Basic information

2010/2304(INI) INI - Own-initiative procedure	Procedure completed
European broadband: investing in digitally driven growth **Subject** 3.30.06 Information and communication technologies, digital technologies 3.30.25 International information networks and society, internet 3.50.08 New technologies; biotechnology 3.50.20 Scientific and technological cooperation and agreements	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	TZAVELA Niki (EFD)	29/09/2010
	Shadow rapporteur SAUDARGAS Algirdas (PPE) KALFIN Ivailo (S&D) VĂLEAN Adina (ALDE) LAMBERTS Philippe (Verts /ALE) CHICHESTER Giles (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	HARBOUR Malcolm (ECR)	01/12/2010
REGI Regional Development	VERHEYEN Sabine (PPE)	28/10/2010
CULT Culture and Education	BENARAB-ATTOU Malika (Verts/ALE)	27/09/2010

European Commission	Commission DG	Commissioner
	Communications Networks, Content and Technology	KROES Neelie

Key events

Date	Event	Reference	Summary
20/09/2010	Non-legislative basic document published	COM(2010)0472	Summary
16/12/2010	Committee referral announced in Parliament		
26/05/2011	Vote in committee		Summary
06/06/2011	Committee report tabled for plenary	A7-0221/2011	
06/07/2011	Decision by Parliament	T7-0322/2011	Summary
06/07/2011	Results of vote in Parliament		
06/07/2011	End of procedure in Parliament		

Technical information

Procedure reference	2010/2304(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/04810

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE458.793	17/02/2011	
Committee opinion	CULT	PE454.580	22/03/2011	
Amendments tabled in committee		PE460.941	25/03/2011	
Committee opinion	IMCO	PE458.563	13/04/2011	
Committee opinion	REGI	PE460.674	13/04/2011	
Committee report tabled for plenary, single reading		A7-0221/2011	06/06/2011	
Text adopted by Parliament, single reading		T7-0322/2011	06/07/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0472	20/09/2010	Summary
Commission response to text adopted in plenary	SP(2011)8297	15/11/2011	
Follow-up document	SWD(2012)0068	21/03/2012	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	AT_NATIONALRAT	COM(2010)0472	11/11/2010	
Contribution	AT_BUNDESRAT	COM(2010)0472	22/12/2010	

European broadband: investing in digitally driven growth

2010/2304(INI) - 21/03/2012 - Follow-up document

In its Broadband Communication, the Commission stressed the importance of all Member States having an operational broadband plan with defined national targets aligned on European broadband targets, as well as a balanced set of policy measures to incentivise investment in fast and ultra-fast internet. This should be specifically based on thorough implementation of the EU regulatory framework for e-communications, consistent implementation of the Radio Spectrum Policy Programme, adequate cost reduction measures and coherent application of the State Aid Broadband guidelines. In support of these plans, the Communication included a commitment to review national broadband plans as part of its Digital Agenda governance.

This paper **examines the current state of play with respect to the implementation of national broadband plans in the EU-27 countries, Croatia, Norway and Switzerland**. It attempts to foster the sharing of best practices with a view to providing further guidance to Member States on how to succeed in applying effective measures to achieve both national and Digital Agenda broadband targets. The paper:

- looks at the targets set for national plans as well as institutional aspects;
- assesses private and public broadband investment activities;
- summarises national approaches to facilitating broadband investment;
- explores national strategies to stimulate demand for broadband and digital services.

Lastly, the report draws conclusions and outlines the next steps.

European broadband: investing in digitally driven growth

2010/2304(INI) - 20/09/2010 - Non-legislative basic document

PURPOSE: to present a coherent framework for the attainment of the targets set out in the Digital Agenda with regard to broadband.

BACKGROUND: there are about 124 million fixed and 25 million mobile broadband subscriber lines in the EU, which is one of the **world leaders in first-generation broadband deployment**. World demand for bandwidth has been growing at roughly 50-60 % per year driven by the extension of internet use.

The Digital Agenda for Europe, a flagship initiative of the Europe 2020 strategy restated the objective endorsed by the European Council to bring basic broadband to all Europeans by 2013. **By 2020, all Europeans should have access to internet of above 30 Megabits per second (Mbps) and 50% or more of European households have subscriptions above 100Mbps.**

Next-generation terrestrial wireless services can offer transfer rates of over 30 Mbps and therefore meet the broadband coverage target. They are particularly important in regions with difficult terrain where wired access is impractical. Wireless connections via satellite could also play a role in these regions, but further technological development will be needed if satellite is to contribute to universal coverage at the target speed of 30 Mbps by 2020. To reach these ambitious objectives it is necessary to **develop a comprehensive policy, based on a mix of technologies** and to monitor carefully progress over time. **Substantial investment will be needed**. Recent studies indicates that between EUR 38bn and EUR 58bn would be needed to

achieve the 30 Mbps coverage for all by 2020 (using a mix of VDSL and next generation wireless) and between EUR 181bn and EUR 268bn to provide sufficient coverage so that 50% of households are on 100 Mbps services.

With growing internet traffic and rising bandwidth demands, more efficient management of network resources is increasingly seen as important to the provision of high-speed broadband. A public consultation on the open internet and net neutrality was launched by the Commission on 30 June 2010. The Commission will report later this year on the outcome of this public consultation. It will also monitor further the functioning of the market from a consumer perspective (retail prices, choice problems, complaints, etc.).

CONTENT: the main objective of this Communication is to **assist further the actions of national and local authorities.** It is presented as a **broadband package** with the two other broadband commitments made by the Commission in the Digital Agenda action on fast and ultra fast internet. These are (i) the Next Generation Access (NGA) Recommendation to provide regulatory guidance to national regulators and (ii) the Radio Spectrum Policy Programme to improve the coordination and management of spectrum and hence facilitate, among other things, the growth of wireless broadband.

