



HOUSE OF LORDS

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Inquiry on

SUPERFAST BROADBAND

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Witness: Ms Suvi Lindén

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Members present

Lord Inglewood (Chairman)
Lord Bragg
Lord Clement-Jones
Baroness Deech
Baroness Fookes
Lord Gordon of Strathblane
Lord Macdonald of Tradeston
Lord Razzall
Lord St John of Bletso
Lord Skelmersdale

Examination of Witness

Ms Suvi Lindén, Special Envoy for the Broadband Commission for Digital Development and former Minister of Communications for Finland.

Q1 The Chairman: Ms Linden, can I welcome you and say how grateful we are that you have agreed to speak to us this afternoon? It is a great pleasure to us. Before we formally get underway, we have one brief housekeeping point because this is the first hearing in our new inquiry, and I have to just ask the Members if they have any declarations of financial interest they would like to declare. Perhaps I may start on the right. Does anybody on my right have any specific financial interests they want to declare?

Lord Macdonald of Tradeston: I declare an interest as an adviser to Macquarie Infrastructure and Real Assets, whose funds hold a 32% share of Arqiva, the communications infrastructure company operating in broadcast, satellite and mobile markets.

Lord St John of Bletso: I am an adviser to the board of 2e2 Group, which is a private IT services company with broadband coverage. I am also a patron of Citizens Online, which is a charity committed to promoting universal access to the internet and tackling issues of digital inclusion.

Q2 The Chairman: Thank you for that. If I might now formally welcome you, Ms Lindén, I am extremely grateful, as I said, that you have come. You are special envoy to the UN Broadband Commission and a former communications minister in your own country of Finland. If I might, let me just explain that the meeting is being sound recorded so, if you could, just before you start please identify yourself for the record. In addition, if you would like to make any kind of opening statement, we would be very pleased to hear it from you. Thank you.

Ms Lindén: Thank you, my Lord Chairman. First of all, I am very delighted to be here. I am Suvi Lindén—can you hear me? *[Interruption.]*

The Chairman: Can I just stop you for a moment. There is a Vote going on. Some of our Members are going to leave, but we have arranged to pair off so that the hearing can roll on without any interruption. The Division Bell will stop in a moment. It is called democracy.

Ms Lindén: Yes, I know.

The Chairman: I think we can now proceed. It will ring again, briefly.

Ms Lindén: Yes, okay. *[Interruption.]*

The Chairman: Sorry, it is called Murphy's law. I think that really is the end of it for now.

Ms Lindén: Okay. My Lord Chairman, my name is Suvi Lindén. I am a former minister of communications in Finland and ITU special envoy for the Broadband Commission. *[Interruption.]*

The Chairman: It could not be worse. It is not until you have one of these sorts of things that you realise how many times the Division Bell rings. Can we try again, please?

Ms Lindén: Okay. My Lord Chairman, my name is Suvi Lindén. I am a former minister of communications in Finland and ITU special envoy for the Broadband Commission. First of all, I want to thank you for the possibility to present my views and opinions about the role of broadband in societies. In Finland, the former Government changed the communications

policy completely. There were two reasons for that. First of all, we realised that good communication connection is a necessity for today. It is not any more a luxurious thing but something that we need and that everyone needs. The other reason was that we also found that market forces will not bring this connection to everyone in Finland. So we had to decide our broadband strategy, and we had two steps in it. First of all, we made 1 megabit per second a legal right for every citizen in Finland starting in July 2010. The other strategy is that by 2015 we hope to be able to provide around 100 megabits per second for every household in Finland. Lord Chairman, this is my intervention and I think that we can continue with questions.

Q3 The Chairman: Thank you very much. That is an extremely helpful opening statement for us. If I might, I will begin. From what you have said, it seems to me that you are strongly of the view that, in the modern world, broadband should be treated as a utility. Do you think that it is as important for the workings of civil society in the future, as, for example, water, energy and so on?

