

Broadband in Canada, South Korea and Japan: How Policy Objectives Influence Development

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*(This presentation reflects only the views of the author, and not
of the Federal Communications Commission)*

US in Intl Context

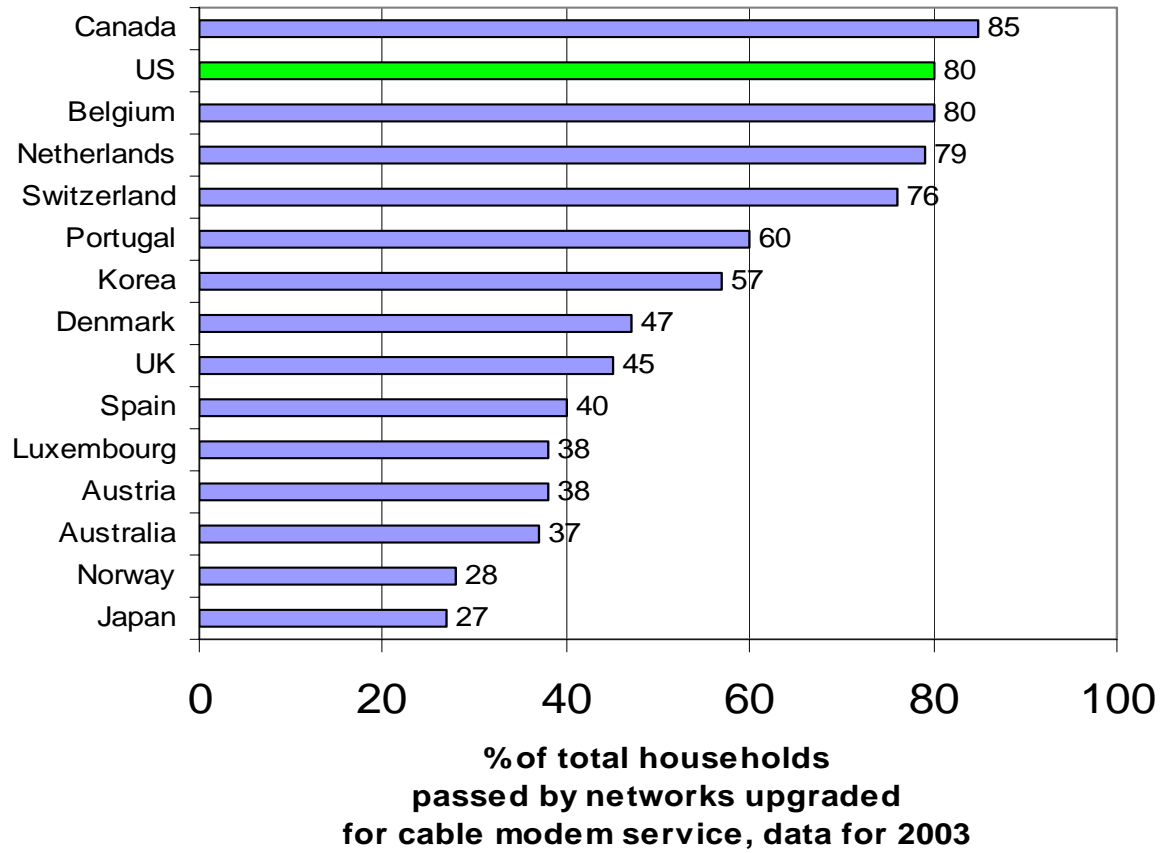
- US doing well
- Other countries doing better
- Broadband subscribership rate of growth higher in other countries

Broadband Availability

- US is doing all right, especially in cable modem service
- Other countries are doing better, especially in DSL availability
- What are the implications of wireless broadband

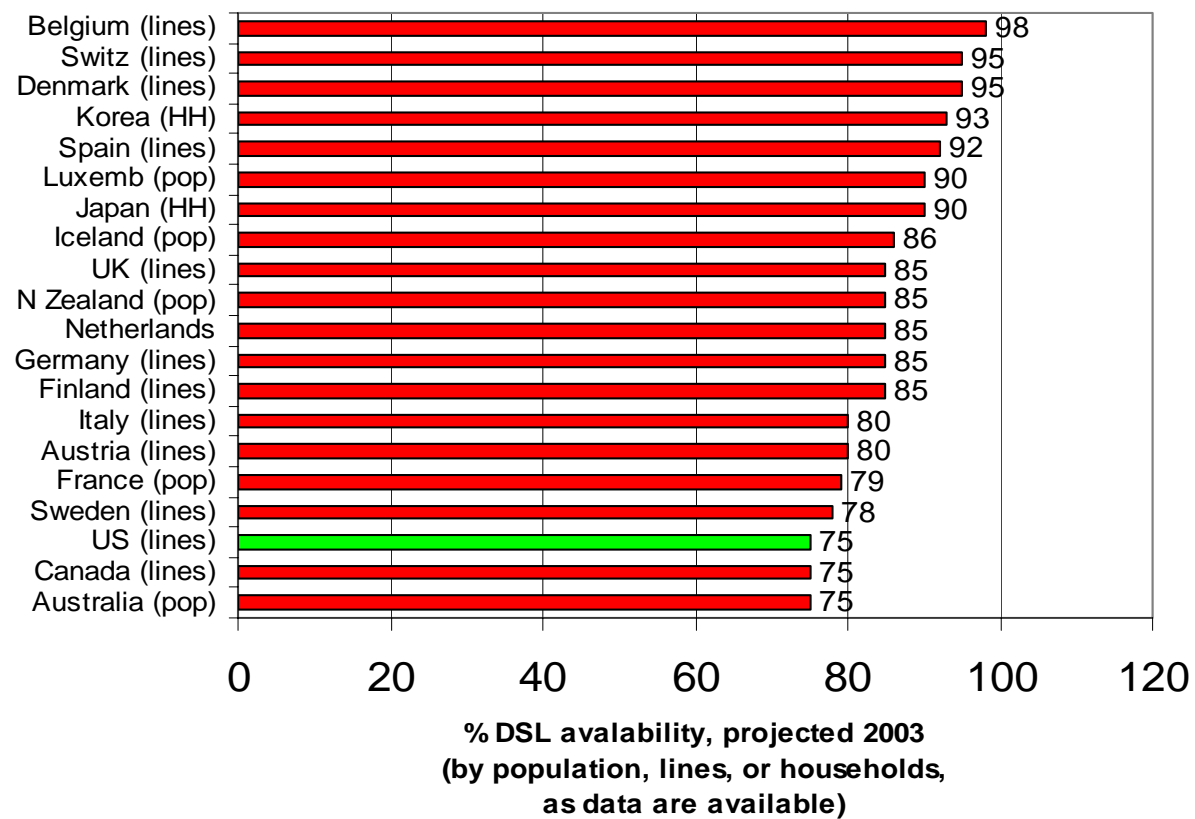
Cable Modem Availability: Top OECD Countries

