

Public Internet Access

The Israeli Case:
Operators and Industry

Geneva, October 2003

Uri Olenik
Director General
Ministry of Communications

Presentation Agenda



- **Israel Demographics**
- **Regulation Ideology & Broadband**
- **Public Internet Access (PIA)**
- **Rural Areas Solutions for PIA**
- **Conclusions**



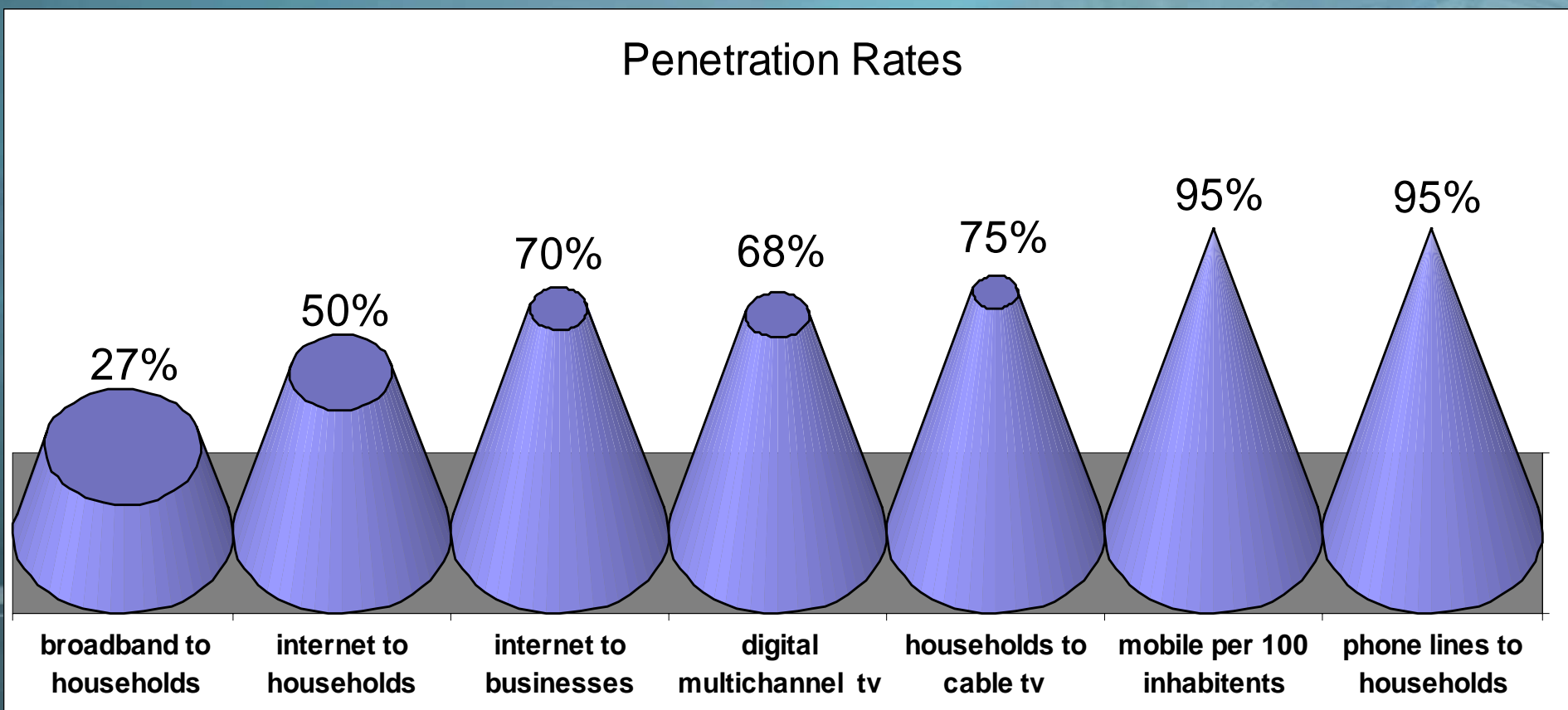
State of Israel

Ministry of Communications

ISRAEL Demographics

- **Population ~ 6.7 million.**
- **Households ~ 1.9 million.**

ISRAEL Telecommunication statistics 2003



Regulation



- **Can regulation help to narrow the digital divide?**
- **Free and competitive markets promote growth, efficiency, customer satisfaction & wide geographical coverage.**