Ms Lindén: I think it is as important. At least, we have seen that today's societies are very dependent on good telecommunication infrastructure. Especially in developed countries, the public sector is not very effective and productive providing services for people, and I think that by using ICT technology and communication networks the public sector can be much more productive with its services. Also, in rural areas people also used to have all kinds of services and we all see what is happening with the state of the economy, that for Governments and public sector it is harder and harder to be able to provide the services for citizens in the rural areas. Good communication technology and telecommunication infrastructure can provide a new chance and possibility for those people who live in sparsely populated areas to be able to get good services also. I very strongly believe that there is no

future without good broadband connection. At the same time, we have seen what has happened in developing countries in the past five years, when people in Africa have got mobile phones. That provides new possibilities for economic development and for citizens in those societies, where getting the traditional infrastructure base would take much longer than getting the telecommunication infrastructure.

Q4 The Chairman: Speaking for myself, as somebody who lives in rural Britain, I am extremely encouraged by your remarks. But if I might move on, how would you define being competitive internationally in the context of the provision of broadband and superfast broadband?

Ms Lindén: I think that the most important thing is first of all that there is accessibility, so that everyone who wants to have access has that possibility. Also the affordability is important. If there is a telecommunication infrastructure but it is not affordable, then it is not of any use. Then of course the speed of the broadband should be of the kind that is needed. Businesses and companies quite often need more speed than households, so I think that when you are planning for the infrastructure it should be that kind of long-term visionary plan, even though nobody can really know what is happening in the future. We have seen what has happened in the past five years with the amount of data transfer, for example. But still I think it should be flexible, so 24 megabits might be fine, but if you are making fibre-based networks then you can easily reach much more speed than 20 megabits or 50 megabits.

Also I think one very nice thing is that technology is advancing all the time, so wireless is one possibility for certain areas also to provide quite good access for infrastructure. I would not say that there has to be 20, 50 or 100 megabits or 1 gigabit. It is about what the businesses need for them to be able to provide the services, what speed is needed for the public

services—for example, for this kind of video-conference or telemedicine—and of course, for households, what kind of access people want to have.

Q5 The Chairman: When people like us—and, indeed, yourself when you were a minister—think about the future, should we aim to provide more than what looks appropriate at any particular time?

Ms Lindén: If you look back, so much has happened in a couple of years and the demand for quality, high-speed broadband access has grown a lot. We have seen in Finland, for example, that since we started with our strategy to talk about broadband and all the possibilities, the demand has grown a lot and the service providers have started to provide more fast, broadband-needed services. In my opinion, by 2020 in Finland, for example, every household should have a fibre fixed connection to the home, and then also we need the mobile broadband since we are moving around. We have tablets, we have portable devices and we have our smartphones, so in a way it is a combination of that good-quality fixed broadband, which nowadays should be fibre. Fibre is long-term, provides 40 gigabits per second and can provide very high speed access. Then along with fibre comes the wireless broadband, which is very important also.

Q6 Lord Razzall: This may seem to be a silly and rather naive question but I think it is quite important that we should get it on the record. In general terms, why did you decide as the Finnish Government that all households or certainly every community—more than a dozen or so households within two kilometres of every community—should all have access to fibre? I know it sounds a silly question, but I think it is quite important that you should make a statement as to the rationale for this.

Ms Lindén: We made 1 megabit per second broadband access a legal right, and we could do it without any public funding because we have very good coverage now with the 3G network. Every household all over the country, including in very sparsely populated areas, has a legal right to 1 megabit. This 2015 plan for a fibre-based trunk network and fibre within two kilometres from households is not a legal right, but Government is putting public funding behind this goal. In Finland we have been developing e-services for decades, and nowadays 86% of bank clients, for example, do their banking through Netbank, using the internet. We send e-mails, we have e-invoicing and the public sector is providing services for elderly people more and more to their homes using video-conferencing and all kinds of services. If you really want to provide these services, it is very hard for a politician to say, “Okay, we will do it but not everyone has access to them”. The ideology for it was that everyone should have access.

With 1 megabit you can buy today’s needs. Many people only send e-mail and maybe use search engines and use Skype, but if you look to the future you can see all kinds of more bandwidth-demanding services coming, especially for the public sector and telemedicine. Then you really need to also start to build up the fibre-based trunk network because it will take time, and hopefully we will be able to manage with this goal. I would like to add that in our plan for 2015 we believe that 95% of the households will be provided the fibre by market forces. The last 5% is the one that the public sector—the Government—is funding. That is the way we hope to be able to build up our fast-speed network in Finland.

