1. Why is Finland so committed to broadband technology and bringing it to the entire population?

Proper communication links are no longer luxury products but necessary tools in day-to-day life. Without adequate communications connections citizens cannot access information society services. Information society services are at least as important in non-built-up areas as in cities (telework, remote health care etc). Broadband access for a reasonable right has therefore been made a legal right in Finland.

By 2010, at the latest, every permanent residence and permanent office of business or public administration body must have access to a fixed or wireless subscriber connection with an average downstream rate of at least 1 Mbit/s. The rate of 1 Mbit/s has been defined as a universal service. This means that telecom operators defined as universal service providers must be able to provide every permanent residence and business office with access to a reasonably priced and high-quality connection with a downstream rate of at least 1 Mbit/s. Legal provisions concerning this have been included in the act concerned and they are being implemented.

The aim is that by the end of 2015 practically all (more than 99 percent of population) permanent residences and permanent offices of business or public administration bodies will be no more than within two kilometres' reach to an optical fibre or cable network permitting 100 Mbit/s connections.

2. The government is in partnership with companies to deliver broadband across the country, but what about places where it is not profitable for service providers to lay cables?

In built-up areas telecom operators are expected to build high-speed connections on market terms. This will achieve a population coverage of around 95%. Extending the coverage to 99% will require the use of public subsidies in funding high-speed connections to around 130,000 households in non-built-up areas. Projects that will be subsidised have been listed in regional programmes. The programmes include around 800 projects with a total value of approximately 375 million euros.

The subsidised projects will be subject to competitive tendering and implemented in 2010–15. The telecom operator responsible for a project will pay at least one third of the project costs. The responsibility for the public aid – two thirds – will be divided between the state, municipalities and the EU. Subsidies will only be paid to projects located in the most sparsely populated areas. A total of 66 million euros in State budget appropriations have been reserved for broadband subsidies. The EU Rural Development Programme will fund Finland's broadband projects with 25 million euros and the municipalities involved with around 50 million euros.

The requirements for receiving state subsidies for broadband projects are defined in law. Applicants must commit to providing network and communications services for at least ten years. Other telecom operators must be given access rights to the communications network and its capacity (so-called open access).

3. In many cases the cost of delivering broadband is being shared by the municipalities, but many local authorities say they cannot afford to pay for the infrastructure at a time when many are short of money. What's the way forward here?

The municipality’s financial contribution accounts for 8, 22 or 33 per cent depending on its economic capacity, population density and implementation costs of the broadband project. The percentage of each municipality is defined in a Government decree.

3. Why is the government commiteed to providing 100Mb by 2015, when most observers believe that 5Mb would suffice for the vast majority of Internet needs in Finland?

In future, faster and more symmetrical connections will be needed – and upstream rates need to be high as well. A rate of 100 Mbit/s will provide better opportunities for telework and development of social networking services. It will be enough for standard and high-definition television services and for downloading large files, e.g. films. The spread of high-speed broadband networks would be conducive to promoting competition in the distribution of television programmes.

High-speed optical fibre connections in non-built-up areas will balance the regional differences in the supply of communication services. In major cities the current household price for a 100 Mbit/s subscriber connection is the same as for a 1 Mbit/s connection in non-built-up areas. However, information society services are at least as important in non-built-up areas as in cities (telework, remote health care etc.).

4. Subscrider connections

Consumers will acquire their subscriber connection at their own expense from the telecommunications operator of their choice.

In 2009, the basis for a tax deduction in the form of the so-called domestic help credit was extended to include installation of communications connections. Those end-users that pay for subscriber connection costs themselves can benefit from the deduction. Taxpayers may deduct up to 3,000 euros of labour costs accrued from subscriber connection construction for a real estate. In families the domestic help credit is personal so in a family of two, for example, the maximum deduction amounts to 6,000 euros.

5. Co-building of networks

The aim in the implementation of the projects is maximum cost-effectiveness. This is achieved, for example, through coordination in the construction of communications cables and other network construction works. In the overall costs of communications connections, excavation works may amount to as much as 80%. When transport infrastructure, water management networks, electric cables and communications cables are constructed at the same time, the costs for excavation may be divided between network operators. In June 2009 the Finnish Government expressed its strong support for joint construction of networks. All future transport infrastructures will be pre-installed with tubes into which optical fibre may later be installed, or ”blown”. Management of cable location data will also be developed so that projects of different network operators can be better coordinated, and information about cable projects will reach all operators.