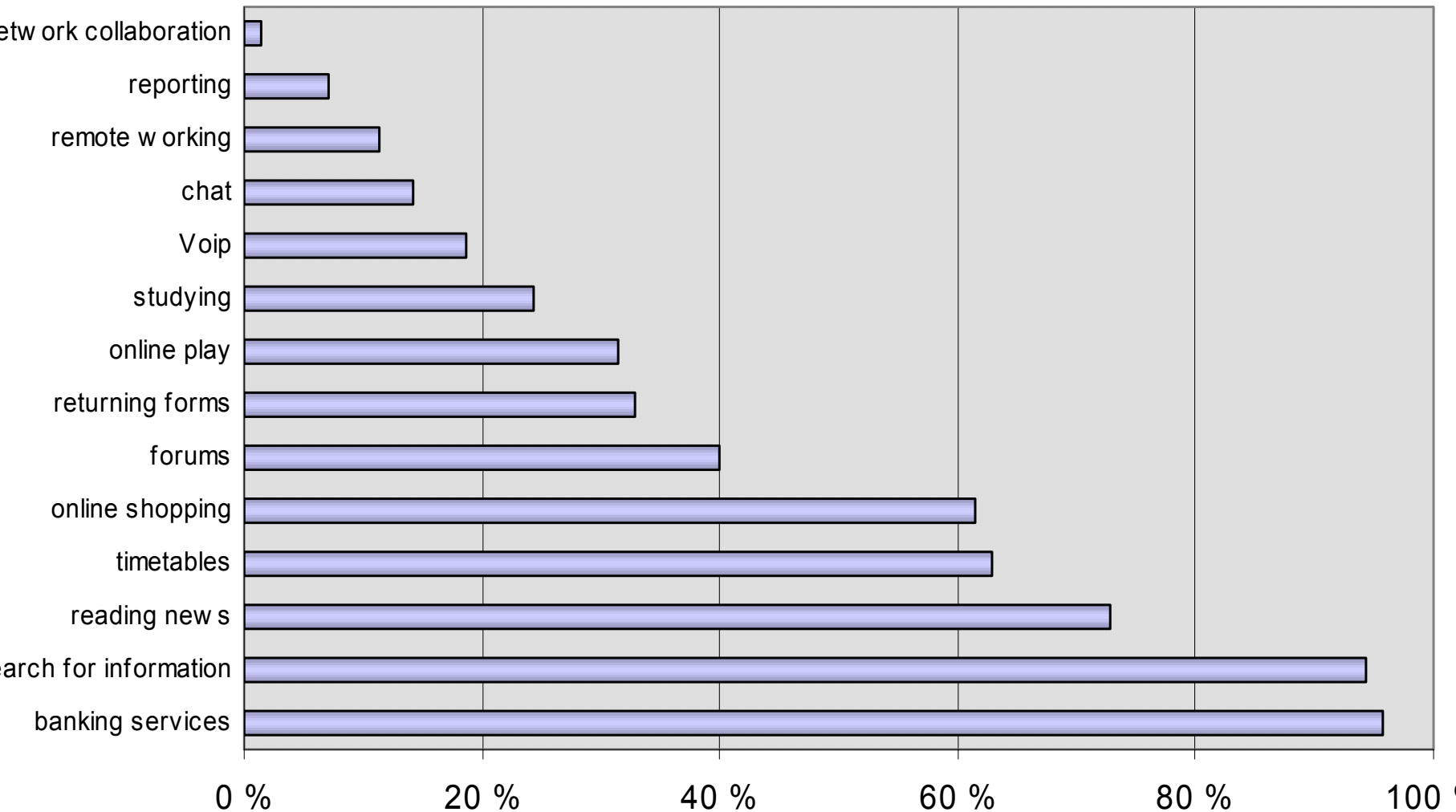
**Connection speed**



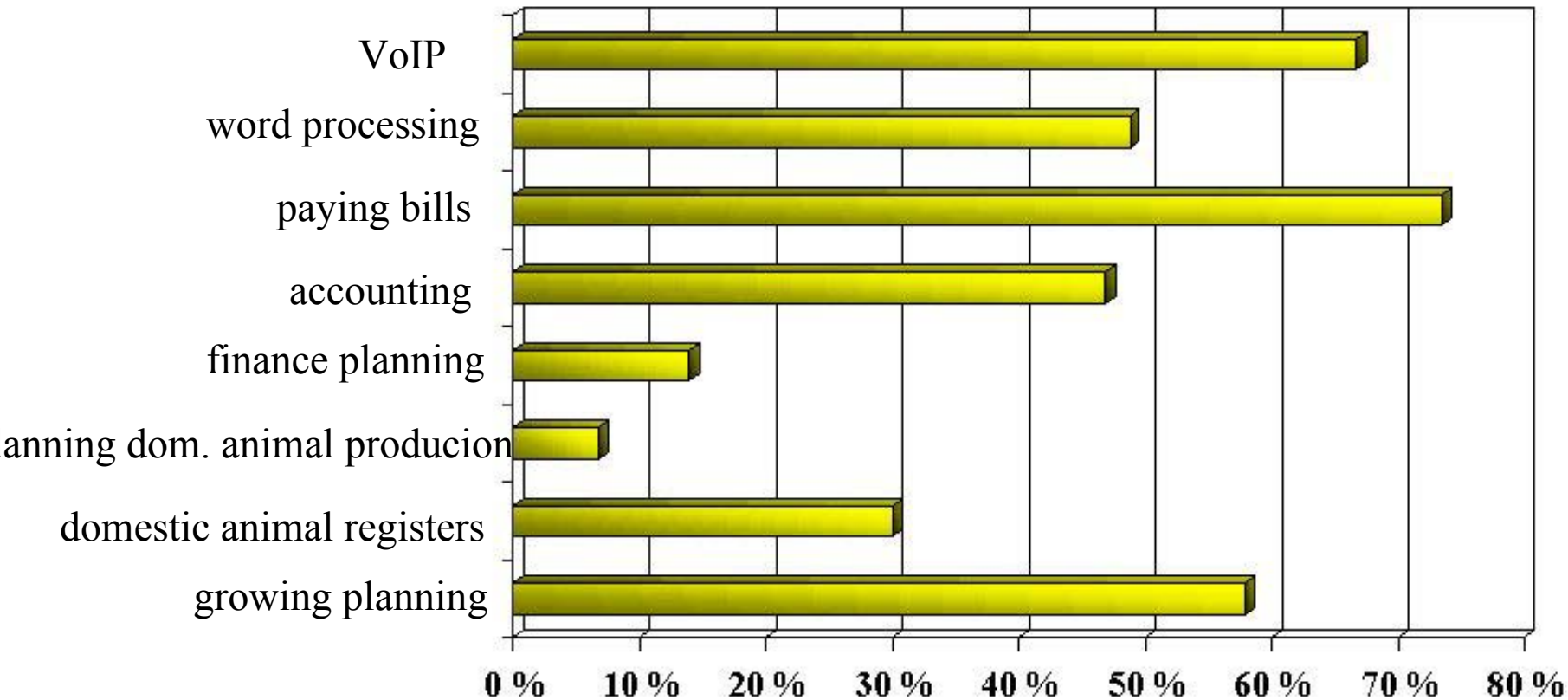


# Broadband to rural areas

Use of internet %



# Use of computers in the farms

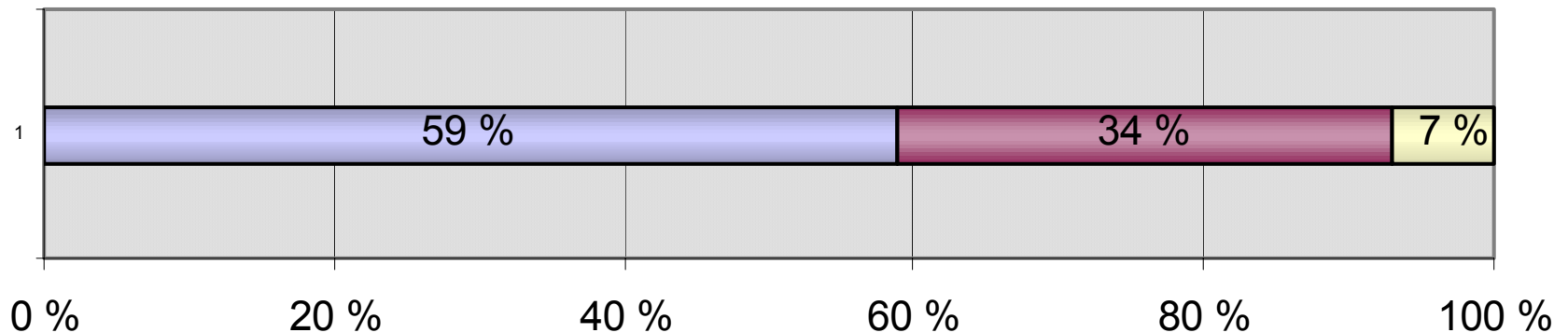