Q7 Lord Razzall: What you are saying is the main driver for this was that, unless all households had access to fibre, they would be missing out on internet-related services that are now becoming commonplace?

Ms Lindén: Yes, and I think that not yet, but in a few years, I am quite sure that certain services will be provided only through the internet. Finland has been very decentralised with

public services, but now with the lack of money things are available only in bigger cities and still we have a lot of people living in sparsely populated areas. Through the internet they can still be provided with the same services as people living in the cities. We found out that, for example, in today's farming you cannot be a farmer without a good broadband connection because you need the robot cameras for cows and all these kinds of things. For businesses to be able to do their things in the rural areas, they really need to have good access. So, in a way, there is no future without good access and that was why we decided to do these strategies.

Q8 Lord Gordon of Strathblane: I shall ask a supplementary question, if I may. Your plan for 2015 takes fibre to within two kilometres of clusters of houses. A chain is only as strong as its weakest link. What happens to the link from the fibre connection to the house itself? Is that where the subsidies are coming in?

Ms Lindén: No, subsidies come to this within two kilometres. The household knows what they demand and what is their need, and they also pay for the subscription. So quite often the last mile will be wireless because the cost of the wireless is cheaper than getting fibre to the home. Of course, there are houses where the family may be watching television while the kids are on computers, so their demand for high-speed broadband is more than in the household of one person. This kind of household might get fibre to the home, but the main philosophy is that the household pays the last two kilometres, so they have to be able to decide whether they want to have the mobile broadband or whether they want to have the fibre to the home.

I believe myself that by 2020 the services will have developed so strongly that everyone should have fibre to the home. But at this moment many households think that we can do

with mobile broadband, and when the fibre comes to the two kilometres from the household the mobile broadband access is already very good quality and fast.

Q9 Lord Gordon of Strathblane: But if there is superfast broadband, there is the possibility of downloading films and watching television programmes and so on online. That will change, arguably, the pattern of usage if everybody in a community decides to download films at the same time. Will that not put pressure on anything other than fibre?

Ms Lindén: Fibre is the best technique for this kind of use of broadband, and in Finland I also see that now, when people are getting the mobile broadband access for the last two kilometres, they will be changing that later on for fibre, because when there is more demand for better quality services then there will be more demand for high speed access also. The challenge here is also that at this moment I know that there is a lot of discussion going on: “Do we need 100 megabits or do we need 500 megabits? Can we do it with 10 megabits?” This is because we do not have many services that require high speed access. But I would not like to be the one who says that we will not have those services in 10 years. For the public sector, we are not putting in money to provide better entertainment for households, but I think that there might be services that really require better access. Especially, you have to remember that mobile broadband is not symmetric, so the download and upload speeds are different, which will present some challenges for some kinds of services. In a way, I strongly believe in fibre combined with the mobile broadband access.

Q10 Lord Clement-Jones: I think what is very interesting is not just the public provision, but your enshrining the right to 1 megabit broadband in legislation. I think you were saying that obviously you hope for 2 megabits by 2015 but you will not be enshrining

that in legislation—or perhaps you will. Why did you decide to go for a legal right? Has that been enforced in the courts at all?

Ms Lindén: When we introduced the legislation, one of our operators with responsibility for the most sparsely populated areas estimated that there were in 2010 about 4,000 households that did not have any access. In Finland we have certain areas where even mobile broadband is a very big challenge. With this 1 megabit per second, we kind of wanted to make sure that everyone has the basic access for internet, and without the legislation I think that we would still have a lot of households that just would not be provided for by telecom operators. When you live in very sparsely populated areas or in this kind of white spot where even the 3G network is hard to reach, then the operators just will not offer. You would pay a lot of money for that. With this legislation, we made it possible. In a way, although the telecom operators of course were not very happy about it, it was not too big of a problem for them. At this moment everyone has the possibility of access and it has also, I think, boosted many things and brought new possibilities in certain areas for companies. Even with 1 megabit access you can do a lot of things.

The legislation was done so that we can increase the speed quite easily. The speed is not in the legislation. We did 1 megabit. If we had said 2 megabits then we would have needed a lot of public funding, because 2 megabits is not possible with 3G networks, but 1 megabit, which is average speed, is possible. We wanted to do it this way so that we would not have to put any taxpayers' money into this. When 4G comes, I am quite sure that we will increase from 1 megabit to 2 megabits. We do not want to put public money into this legal right. I just want to make that clear.

