



Tabled 24/05/07
DCITA

SENATOR THE HON HELEN COONAN

Minister for Communications, Information Technology and the Arts
Deputy Leader of the Government in the Senate

22 MAY 2007

Mr Angel Gurria
Secretary-General
Organisation For Economic
Co-operation and Development
2, rue Andre Pascal
F-75775 Paris Cedex 16
France

Enhanced Statistics On Comparisons Of Broadband Performance

Dear Mr Gurria

I am writing to seek your agreement to a review of the approach employed by the OECD in analysing and reporting comparisons of the broadband performance of member countries. I have concerns about the methodology adopted by the OECD and question the weight given to any one single indicator of broadband performance.

The Australian Government has been concerned for some time that the comparative tables of broadband performance published by the OECD are based on too divergent a range of data sources and may not be sufficiently reliable to represent an accurate picture of the respective rankings of member countries, including Australia.

This issue is not new. Officers from my Department have been raising these concerns informally with the OECD Secretariat for some time – most recently at the March 2007 meeting of the OECD's Information and Communications Policy Committee in the Hague.

We are also aware that we are not alone in these concerns and that similar issues have also been raised by the United States of America, notably in the 24 April 2007 letter from Ambassador David Gross, US Coordinator International Communications and Information Policy, in which he said that the US was concerned about the methodology on which the OECD statistics were based, and their failure to capture important factors, particularly their reliance on user subscriptions as the measure of broadband use.

The Australian Government shares the concerns expressed by the USA, and in particular draws your attention to the absence of data on wireless access in the OECD statistics. In addition, we understand the next OECD report on comparisons of broadband speeds relies on mid-October 2006 statistics rather than the November 2006 figures, where Telstra had introduced a headline ADSL speed of 8 Mbps. This underscores the importance of using the most up to date information to represent an accurate picture of the broadband performance in member states. I ask that the Secretariat amend the figures in this report to provide a more faithful representation.

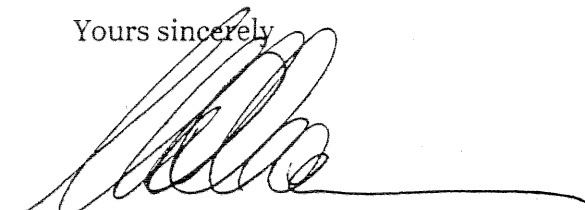
The use of OECD broadband statistics has generated considerable controversy in Australia in recent months and I must also express my disappointment that the OECD has recently become involved in domestic arguments in Australia on this issue. In particular, in a letter to iTWire, OECD economist, Taylor Reynolds, has recently responded to criticisms by research firm Market Clarity. Whilst we understand that the OECD may take a contrary view, we would prefer that the OECD remained removed from the domestic controversies of member states.

Given the concerns which member countries of the OECD are raising, and the growing importance of having an accurate picture of the true state of the take up of broadband technologies across the OECD, Australia is concerned to ensure that the OECD statistics in this critical area are as robust and credible as possible. With this in mind, I believe that it would be timely to undertake a review of the methodologies employed by the OECD in developing its comparative statistics. Such a review should be done in collaboration between the member countries and the OECD Secretariat.

The objective of such a review would be to broaden and improve the depth and the rigour of the OECD's reports to ensure that their representation of all member countries performance -- including that of Australia -- is measured more accurately. Australia would be pleased to support and be involved in such a review.

I would appreciate your response to this suggestion at your earliest convenience.

Yours sincerely



HELEN COONAN

Cc Aart Jan de Gues, OECD Deputy Secretary General
Nobuo Tanaka, OECD Director for Science, Technology and Industry
Dominique Ingram, Australian Ambassador to the OECD

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United States Department of State

Washington, D.C. 20520

APR 24 2007

Dear Secretary-General Gurria:

The U.S. Government took note this week of the publication by the OECD Information, Computers, and Communications Policy (ICCP) Committee's study on broadband use and the accompanying statistics on the use of broadband services in OECD member countries. The United States supports the OECD's efforts to reflect new technological, economic and policy developments in order to promote and encourage effective use of broadband services. However, we are concerned about the methodology on which the new statistics were based, and their failure to capture important factors, particularly their reliance on user subscriptions as the measure of broadband use. For this analysis to be sensitive to the variance in OECD members' demographics, geography and technological trends, we believe the OECD must take into consideration, among other important factors, the remarkable non-subscriber access to broadband services achieved in the United States and in other member economies. I refer to the millions of people who are gaining access to broadband services through multiple platforms and access points. Without giving recognition to this development, we are concerned that the current OECD "subscriber statistics" standing alone fail to account for tens of millions of Americans who access and use broadband services and thereby do not reflect the state of broadband not only in the United States but also in other OECD members as well.

Allow me to offer an example. The United States has more Internet and broadband users and more Wi-Fi hot spots than any other country in the world despite larger land mass and more rural areas than most. The total number of Wi-Fi Hotspots in the United States, for example, is estimated to be about 50 thousand, many on college campuses, reflecting the fact that college communities around the United States are enjoying unbounded and unprecedented access to broadband services. As a result, the OECD analysis would seem to exclude literally millions of student age users of broadband services in the United States and presumably elsewhere because they are not "subscribers" under OECD terms. These students gain access to broadband services in a variety of geographic settings where they are not considered to be "subscribers" such as in their classrooms, dormitories, cafés, and even while they are in train stations on their way home. Nowhere is this important and growing phenomenon reflected in the OECD

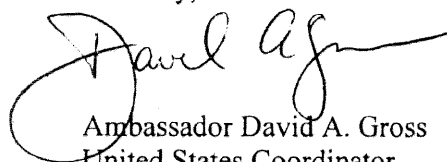
Mr. Angel Gurria
Secretary-General
Organisation of Economic Co-operation and Development,
Paris, France

analysis. Similarly, the OECD report apparently does not fully account for millions of government workers who have broadband access on their desks or for the millions of employees at large corporations. We are also witnessing the development of municipal Wi-Fi networks that broaden public access to the Internet, a trend not currently reflected in the OECD's figures.

The United States strongly believes that the world community would greatly benefit from a balanced picture of broadband deployment that accurately reflects and captures the rich variation of how people actually gain access to broadband services, and that provides such information in context. This point is particularly relevant because the OECD's analysis is designed to also benefit non-OECD members in many policy choices. In many developing countries community centers, grid computing, and mobile telephony access to the Internet – soon broadband access – offers huge opportunities to leap frog their current limitations and to participate in the global economy and in centers of excellence. This trend requires that the OECD understand more fully the context in which broadband services are being accessed, offered, and used and also that this information is reflected in the statistical analysis.

I bring this issue to your attention as it is important to the continuing relevance of the OECD's work in the rapidly evolving information society of which we are all a part. Moreover, apart from these important broadband access and use issues, the United States is submitting a contribution to the OECD on the ICCP Broadband Study detailing three other elements critical to the totality of the OECD's examination of broadband penetration and use rates. We intend to ensure that these perspectives are not lost as we embark on the preparations for the 2008 OECD Ministerial on the "The Future of the Internet Economy" to be held in Korea in 2008. We look forward to working with the OECD to broaden the scope of review of this important topic.

Sincerely,



Ambassador David A. Gross
United States Coordinator

International Communications and Information Policy

cc: Aart Jan de Gues, OECD Deputy Secretary General
Nobuo Tanaka, OECD Director for Science, Technology and Industry
Constance Morella, U.S. Ambassador to the OECD