# ***Broadband to rural areas***

## **Inquiry for the users**

**Has the connection eased own work**

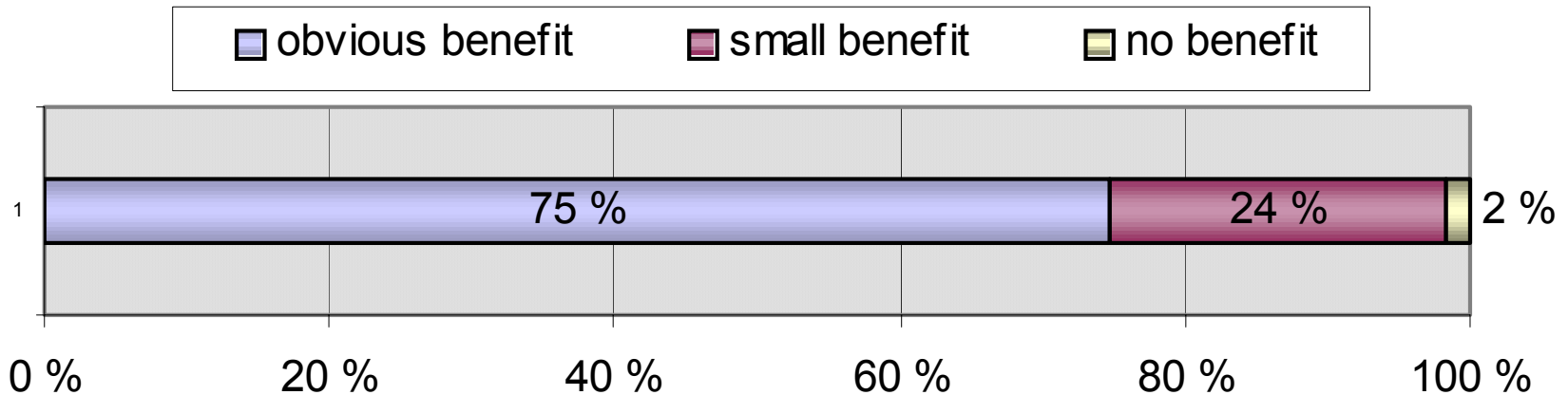
■ Remarkably ■ Moderately ■ Not notably