Q11 Lord Clement-Jones: That is very interesting. So, over a period of time, might you increase not only to 2 megabits but even further using that legislation?

Ms Lindén: Yes, especially when you do not have to take it into Parliament. The legislation is meant so that the Government can increase the speed. But, of course, since it is a universal service there are directives that say we cannot impose unreasonable costs or burdens on teleoperators, so in a way it is a delicate matter what the speed is. Now 1 megabit is okay, and when we have better mobile broadband network we can increase it and not have any reason to provide subsidies to teleoperators.

Lord Clement-Jones: That is very cunning. Each time you have waited for the technology to come on so that the Government does not have to spend too much money.

Ms Lindén: Yes.

Q12 Baroness Fookes: Have I understood correctly that you have not one target but two—one for 2015 and one for 2020?

Ms Lindén: We have two targets, one of which we have accomplished. The first target was 1 megabit for everyone. Knowing that 1 megabit will not be enough, we made the other target for 2015. But my personal target is that I strongly believe that by 2020 there should be fibre to the home for everyone and also high-speed mobile broadband, but that is my personal 2020 target. We will see what Government does when we get to 2015.

Q13 Baroness Fookes: Is the 2015 target likely to be accomplished without difficulty?

Ms Lindén: There are difficulties, and I would like to mention some experiences we have had since we have been doing that for a couple of years. We have about 800 subsidised projects for white spots in all of the country. Not only in the northern part of Finland but all over the country we have these white spots where markets will not provide high-speed broadband. Our model is that two-thirds of the investment is public money and one-third is private money from the telecom operator. We really thought that, with two-thirds provided

by public subsidies, we would get things going. Unfortunately, we were very surprised that when we had offerings—for example, in Lapland—not a single teleoperator was interested in those areas, even though two-thirds would come from public money. Our three big operators have been very passive with this project, but the small local operators have been very active, and that tells us already their different attitude. The big operators that are on the stock market have to get a lot of profit for what they are doing, so they are not interested in this 2015 plan, even though they would get public money. However, the local operators have this kind of social conscience and they want to take care of the region where they are working, so in those areas where there are local telecom operators they have been quite successful with starting to build up the fibre.

Then we have also areas where there are no local telecom operators. For example, in the eastern part of Finland, 20 municipalities established a company that is going to construct the fibre network for the whole region. We have also non-profit-making smaller organisations in smaller areas than these 20 municipalities that have founded a non-profit company that is going to construct the network because no private company is interested in doing that. That means, in a way, there are challenges for financing since the public aid is given after the construction is finalised. These non-profit companies established by the community usually do not have the money, so we have this kind of mid-term review going on now. I think that we have to provide some kind of loans for them so that they can do the construction work. The biggest surprise for us was that, with such a big amount of public money, the white spots are still so challenging for private companies that you will really need special things to get the high-speed broadband in those areas. That is something that we could not have thought beforehand would happen.

Q14 The Chairman: There is one thing arising from that, if I might just interject. Under the system you have described, how do the local operators get connection to the internet to and from the larger operators?

Ms Lindén: Of course, we have a network covering the whole country, and these local operators do not have any spectrum; they have fibre networks, so they are connecting with fibre to the national networks. Since they do not want to have as much revenue as the big companies, they can manage to do it and they want to do it because they have seen how much this affects the local economics and boosts small companies in the small communities.

Q15 The Chairman: Is there some kind of Government protocol governing the connection charges and so on?

Ms Lindén: In Finland, copper is regulated but fibre is not. Those networks that are built with public money or public subsidies are open-access networks, and in this way there is access for all service providers. These local networks built by local telecom operators are their networks so they are not open access, but all these 800 projects we are going to do in Finland will have public money so they will all be open-access networks.

Q16 Baroness Fookes: You mentioned that some of the small companies were interested where the big boys—if I may call them that—were not. Are they all not-for-profit companies, or are there some that are for-profit in the smaller group?

