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See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
October 7, 2003

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FCC RELEASES STAFF REPORT ON BROADBAND INTERNET ACCESS IN OECD COUNTRIES

Washington, D.C. – The Federal Communications Commission’s Office of Strategic Planning and Policy Analysis (OSP) and International Bureau (IB) today released a joint OSP/IB staff report entitled “Broadband Internet Access in OECD Countries: A Comparative Analysis.”

This report reviews the broadband policy experiences of selected OECD countries, such as South Korea, Canada, Belgium, Denmark, Sweden, Switzerland, Japan, Germany, and the United Kingdom. The Organization for Economic Cooperation and Development (OECD) consists of 30 of the world’s industrialized countries, including the United States.

The main conclusions of the staff report are that:

- In OECD countries, cable companies, rather than incumbent telecommunications carriers, have been the leaders in introducing broadband access services. This is especially true in countries such as Korea, Canada, Belgium, Sweden, and Japan.
- While telecommunications carriers in these countries did not lead the way to offering broadband access, they have often proven to be formidable competitors once they begin to offer DSL services. In 1999, 84 % of OECD broadband subscribers used cable modem services and 16 % used DSL. In 2000, the share held by cable modem users had slipped to 55%, with DSL users at 45%. In 2002, DSL took the lead with 54%, cable modems were at 41%, and other platforms at 3%. Across the OECD, DSL subscribers grew twice as fast as cable modem subscribers in the fourth quarter of 2002. This suggests that DSL providers, particularly incumbents, are not innovators but have the ability to compete vigorously and gain significant market share once they decide to enter a market.
- Sweden is the only country with a significant number of broadband users with access to a third platform other than cable modem services and DSL. Almost as many subscribers use Ethernet LANS (fiber networks within apartment buildings) as cable modems.
- In Japan and Denmark, new entrants took advantage of unbundling and line sharing rules to use the incumbent telco’s lines to provide broadband. New entrants had a 44% market share in Denmark in 2001 (which since declined to 21% in 2002) and 60% market share in Japan.

In both countries, competition from cable is weak and unbundling requirements may play an important role in promoting broadband access.

The report will be incorporated in the dockets of the pending FCC broadband proceedings: *In the Matter of Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, CC Docket 02-33 , and *In the Matter of Inquiry Concerning High-Speed Access to the Internet Over Cable and Other Facilities*, CS Docket 02-52.

This report represents the individual views of the authors and does not necessarily reflect the views of the FCC, any FCC commissioner, or other staff. The report was written by Sherille Ismail, Senior Counsel, Office of Strategic Planning and Policy Analysis, and Irene Wu, Assistant Chief, Regional and Industry Analysis Branch, Strategic Analysis and Negotiations Division, International Bureau.

The full text of the report is available at www.fcc.gov/osp.

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