

BROADBAND BUSINESS FUND

PROGRESS REPORT NO. 2

This report is intended to inform businesses and local champions about the progress being made by the Broadband Business Fund project. The report covers the months of March and April 2004.

1. ACHIEVEMENTS SINCE PREVIOUS REPORT

The main achievements and factors affecting the project during March and April were:

- Analysis has been completed identifying 'clusters' of businesses that are potential target areas for suppliers and where funding intervention may be required
- Awareness of the project, and of broadband in general, has increased. To date we have received over 1800 registrations from the 'cluster' target areas to provide evidence of demand to suppliers. Many thanks to everyone who has registered.
- An encouraging number of suppliers submitted Expressions of Interest in response to the Contract Notice published in the Supplement to the Official Journal of the European Communities (OJEU) – evaluation of suppliers for suitability is nearly complete
- The position regarding State Aid has been complex, but the project has completed its State Aid Notification to the Department of Trade and Industry (DTI) State Aid Policy Unit (SAPU) in readiness for submission to the European Commission in order to seek State Aid approval
- The broadband market has developed rapidly and a number of target areas for the project, originally envisaged as unlikely recipients of broadband services, will have, we are delighted to say, broadband availability without the need for funding intervention.

2. ITEMS PLANNED

The activities planned for May and June are:

- We will continue to stimulate demand and gather demand registrations
- Target areas will be selected for the supplier procurement exercise, assuming the 'clusters' identified remain viable given the latest market information
- The evaluation of suppliers' Expressions of Interest will be finalised to create a pre-qualified list of suppliers who will be subsequently invited to tender for broadband service fund agreements for the target areas
- We will continue to liaise with the DTI SAPU to progress the State Aid notification procedure.

3. SERVICE DELIVERY

The latest plan indicates service delivery via funding intervention is anticipated around mid-October 2004.