Ms Lindén: We have in Finland something like 30 telcos and we have a long history of having over 200 private phone companies, and in certain regions those old phone companies are now telecom operators. Their expectations for profits are much lower than these big national and international companies, and we have seen that the local players are better players in a local society because it seems that the big players are not interested in small

things or small societies or these regions that do not have very much population. But I think it is very good that we have these local operators—life used to be such that even the big companies aimed for some kind of growth and doing things together rather than only thinking of their profits. The world has changed and the competition is really very hard, and this way these big companies, which are national and international companies, just compete against each other and they just do not have an interest in these small areas or regions that are not very populated.

Q17 Lord Macdonald of Tradeston: This is a two-part question. By setting this target for 2015 is there evidence that this has accelerated the rollout of high-speed broadband in the way that the market would not have provided anyway? Secondly, with the advances you have made to date, have you seen any impact there that has been of very visible help to your economy or sections of your economy?

Ms Lindén: I think this whole process has accelerated the investments for broadband. First of all, with this legal right, the 3G networks—the three companies with a licence for the spectrum we are building—had to speed up their investments because they had planned to have nationwide networks by the end of 2012, whereas we wanted them to have them ready by 2010. They had to speed up their investment, and in this way people got accessibility earlier than had been thought at the beginning. Also, this 2015 plan has really brought up the discussion about the role of broadband and why broadband is important, and what kind of services are possible to be provided using broadband. Through this discussion, demand has grown. I think it has been very important to have this public debate because broadband is still for many people—especially for elderly people—a very strange definition. What is broadband? What do I do with it?

I think also, especially in sparsely populated areas, the municipalities have realised that their only hope for a better future, or a future at all, is that they have fast-speed broadband access, and they are working very hard to get these networks done. I think that one of the very good things for these local communities has been the activeness in building up the plan and getting people interested in it, because of course the more subscribers there are, the easier it is to get offers even from the local telecom operators to build up the network. So it also has brought the society together somehow. We already have experiences of some small villages that have fibre connection network all over and they are very pleased. This way they can also create, together with other municipality services, all kinds of online services, and of course the Government is also providing e-government services. I think that this has been a very good process.

Also, Finland is a country that, because of Nokia, has had a very strong ICT-based economy, and we have a lot of small start-up companies that are building applications for smartphones, PCs, tablets and the internet. I think that there have been a lot of positive effects from this process.

Q18 Lord Macdonald of Tradeston: Just finally, if as a minister or as a Government you had a to choose between putting your money into surface transport, such as roads and rail, and putting your money into broadband to stimulate the economy, which would you prefer—old transport or new communications?

Ms Lindén: Broadband is much cheaper. You need money for broadband—the British Government is putting in a lot of money—but with £500 million or £1 billion you do not get much highway. So, in a way, if you get a good fibre-based network in the whole country, I think the boost for the economy is much bigger than what you can do with £1 billion invested in roads.

Q19 Lord Skelmersdale: If I could move slightly on to the international scene, we in this country think of the Nordic countries as the paragons of virtue as far as internet penetration and broadband penetration are concerned. Why do you think the Nordic countries as a whole have taken such a different approach from that of the rest of the world?

Ms Lindén: Maybe it is our history. In Finland we did put a lot of money in R&D in the 1990s when we had our economic crisis and we were building a society that was based on innovations and developing an information society. Sweden has achieved it through Ericsson and with ICT. Also, we are very sparsely populated countries, and we have the philosophy that people should be able to live where they want to live. To be able to make that happen, you really need broadband. In both Sweden and Finland—of course, Norway is a very rich country with the oil mining so it does not have to tackle it with the taxpayers' money as we have to do—we have seen an ICT-based economy, which I believe is very strong in future. In Finland, we have gone through very deep changes in our industry. We have been very dependent on, for example, the paper industry, and now we see what is happening with paper when everything goes to internet. So I think that a third or fourth revolution will be happening with the internet and internet-based economy, and the highway is needed—the good infrastructure is needed—for that revolution.

Q20 Lord Skelmersdale: So you do not think it has anything to do with your long dark winters?

Ms Lindén: It might also be so because, of course, in the winter time logistics are very hard. Another good example is that, when we had our bank crisis in the 1990s and lost many banks, the banks had to do things in a new way and be more efficient and they started to open e-banking. The result now is that the Nordic banks are the most efficient in the

banking world and they are really doing everything electronically in the digital world. That is just a good example of how certain kinds of services can be provided in a very efficient and productive way using digital tools. Of course, when we think, for example, how much we are saving and how great this session is that we are doing through video-conferencing—and when we consider that this technology still develops and gets better—there is no use always having to travel for these kinds of meetings or conferences. I think that the internet and the development of the information society is on the table of all Governments all over the world, whether you are a developing country or a developed country.