# ***Broadband to rural areas***

## **Inquiry for the users**

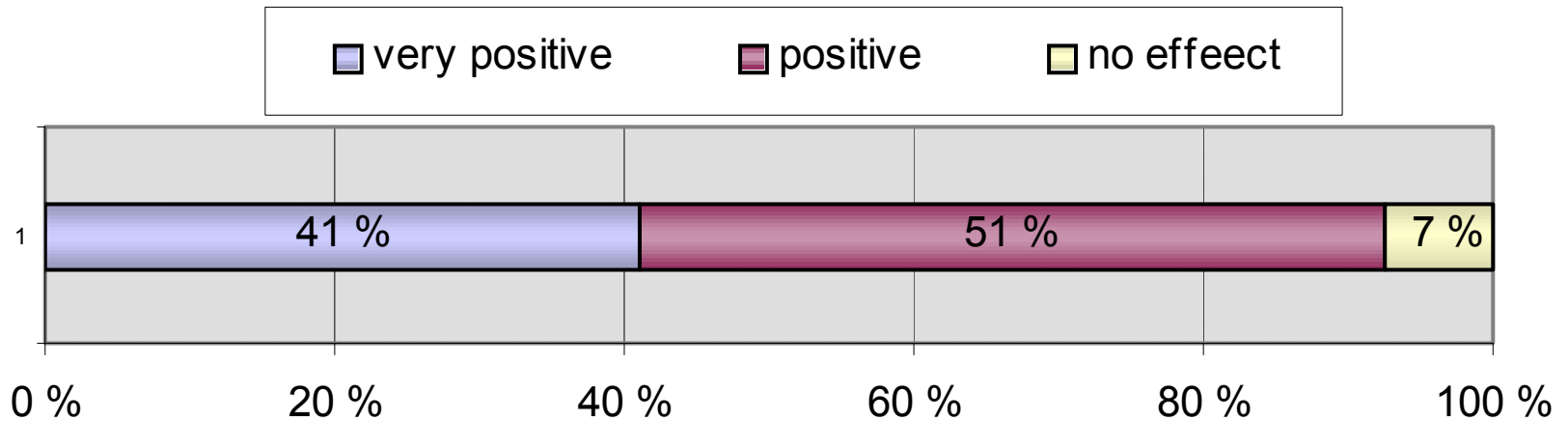
**Do you think that kids under 6 years benefit from the chance to access internet?**



