

Emerging models of public-private interplay for European broadband access: evidence from the Netherlands and Italy

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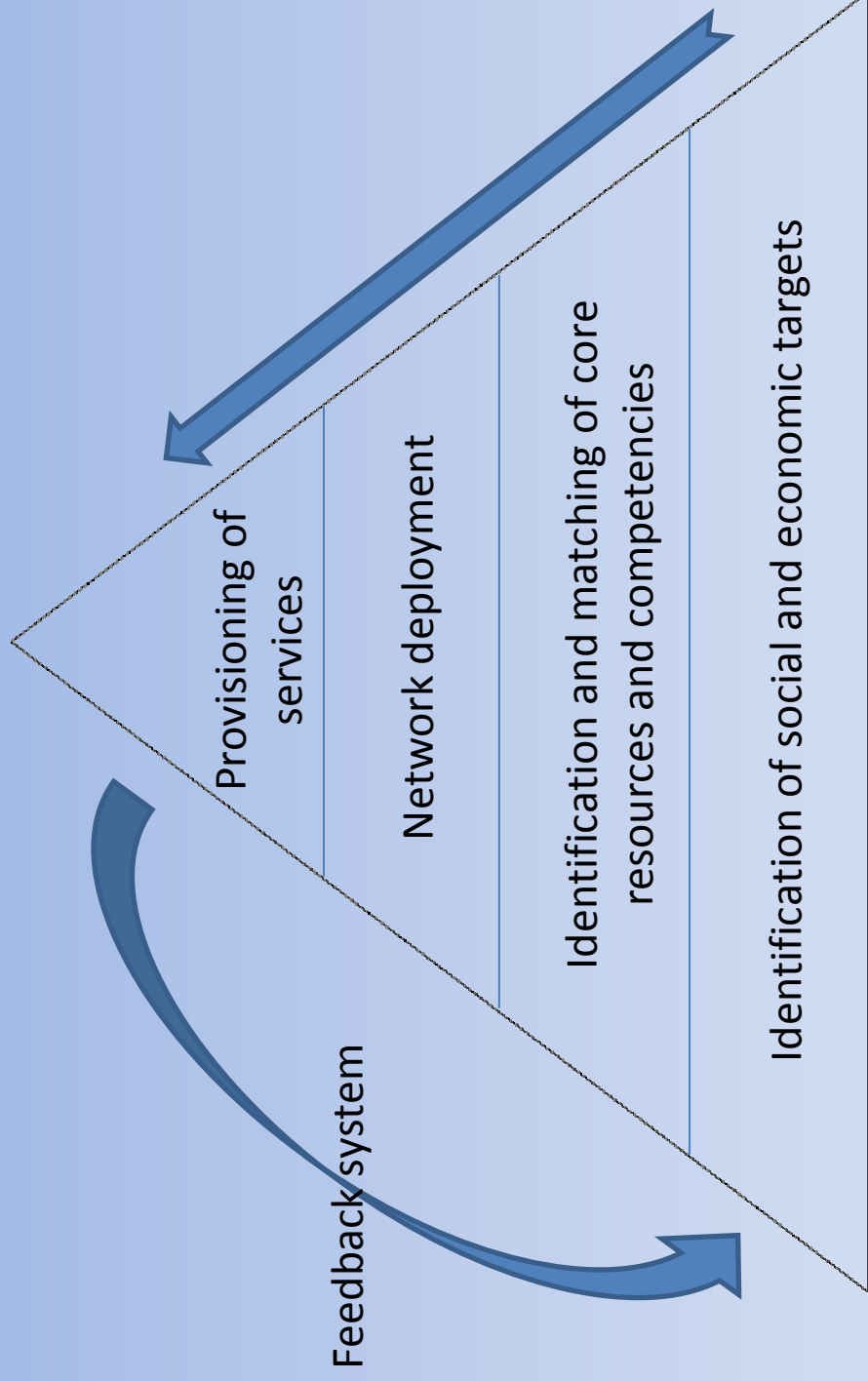
How the public-private interaction can generate value for different business models

- Investments in broadband networks have been diverse and driven by a variety of market and non-market parties: reasons and explanations;
- Sense of urgency surrounding the implementation of new network technologies (e.g. i2010 initiative, European Economic Recovery Plan, Broadband Guidelines) and call for analysis of social and economic impacts (e.g. social welfare, network externalities);
- Public-private partnerships are widely implemented because they are based on bundling of network implementation and operation, and are aimed at transferring of some of the risks to private contractors as well as long-term contracting.

Accordingly, looking at scientific literature and municipal initiatives in the Netherlands and Italy, we proposed:

- Introduction and description of a conceptual model to compare local initiatives;
- PPPs have to:
 - Properly identify economic and social targets;
 - Effectively match resources and competences of different partners;
 - Design a network in line with area's geo-constraints;
 - Define the expected demand and services required.
- Investigation of possible future path.

The conceptual model



...for our purposes, we define a PPP as characterized by:

- i. Long-term objectives for the provision of specified type of public service in a given area;*
- ii. Being based on some form of risk sharing (and sharing of other activities);*
- iii. Involve one party (mostly the public entity) that performs the strategic role of identifying user needs;*
- iv. Being rooted in the mutual contribution of competencies and resources for joint production.*

Business models and PPPs in observed local initiatives