State of Israel

Ministry of Communications

Regulation



- **Facility-Based Competition in Israel:**

1. **ADSL Access provided by the Incumbent (up to 2.5Mb/s downstream).**

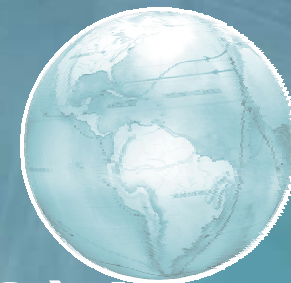
2. **Cable Modem broadband Internet services provided by cable TV firms - the new entrants (up to 3Mb/s downstream).**



State of Israel

Ministry of Communications

Regulation



- **Universal Service Obligation (USO) by two players; both have countrywide infrastructures (100% pop. coverage by 4 years).**
- **Israel is one of the few countries who adopted broadband USO.**



State of Israel

Ministry of Communications





Regulation

- **3G geographical USO.**
- **Unlicensed usage of the 2.4Ghz WLAN technology as a step of maximizing the Internet usage in the country.**



State of Israel

Ministry of Communications

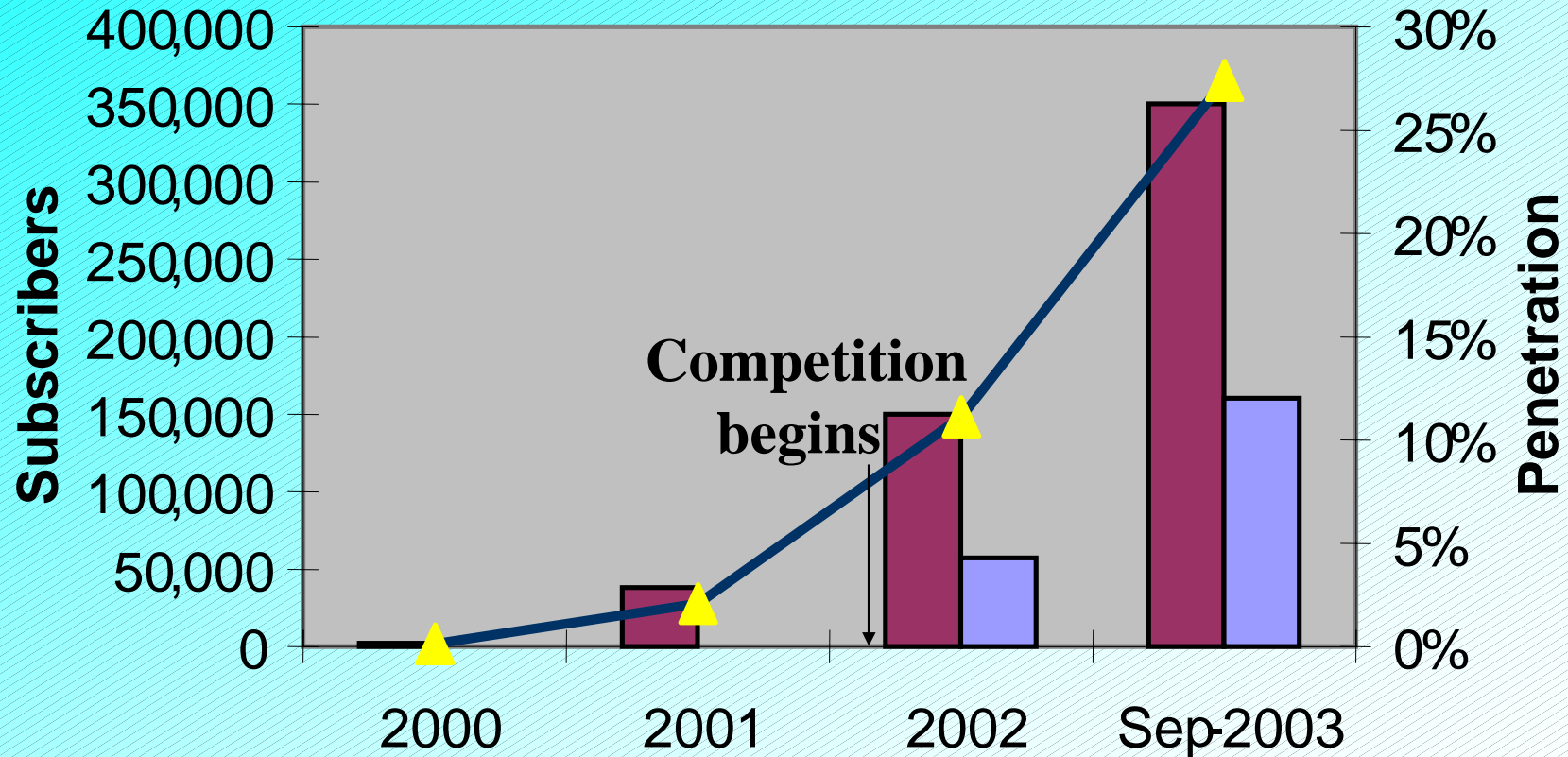
Broadband



- **510,000 broadband lines (350,000 ADSL lines; 160,000 cable modems).**
- **Broadband subscriber growth ~400% last year.**
- **Broadband household penetration 27%.**
- **Broadband penetration per 100 inhabitants 8%.**