# ***Broadband to rural areas***

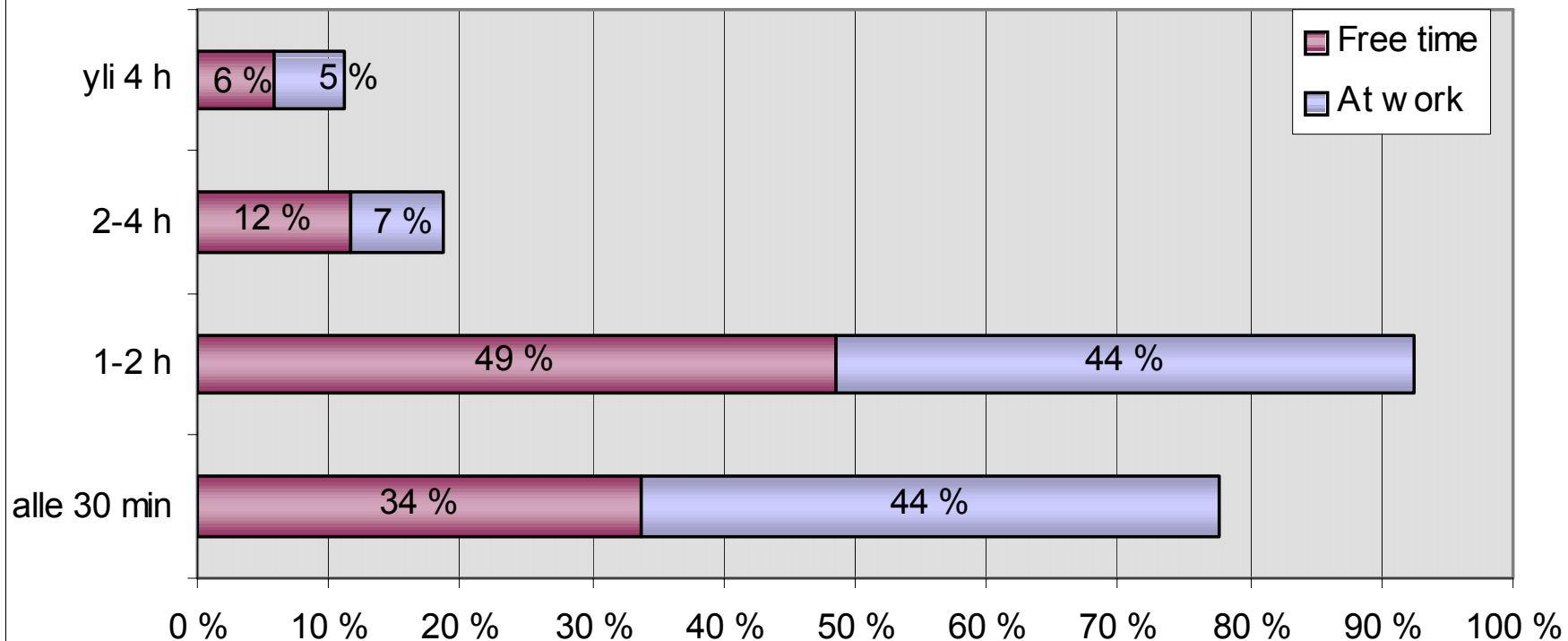
## **Inquiry for the users**

**The effects of broadband to living conditions in rural areas**



# Broadband to rural areas

Time spent on internet



# Broadband to rural areas

Connection speed