Source: OECD, 2004



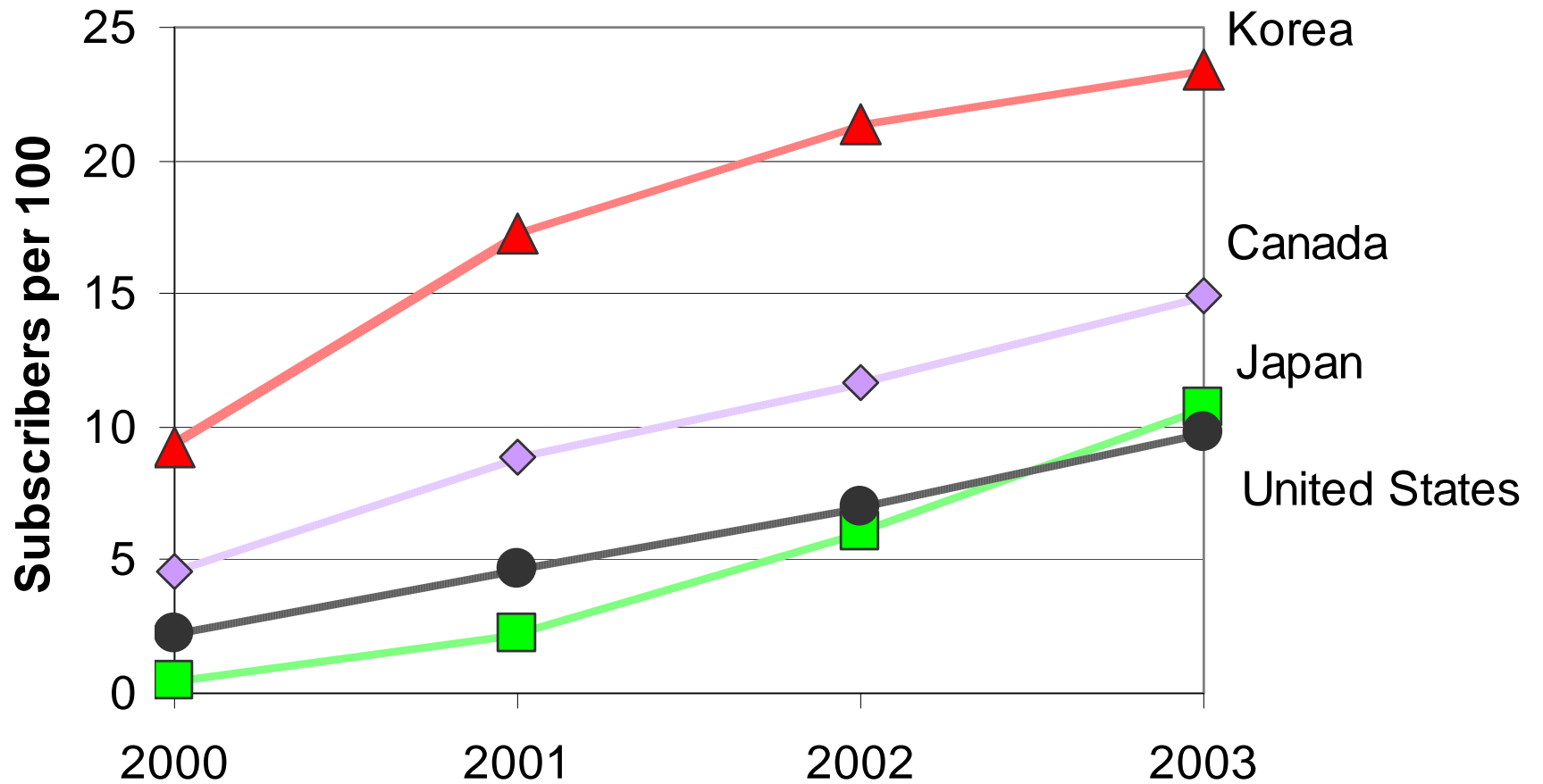
DSL Availability: Top OECD Countries

Source: OECD 2004



Broadband Subscribers per 100

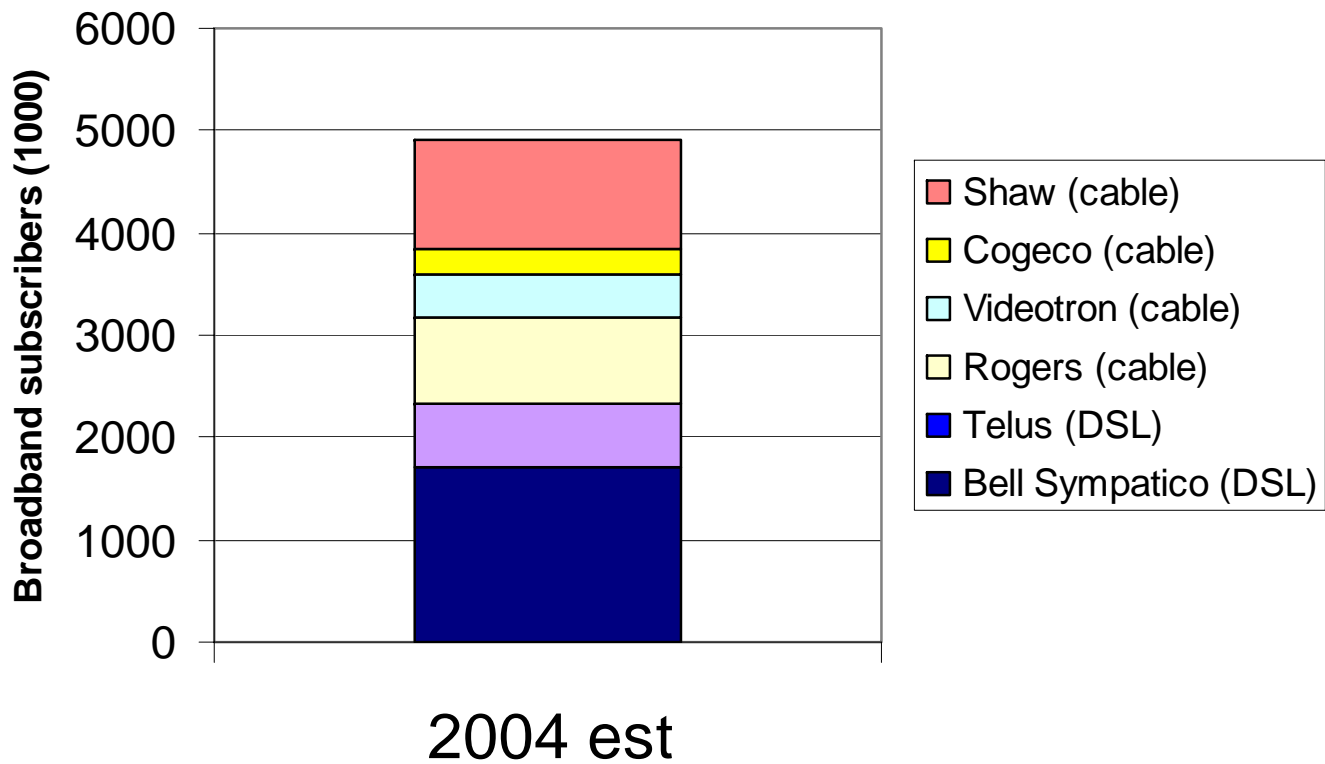
Source: OECD