Lord Skelmersdale: I should have explained that my reference to winter was put into my mind by your own comment about the difficulties of transport.

Ms Lindén: Yes, we still have so much snow now.

Q21 The Chairman: As well as having been the minister in Finland, you obviously have viewed the world more widely in your current role. What major differences do you see between different Governments' policies? In particular, do you have any views about which are better?

Ms Lindén: Just last week I was in Doha at a summit and it was very neat to see there 18 ministers from all the Arab countries, who were really all tackling the issue about what kind of national broadband strategy they should have. It is seen that in developing countries the first telecom infrastructure will be a mobile broadband infrastructure. For example, India has just announced that the 700 megahertz bandwidth—used by broadcasters in the western world—will be used to launch mobile broadband, which will make it less costly to invest in rural areas. These developing countries want to have the telecom infrastructure, but they have to do mobile first because they do not have any kind of infrastructure.

I think that the European countries are a little too lazy compared to the emerging countries. Of course, we have high levels of social standards and the public sector spends a lot of money, so the questions we tackle are about whether we should build roads or telecom infrastructure or provide health services. A big challenge is presented by what is happening in Asia and Latin America, where people are quickly building high-speed broadband networks. If the European countries cannot achieve the goals of the digital agenda by 2015, I think that we will face a lot of problems in the future.

Q22 Lord Gordon of Strathblane: Could I just ask a supplementary on that one? In fairness to some of the European countries—the United Kingdom included—part of the problem might be that, whereas developing countries perhaps have no infrastructure at the moment and it makes sense for them to go for either mobile or fibre, some European countries have a fairly highly developed copper-wire network and people want to recoup, as it were, their investment in that before scrapping it.

Ms Lindén: You are very right. That is a big challenge for politicians because, if you have 1 megabit and you do not desire more for the future, you will not have a lot of possibilities to win in this battle. Since the emerging countries do not have any accessibility, for them the goal can be to do it well to start with, whereas for us it is easy to say that we can get by with the copper networks so 1 megabit is fine if we do not need more for the next five years. But it takes a lot of time to improve the networks, and therefore I think the political decisions should be made now because it will take five or six years before we have the networks built up.

Lord Gordon of Strathblane: Thank you.

Q23 Lord St John of Bletso: You spoke a lot about the advances in mobile broadband as well as talking about the proliferation of mobile phones in Africa, and you also have been talking about the advances in technology, particularly going towards 4G. Just following on from the last question, do you think that developing countries are going to overtake Europe—and, in particular, the UK—in terms of the effectiveness of their superfast broadband infrastructure?

Ms Lindén: The mobile broadband technology is advancing a lot, and of course it seems easier for developing countries to allocate spectrum quite fast. For example, the 700 megahertz is a challenge for us because it is now used by broadcasters. With the broadband networks the developing countries will advance very fast, but to get the fibre-based trunk network, I think, for the poorest countries it will take a lot of time. However, I would say that the developing countries that are in the middle and are not LCD countries—the least-developed countries—still have some money to do the fixed networks, and they will go fast. Also, of course, in China and India, development is going to be very fast—especially in China. I think that in Europe we really need to be serious with this matter. If we wait now, the time will go by us.

Q24 Lord St John of Bletso: Going just a bit further, would you agree that the debate about superfast broadband is about not just installing the physical infrastructure but, just as important, educating the population? You mentioned those in their latter years, in their 80s, in Finland. For those people to fully understand and embrace the opportunities that superfast broadband can bring, the issue is not just infrastructure but how businesses and others can fully embrace what broadband can bring them.