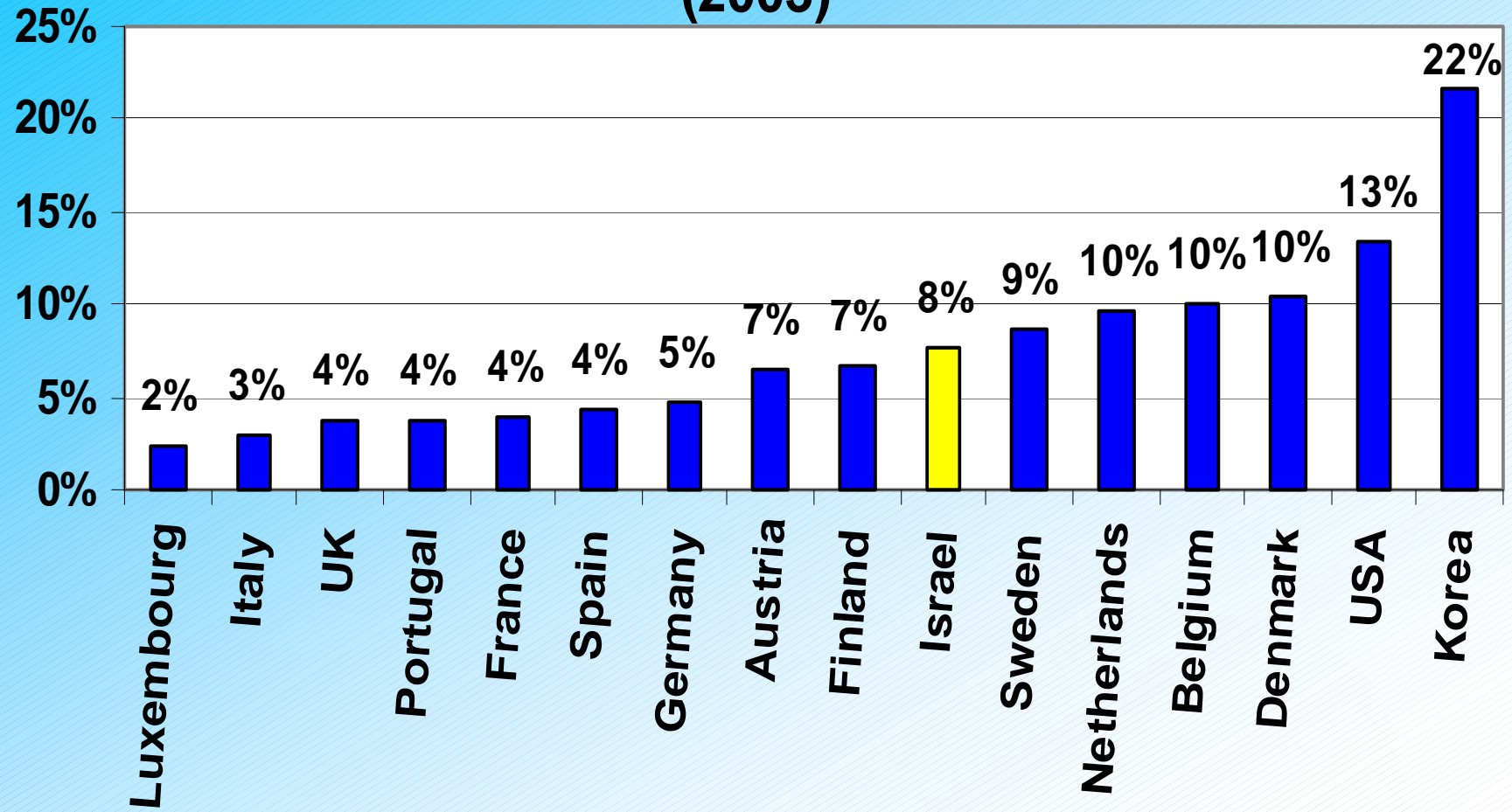


Broadband Subscriber Growth in Israel



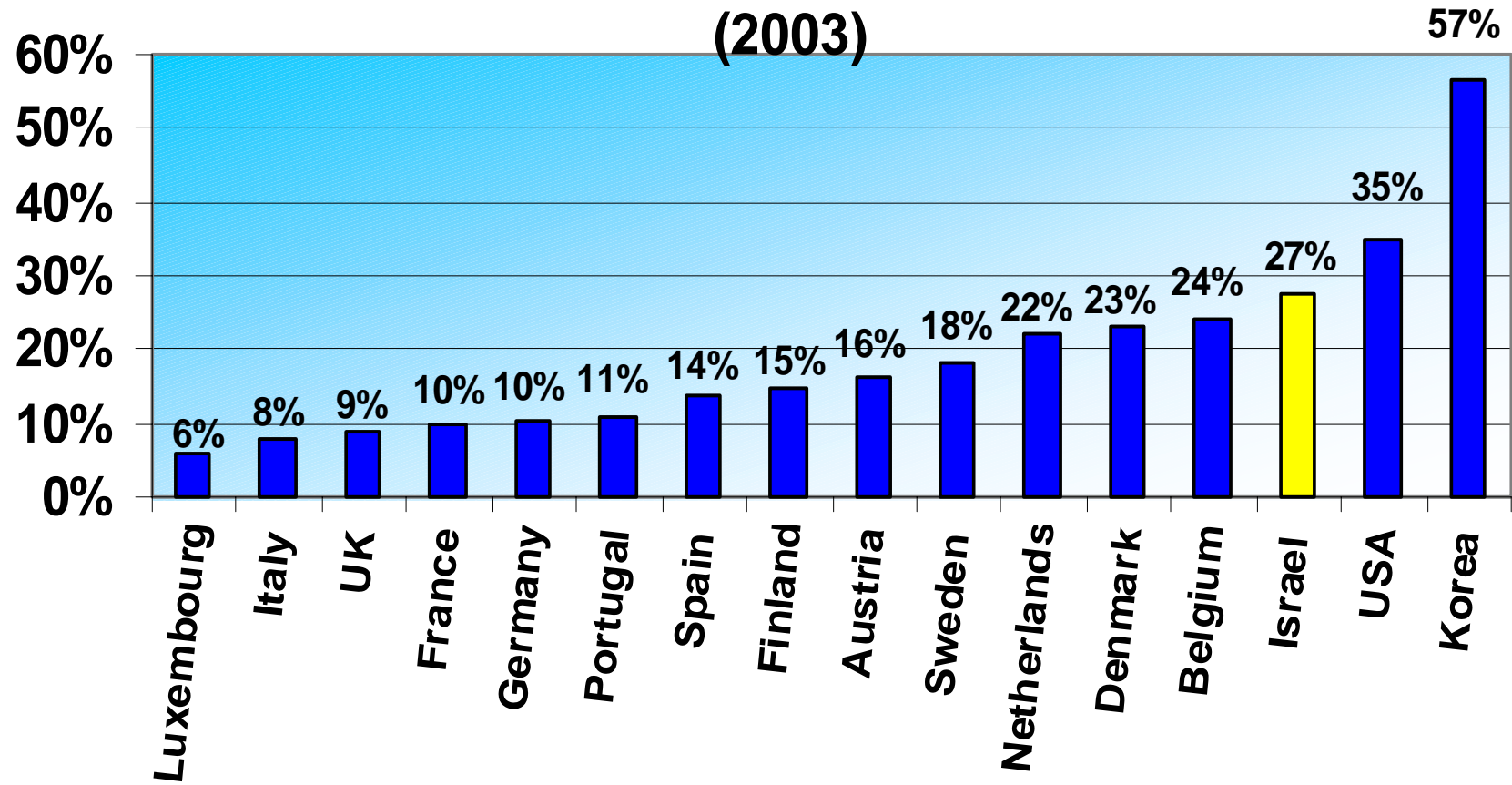
ADSL CABLE MODEM Household Penetration

Broadband subscribers per 100 inhabitants (2003)



Source: Europe - ECTA Sep. 2003; USA & Korea - Nielsen NetRatings Sep. 2003

Households' Broadband Penetration (2003)



Source: MoC calculations based on: Europe - ECTA Sep. 2003;
USA & Korea - Nielsen NetRatings Sep. 2003

Public Internet Access (PIA) in Israel



- **The importance of PIA:** service provision to inaccessible population due to coverage or cost problems.
- **Relatively easy implementation of public broadband access all over Israel** – In light of USO of two infrastructures.
- **Public access is somewhat less crucial Israel:**
 - Beginning in 2004: no rural areas without broadband coverage;
 - High broadband penetration.



State of Israel

Ministry of Communications

Public Internet Access (PIA) in Israel



- PIA is accessible in education institutes, public libraries, community centers etc., but much remains to be done.
- Several examples of PIA existing projects:
 - **Tapuah (Apple)** the Israeli society for the Advancement of the Information Age;
 - **Lehava (Flame)** governmental project - bridging the digital divide within the Israeli society;
 - **Connecting high schools to broadband by ADSL.**



State of Israel

Ministry of Communications

PIA Projects in Israel

Apple



- **Apple** is a non-profit organization financed by the business sector, focusing on narrowing the digital divide.
- **Vision** - Create an equal opportunity environment for all.
- **Mission** - Establish Community Internet Centers; undertake to provide basic training for accessing and using the internet as a source of information.
- **Achievements** - Establishment of 45 Internet Community Centers in the peripheral areas of Israel; providing ~20% of elementary school students with the basic training for using the Internet; also unemployed & senior citizens.
- **Infrastructures** – Incumbent's mainly ADSL and Frame Relay.