Canada: Broadband by provider

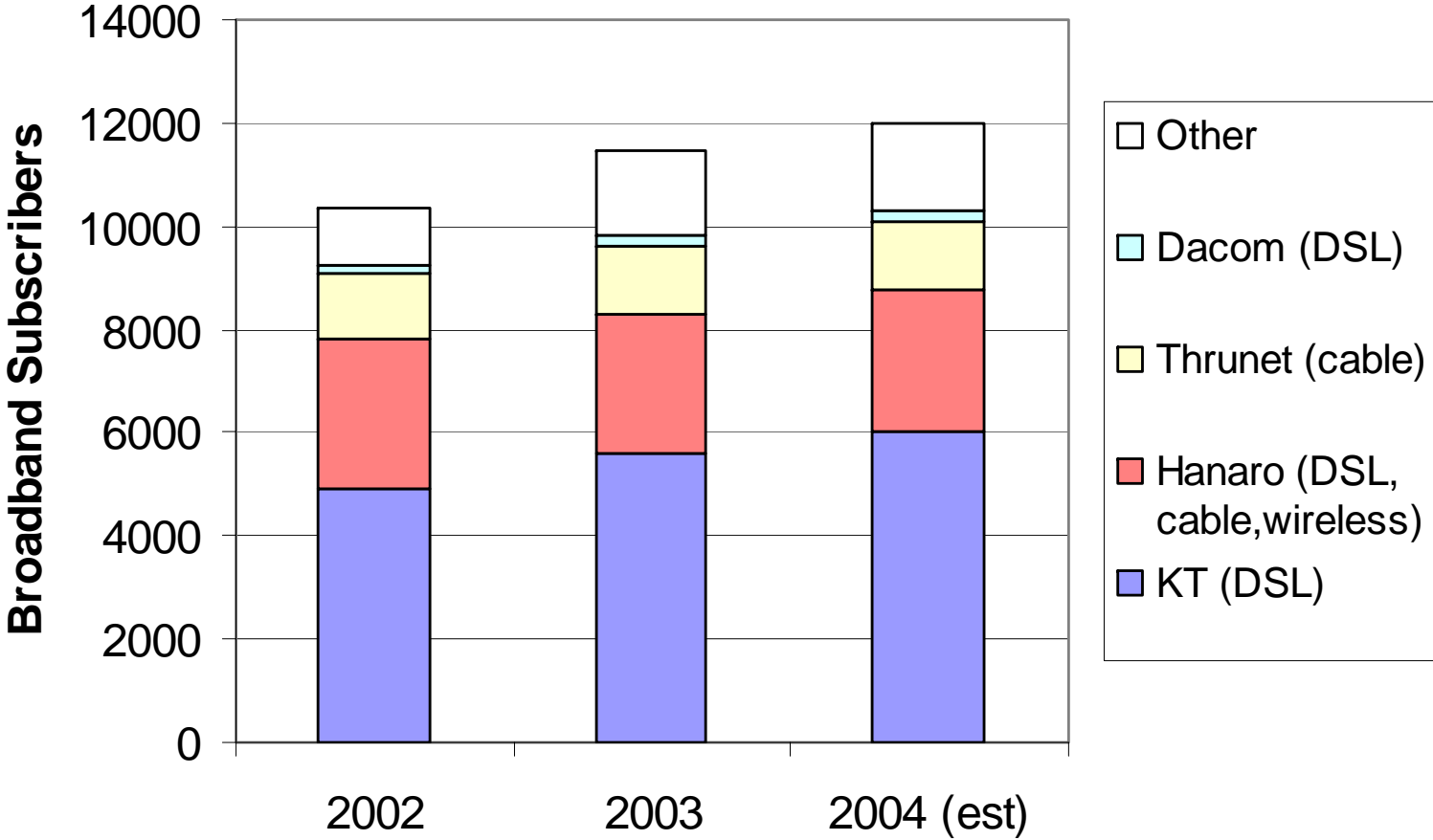
2004 estimates

Source: ISP Planet, June 2004

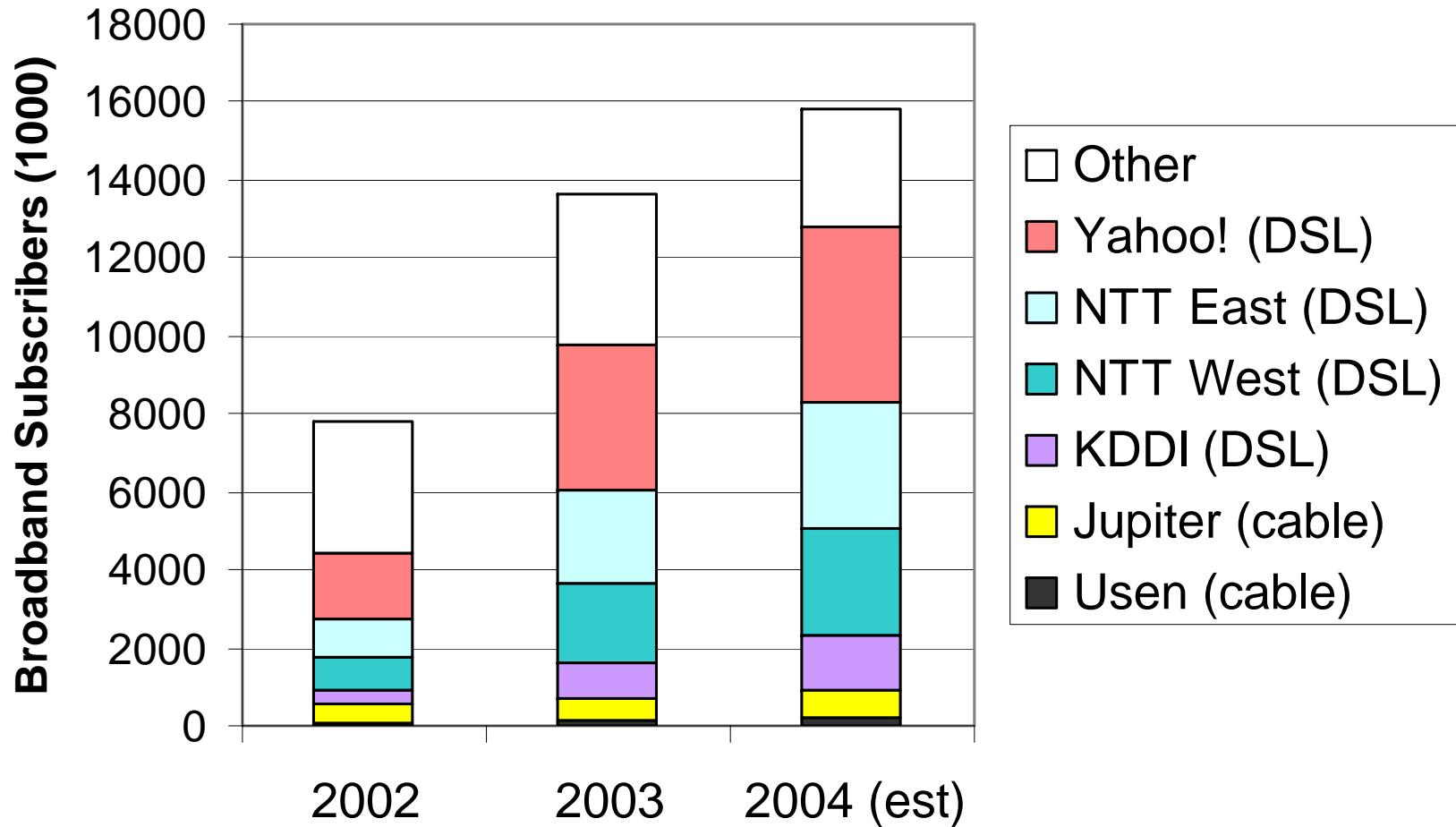


Korea: Broadband by provider