Ms Lindén: That is the most important thing. That is why we told the networks that this is not just about the technology of the network itself but about what we can achieve with that,

especially for elderly people. For them, quite often their need might be for good video-conferencing for telemedicine or for the home service so that they are able to stay at home longer. Finland is the fastest ageing country in the OECD countries, and especially we have been working very hard on researching and designing all kinds of tools and services for elderly people for their security and healthcare, so as to let them stay at home longer than they could without this kind of service. We just cannot afford to provide the same level of care as we are doing now and that people are used to having in Finland. I have quite often said that, for some municipalities that have these elderly people living, for example, 80 kilometres from the centre of the municipality, "It is cheaper for you to build up the fibre to this old lady than to take her to live in the city centre in the nursing home". It costs what it would cost for the municipality to have her living in the public-provided nursing home for two months. This way, the municipalities and local politicians who should be active with this matter also should weigh these different options and the challenges in healthcare and taking care of the elderly people. The broadband provides a very good tool for that. Everyone is now designing all kinds of services, so nowadays you can already find a variety of different kinds of telemedicine services and services for elderly people and for their security. This is one field of new business and there are new jobs to be created in this field.

Q25 The Chairman: Can I interject there with one point? You mentioned the challenge from, among other countries, China. Do you think the European Union in its role in all this has a strong grip on it? Are we as a whole in western Europe taking these problems seriously enough?

Ms Lindén: I think the Commission and Neelie Kroes have worked a lot, but the challenge in this field is that, for example, the digital agenda for the European Union is horizontal and it is not enough that the Commissioner who is responsible for the telecommunication is active

with it. I have a feeling that it is still not taken, in the whole Commission, as seriously as it should be. I think it should be the number one item on the table for the European Commission, and unfortunately I have the feeling that it is not. When the superfast infrastructure is built in Europe and when we get our domestic markets and one market for e-services, then we have a possibility to boost the economy and get a lot of new jobs. But the challenge is not only the infrastructure; it is, for example, very fragmented markets for e-services in Europe. Every country has its own copyright legislation and its own legislation for healthcare and what kind of things need to be considered, so when innovation is made, for example, in e-services you have to implement that in 27 different countries that have 27 different kinds of rules and laws for that. There is a very big challenge for Europe. It is much easier to do that in the United States, and I suppose the one reason for them to be very advanced is that they have had a different kind of perspective for supporting e-service markets.

Q26 Baroness Deech: I am not sure how much you know about the United Kingdom and its policies, but if you have some views, how successful do you think the current United Kingdom superfast broadband strategy is likely to be? How does it compare with the rest of Europe?

Ms Lindén: I do not know the present situation in the UK, but I think it is important that you have the strategy. Of course, the implementation of the strategy is the challenge. I think that it is very important to review what is happening all over the country and be ready to change certain things in the strategy if it seems that things are not going forward as you wanted. In Finland I saw that it has been a big challenge. It took us, first of all, over a year to notify the public subsidy for broadband to the Commission, and now slowly it has started, even though we have worked very hard already for two and half years. I think that it is very

important to make sure that things are going on rather than just rely on the fact that there is a strategy that the Government has approved if you do not know whether things are happening or not.

Q27 Baroness Deech: With your experience of success and maybe some failure in Finland, do you have a message for us here in the United Kingdom about what we should or should not do, or what lessons we should learn from Finland?

Ms Lindén: Of course the strategy is made top down from the Government, but when you implement the strategy the demand has to come from the people, so it must be bottom up. It is very important to talk about the issue, talk about what you will achieve with broadband and give people and companies information, because that will provide both demand and supply. But it is not only the issue of people and companies; the municipality should be active. We have experienced in our strategy that, in those municipalities where local politicians are very active and want to do it, the results have been the best in these cases.

Q28 The Chairman: Thank you very much indeed. We have now, I think, detained you for an hour, which was all you have committed yourself to, which is entirely reasonable. Thank you. Is there anything you would like to say to us in conclusion, having heard our questions?

Ms Lindén: Lord Chairman, I just want to thank the Committee for letting me go through this with you, because I think it is very important to challenge: is the broadband strategy working and is it benefiting with the results? I think that you are doing a great job because, without this review, there may have been some obstacles that would not be taken on the table and maybe those obstacles might need new political decisions also.

The Chairman: Thank you very much indeed. All committees like being told they are doing a good job. We are no exception to that. We are also very grateful to you for speaking to us in English in the way you did. In fact, one of our staff is half Finnish and he explained to me how I could welcome you in Finnish, but then I thought that would be a mistake because then you would expect me to respond to you in Finnish. However, can I please say “Paljon kiitoksia”, which I think—

Ms Lindén: That is great.

The Chairman: Thank you.