State of Israel

Ministry of Communications

PIA Projects in Israel

Apple

Deployment of Learning Centers:

Mata Asher
Sikron
Mab'arot Terechev
Ava
Harta
Teshet
Karmel Bit
Lodiya

Or Akiva
Pardes Herta
Givat Olga
Be'er Sheva
Herzlia
Ariel (2)
Tel Aviv - Yaffo
Tel
Kfar
Kiryat Moshon
Lahav - Nekora
Kiryat Gat
Suzona
Be'er Sheva
Ofakim



Netzer Hapith
Safed - Zarfata
Zif
Beit Sam
Jaffa
Nirca
Tzfat
Afula
Beit She'an

Jerusalem
Kiryat Arza
Tel Sheva
Kfar
Be'er Sheva (2)
Kiryat
Givat
Yehoram
Mitzpe Ramon



PIA Projects in Israel

Flame



- **Among the objectives:**
 - Setting up on-line experts for effective E-Government services and distance learning;
 - Establishing a national digital library.
- **Focus on contents** - incl. Social Security, Labor & Welfare Department, Math & English lessons, job hunting.



State of Israel

Ministry of Communications

PIA Projects in Israel

Connecting high schools to Broadband by ADSL

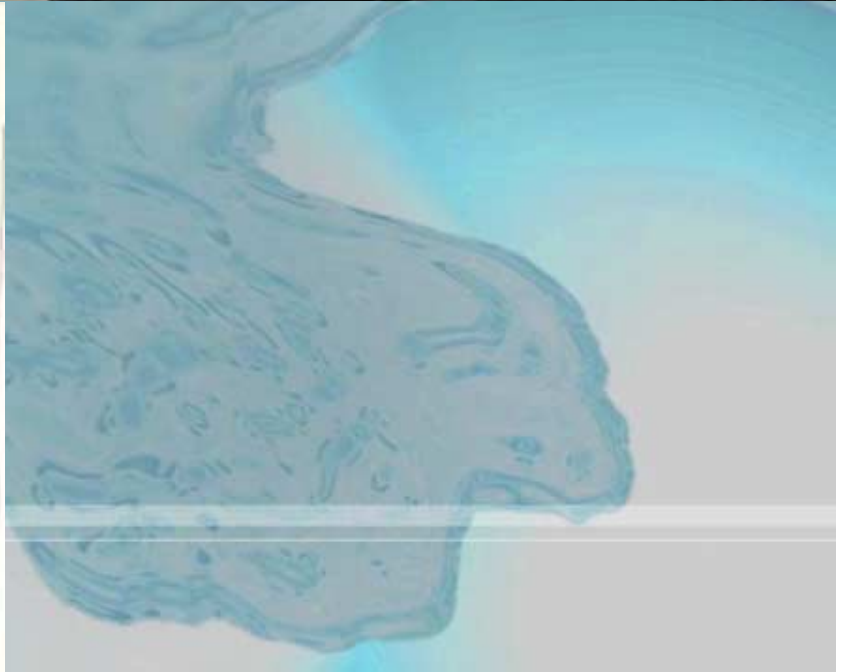


- **Cooperation between the Incumbent and the Ministry of Education.**
- **3-year project of connecting 75% of all high schools (1,300) via 2.5 Mb/s ADSL lines, 75% tariff discount.**
- **Enriching the textual learning by adding the interactive experience; advanced applications.**
- **Provide disadvantaged neighborhoods & youth from peripheral areas with the opportunity to take an active part in the information highway.**



State of Israel

Ministry of Communications



Solutions for Rural Areas



- **Israel's broadband USO & internet public access models work well in a small, populated country.**

For bigger countries, which are less populated, other models are much more suitable.

- **For such countries, Israeli companies including Gilat Satellite Networks , Alvarion, Spacecom, and IP Planet network offer several proven and successful solutions for rural areas.**