Source: World Markets Research and company press releases



**Japan: Broadband by Provider, 2002-2004 Source:
World Markets Research and MPHPT Japan**

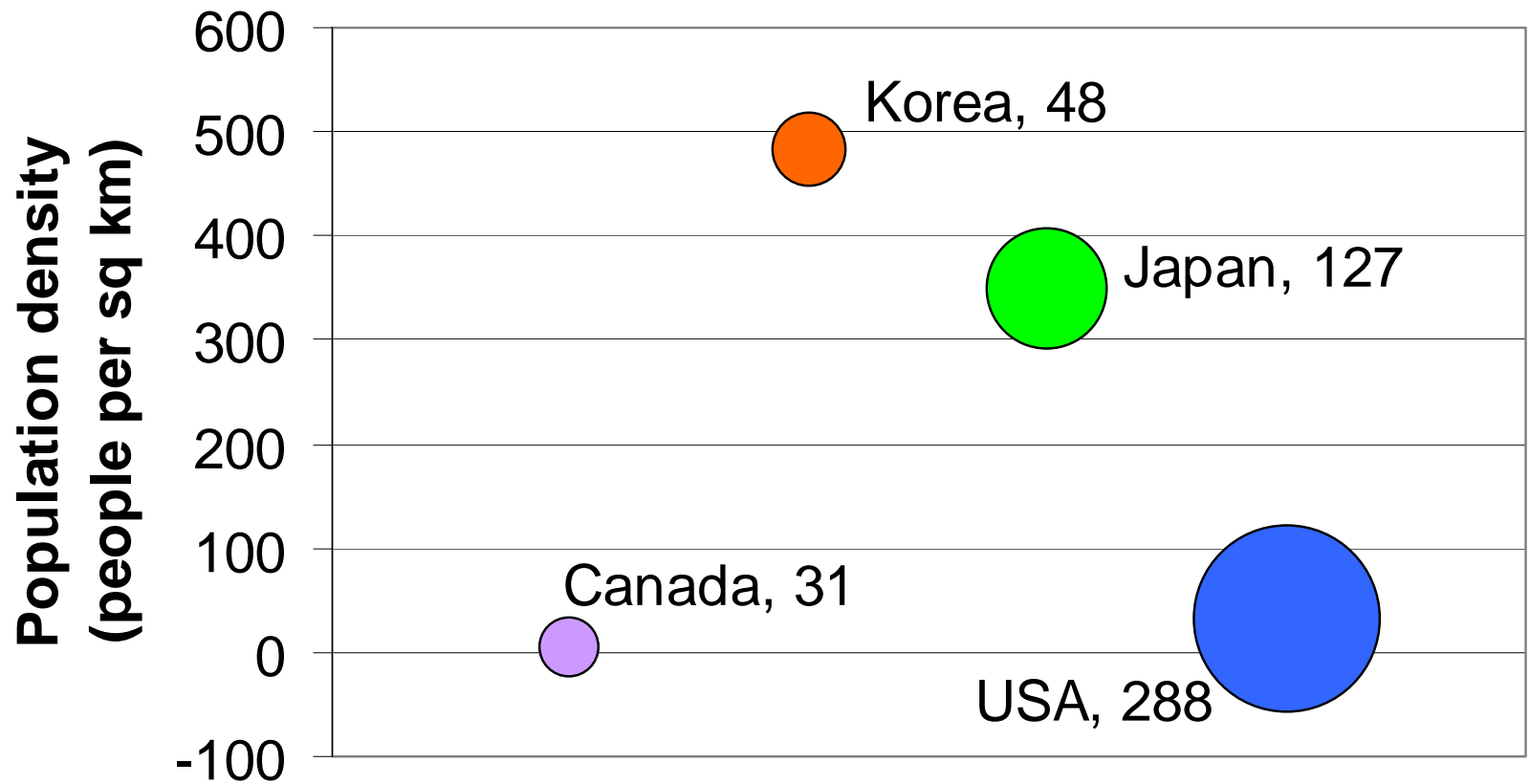


Socio-economic explanations?

- Bauer, et al
- Population Density
- Government Subsidy
- Income

Total Population (millions)

Source: World Bank, 2002



2003 Broadband Subsidies: US and South Korea^[1]

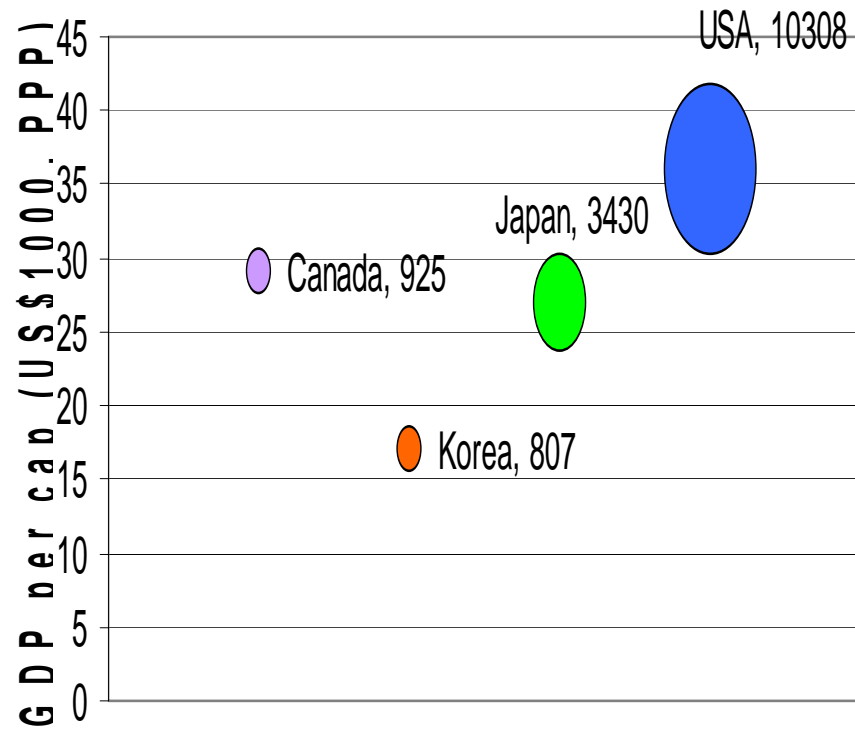
South Korea (US\$1 = 1,150 won)	won (billion s)	US\$ million
Linking public institutions nationwide	74.2	64.5
Research and development for next generation networks	81.2	70.6
Subsidized loans for remote areas	68	59.1
Total subsidy	223.4	194.2
Population (million)	48	48
Subsidy per capita	4654.1 7	4.05

United States	US\$ m
Schools and Libraries	1,644.1 0
Rural healthcare	2.6
Rural utility service loans and loan guarantees	55
Total subsidy	1,701.7 0
Population (million)	288
Subsidy per capita	5.91

Sources: Ministry of Information and Communications, Korea; 2003 Universal Service Administrative Company, Annual Report 2003; 2003 Rural Utility Service Annual Report

GDP (US\$billions, PPP)