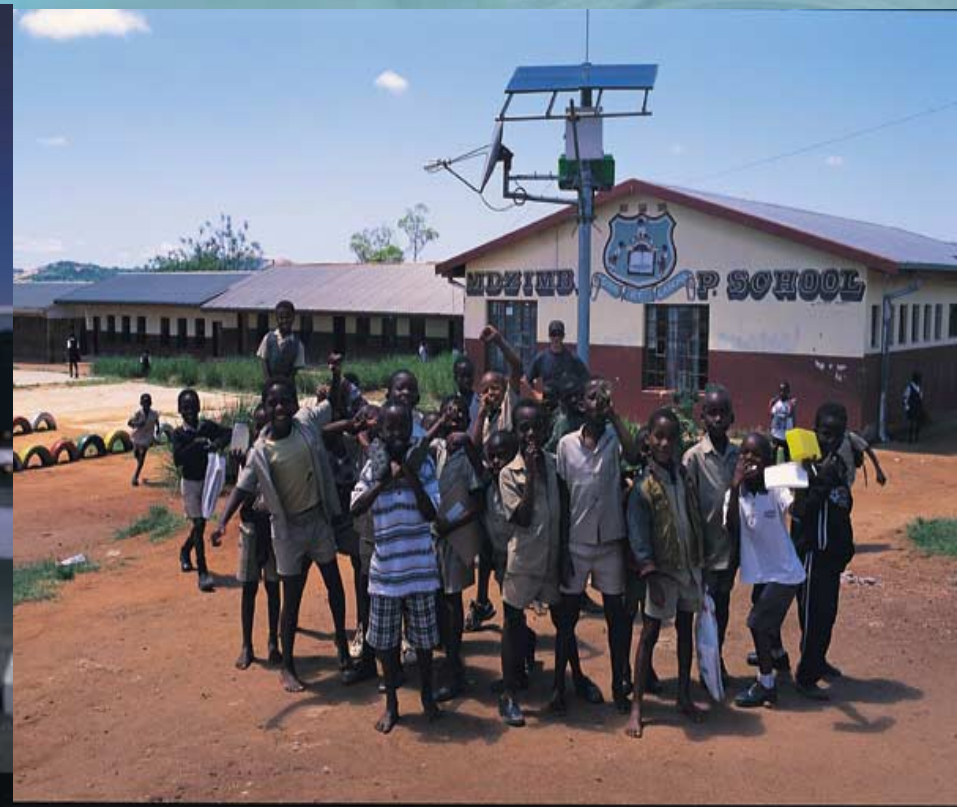


State of Israel

Ministry of Communications

Rural Area Solutions - Examples

- **Gilat solutions are based on its VSAT technology, which brings broadband Internet access and distance education to rural schools in Africa, Asia, South America and Australia (Gilat has done business in 80 countries).**

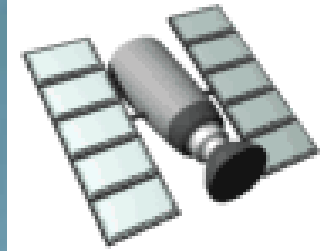


Rural Area Solutions - Examples

- **Alvarion solutions are based on its PTP & PTM wireless access technology, which brings broadband access to rural educational institutions in Europe and Africa (Alvarion has done business in more than 100 countries).**



Rural Area Solutions - Examples



- **Spacecom is about to launch its second Telecommunications satellite, the Amos 2, creating a powerful platform over ~40 countries incl. central and Eastern Europe, capable of providing high-quality Internet, and Data oriented services.**
- **IP Planet provides Internet backbone connectivity over DVB satellites in Africa; it is active in 20 African countries, providing connectivity to Incumbents, CLECs, ISPs, corporate and cyber-café customers.**



Conclusions



- **In Israel, the USO and competition, as well as country features, have made PIA somewhat less crucial.**
- **PIA may be successfully provided by both governmental and business non-profit initiatives.**
- **PIA is most important for rural areas in bigger, less populated countries; for such areas there are successful cost-effective satellites and wireless solutions.**



State of Israel

Ministry of Communications

Conclusions



Wide geographical competition is the best way to improve the incumbent's grade of service, coverage , price performance and overall penetration to the benefit & welfare of the society.

Such regulation can help narrow significantly the digital divide within the country!



State of Israel

Ministry of Communications



Thank you for your attention

For more information
<http://www.moc.gov.il>
E-mail: oleniku@moc.gov.il