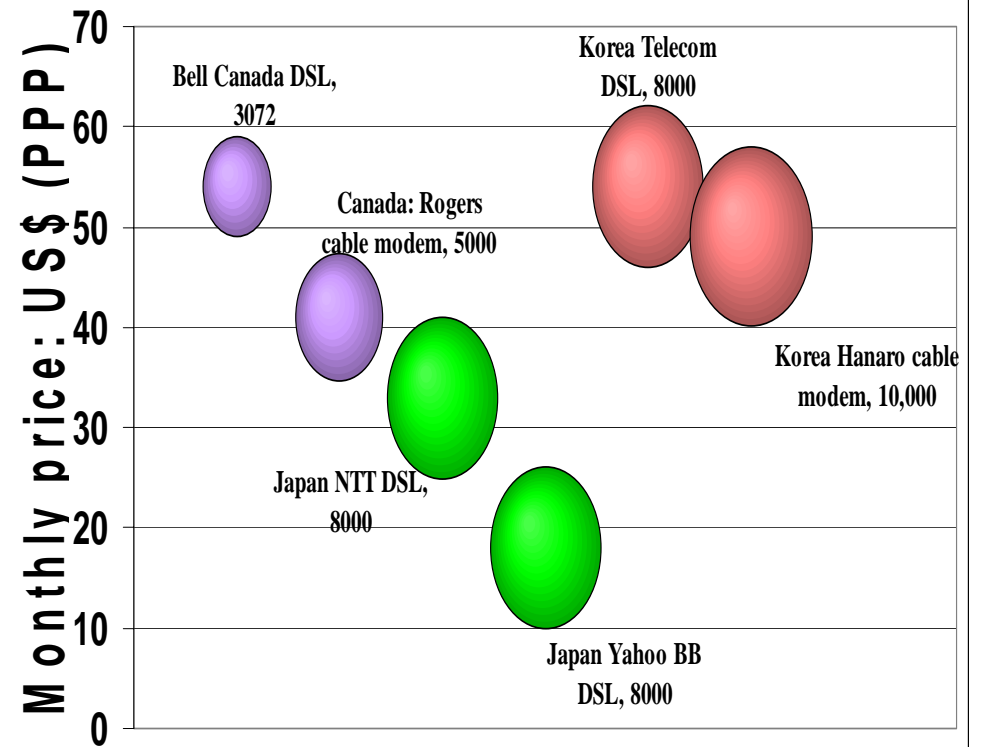
Source: World Bank, 2002



Sample broadband offers

Company, Downstream kbps

Source: OECD, October 2003

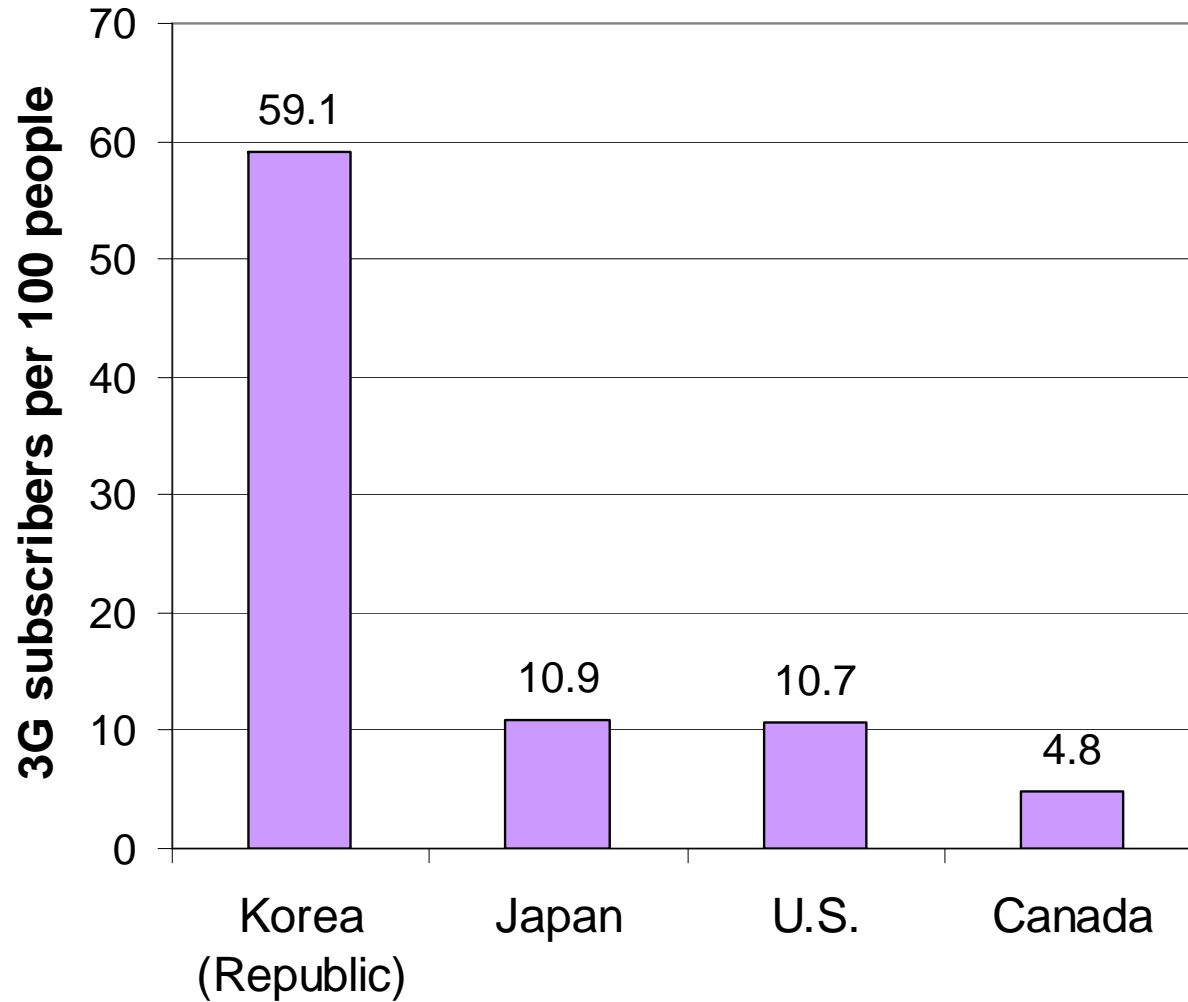


	Unbundling local loops (telecom)
Canada	Yes, rules in effect since 1998.
Japan	Yes, rules in effect since 2001, sparking huge DSL growth.
South Korea	Yes, rules in effect since 2002, a year after Korea established global lead in broadband subscribership.

	Third party access to cable television networks
Canada	Yes, required since 1999.
Japan	No, but in 2003, cable networks pass only 9.2% of all households
South Korea	No, but structural separation of cable network ownership and cable television programming services meant that historically, independent companies did have access to cable networks to reach customers

3G subs per 100 people (December 2003)

Source: TMG



Actions Not Taken

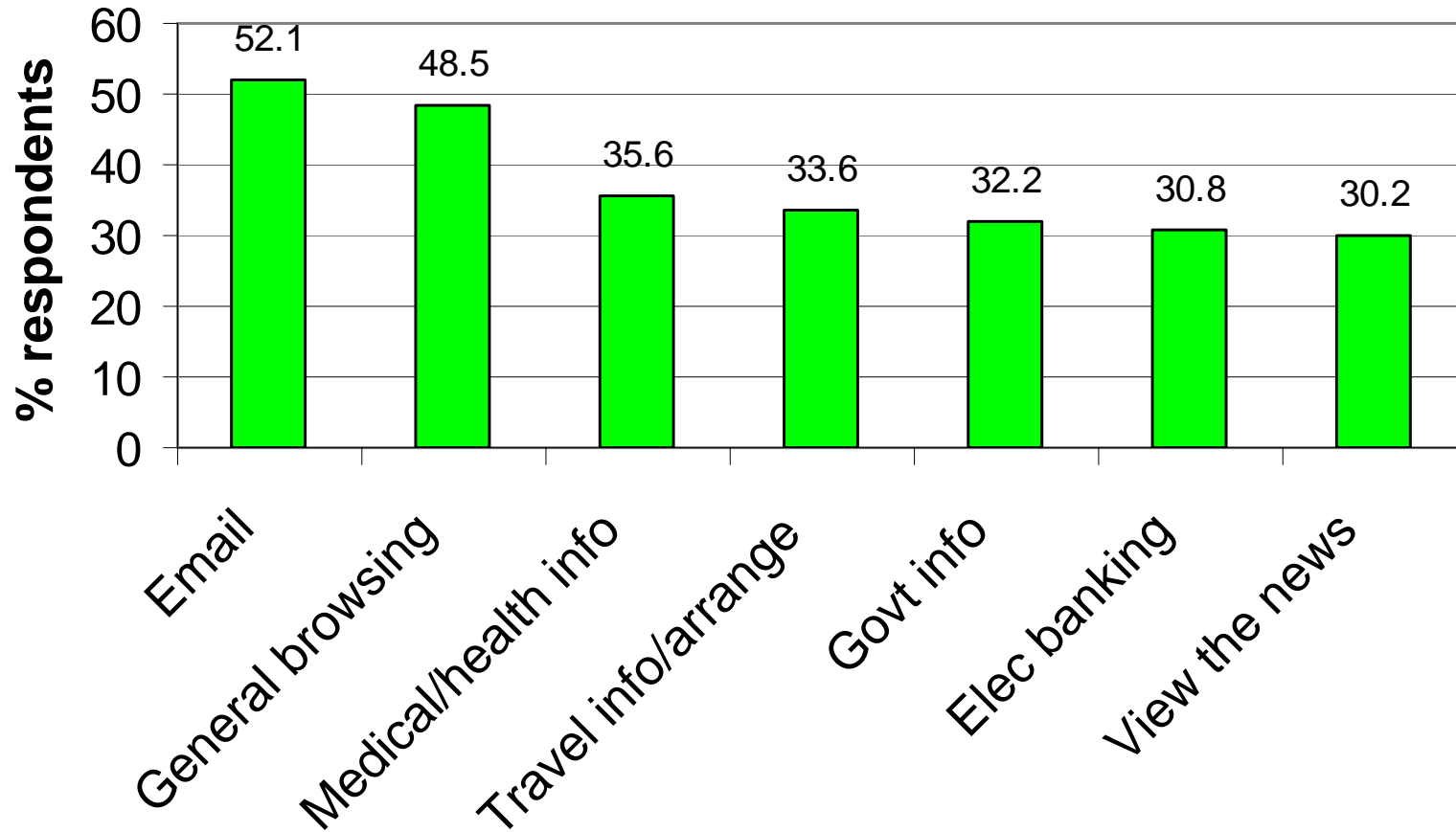
- Content regulation
- Cable television development

What matters?

- Ranking?
- Use of Internet
- What kind of data do we need to understand the important questions?

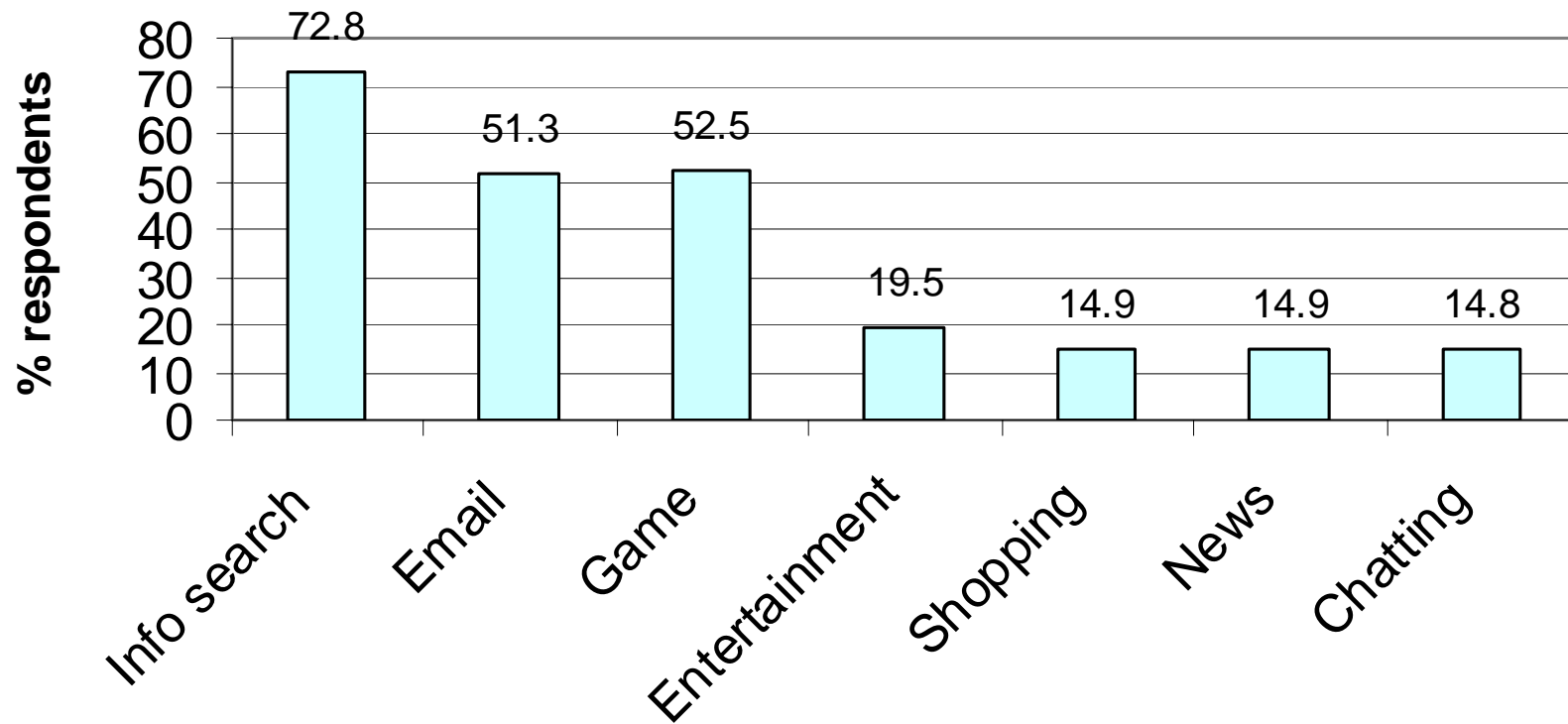
Canada: Internet Use at Home, 2003

Source: Statistics Canada, CANSIM table 358-0006



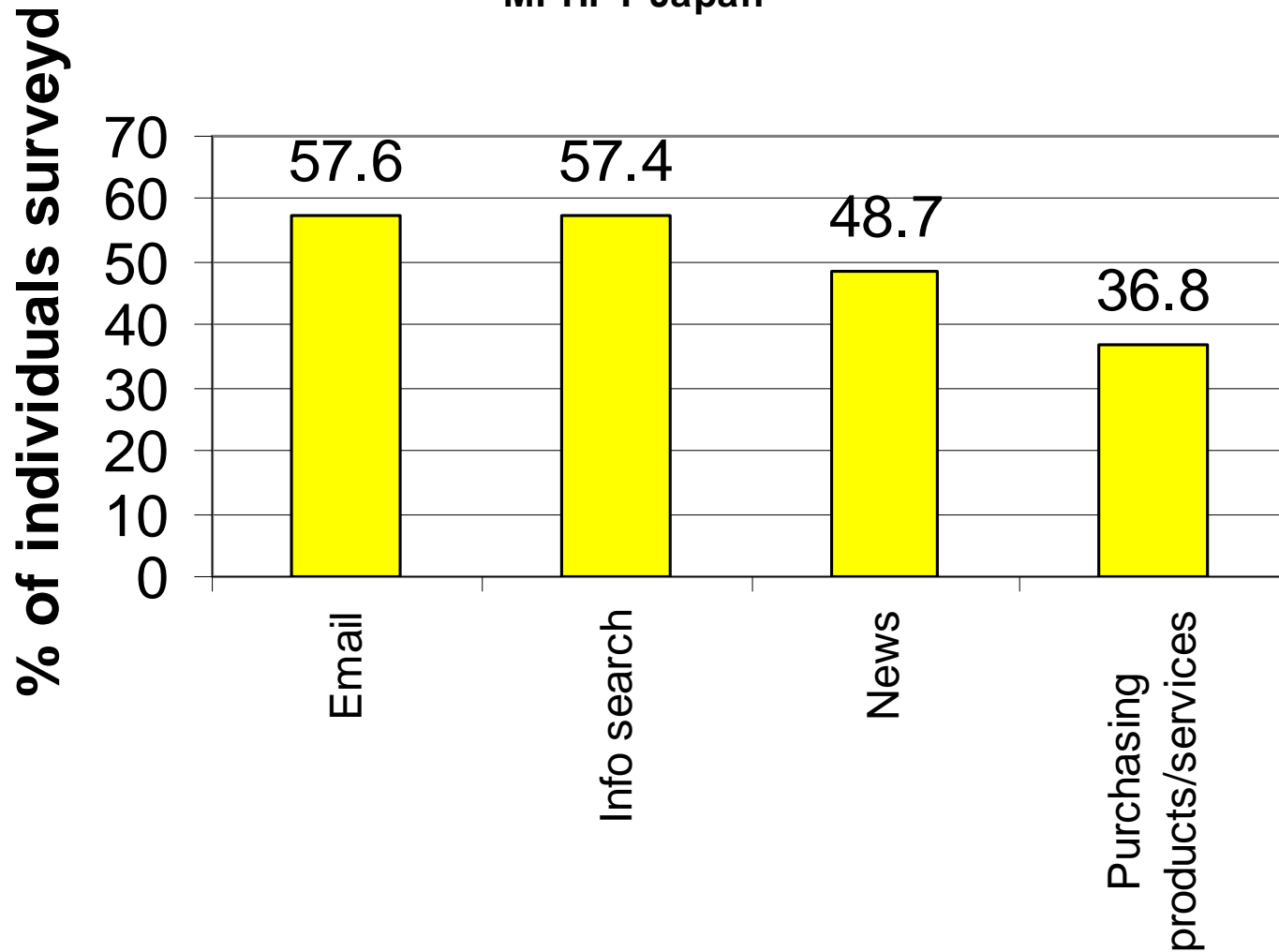
Korea: Reasons for Internet Use

Source: 2003 Survey of Computer and Internet Usage, Ministry of Information and Communication, Korean Network Information Center, Feb 2004



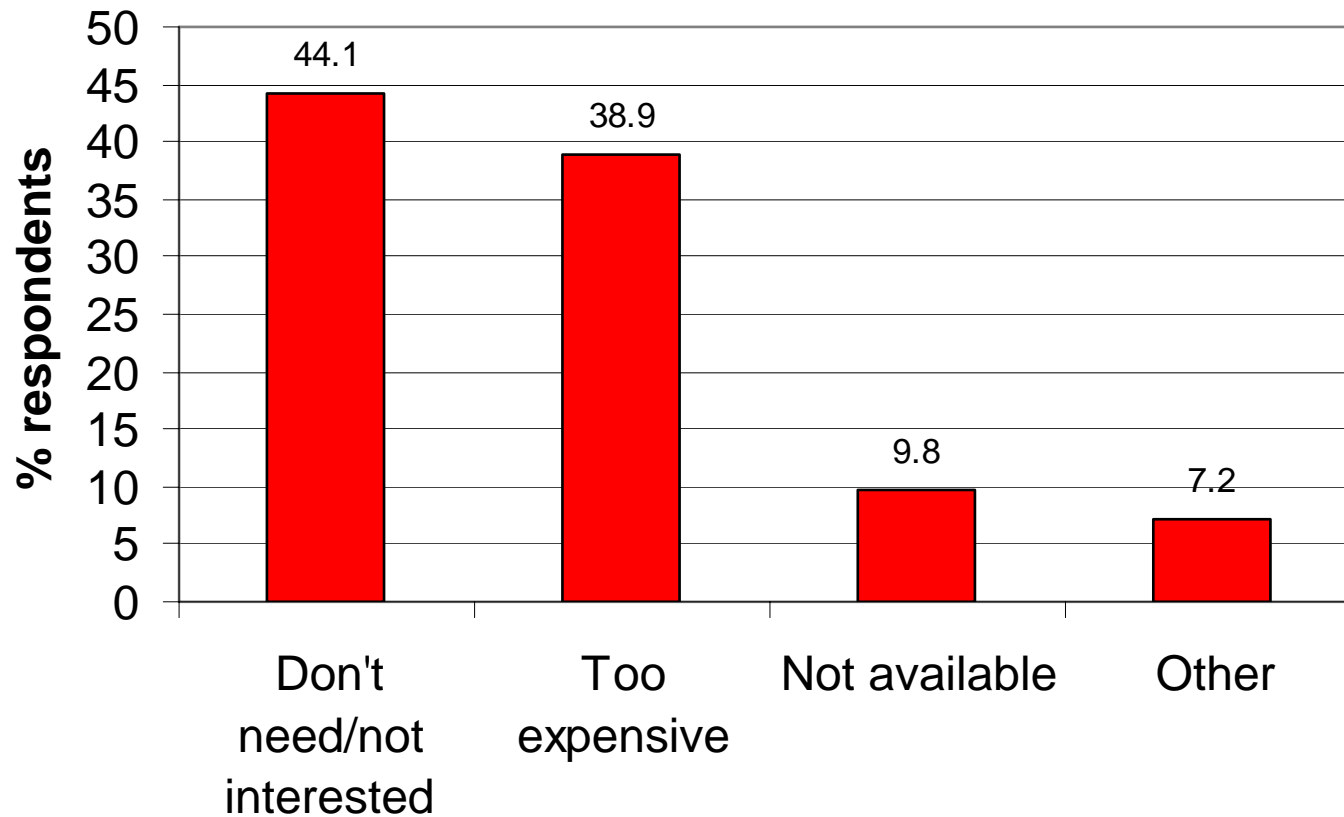
Japan: Internet apps from PC

Source: Communications Usage Trend, Survey in 2003,
MPHPT Japan



US: Main Reasons for No High-Speed Internet Use at Home, 2003

Source: A Nation Online: Entering the Broadband Age.
U.S. Dept of Commerce. September 2004



Conclusion

- Japan, S. Korea and Canada all have highly competitive broadband mkts
- If bb means a better life and improved economy, then it is important for Americans to have good bb use
- If Americans say they do not need or are not interested in bb, then this may be the info gap that needs to be addressed.