An EU broadband policy should promote concrete measures which could (i) **foster investment** by, for example, reducing investment costs and (ii) **enhance infrastructure competition**, taking into account that the competitive threat of alternative public and private investors (including local administrations and public utilities) would incentivise investments in NGA by incumbent operators. Such actions should be coordinated both at EU and national level.

1) National Broadband Plans: all Member States have a broadband strategy but few have fully operational plans for ultrahigh speed networks with concrete implementing measures to realise their targets, notably as regards the necessary funding. The broadband target will only be achieved if **all Member States commit to it and set out an operational plan defining national targets.** As part of the governance of the Digital Agenda, the **Commission will work with Member States to coordinate the establishment of national targets** and will encourage peer-review processes among Member States in order to accelerate the transfer of best practice between policy makers. Member State plans should comprise a balanced set of policy actions to incentivise and supplement private-sector action.

The Commission will review the national plans in 2011.

2) Promoting investment and reducing investment costs: it is estimated that around 80% of the costs of deploying new fixed infrastructure are civil engineering costs which can be significantly reduced through a proper coordination by national and local authorities, using town planning rules and remedies mandating access to passive infrastructures. Wireless infrastructure costs can similarly be reduced by such measures.

Moreover, national or local authorities can support broadband deployment through direct public investment or public financing in line with State aid rules. Public financing could help make high-speed networks feasible where costs would otherwise be unmanageable. Such public funding should be targeted so as to alleviate barriers to private investment.

The Commission will undertake a review of existing cost reduction practices and report in 2012. It will also will develop and improve mechanisms to enable local actors to obtain relevant information to reduce investment costs.

3) Promoting wireless broadband: spectrum has been designated for electronic communication services, technically optimised in particular for wireless broadband access through several Commission Decisions, but in many Member States substantial parts of this spectrum are still subject to restrictions on assignment or parts of it have not been assigned at all.

As demand for wireless services increases, the key priority will be to **make effectively available to users those frequencies that have already been earmarked through harmonised allocations**. Secondly, sufficient and appropriate spectrum for both the coverage and the capacity needs of wireless broadband technologies should be designated and made available to achieve the target set for 2020.Individual Member States could help achieve the broadband coverage target rapidly if they immediately adopted policies to: (i) make available sufficiently large bands of spectrum; (ii) award rights of use quickly; (iii) increase flexibility and competition; (iv) allow secondary trading to adapt to market developments.

4) Reinforce and rationalise the use of the Structural and Rural Development Funds: in the 2007-2013 programming period, a total of EUR 2.3bn of Structural Funds was allocated to broadband infrastructure investments, and EUR 12.9bn to information society services. Expenditure figures for the Structural Funds show relatively slow absorption of funds targeted on broadband projects.

To help **expand the usage of Structural and Rural Development funds**, both for broadband and other information society services, the Commission will: (i) publish, in 2011, guidance on broadband investment for local and regional authorities to encourage the full absorption of EU funds; (ii) engage more closely with regions, in view of helping them to reinforce their capacity to absorb funds; (iii) provide guidance on the use of funds from public-private partnerships (PPPs) and other financial instruments such as matching funds complementing the Operational Programmes of the European Structural Funds.

5) Develop broadband finance instruments: the European Investment Bank (EIB) is already lending an average of EUR 2bn each year to economically viable broadband projects. EIB involvement is planned to increase as the Bank refocuses its lending strategy on the Europe 2020 priorities.

Local and regional authorities are increasingly exploring alternative financing arrangements, including public-**private partnerships (PPP),** for financing broadband infrastructure. To support such PPPs, the EU and the EIB will make proposals by spring 2011 on ways to mobilise the know-how of the European PPP Expertise Centre (EPEC), an EIB TA/advisory instrument co-financed by the EIB and the EU Budget.

In the context of the preparation of EU programmes under the next Multi-Annual Financial Framework and the role of the EIB, **the Commission and the EIB will also, by spring 2011, set out concrete proposals for financing instruments** to complement existing means of the financing of broadband infrastructure. Such instruments, which could be of debt, guarantee or equity type or a combination thereof, should match to the needs of investment projects in terms of flexibility, maturity and risk. Until such an instrument is in place, the EIB will use available resources to develop and finance pilot projects and innovative funding schemes in duly justified cases.

European broadband: investing in digitally driven growth

2010/2304(INI) - 06/07/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on European Broadband: investing in digitally-driven growth following a Commission communication on this same subject.

1) Broadband for all: Parliament considers that the objective must be to establish EU global leadership in ICT infrastructure. In order to achieve this objective, **100% of basic broadband coverage must be delivered to all Europeans by 2013**, giving at least 2Mbps service to all users in rural areas and much higher speeds to users in other areas.

It recalls the importance of realising the objectives of the Digital Agenda, i.e. ensuring that all EU citizens have access to broadband speeds of not less than 30Mbps by 2020 and making it possible for the EU to have the highest possible broadband speeds and capacity. It notes that, to be on track for the 100Mbps target, in 2015 around 15% of EU households should have subscriptions with at least that speed;

The resolution insists on the following issues:

- it is necessary to make best use of all available technologies, including mobile and satellite;
- the future allocation of **radio spectrum** must pave the way for European leadership in wireless applications and new services;
- facilitating the prompt exploitation of the 'Digital Dividend' for new mobile broadband services through a harmonised and technology-neutral pan-EU approach;
- the Commission and the Member States should develop European and national programmes to facilitate and provide funding for access to broadband infrastructure for all teaching and research institutions by 2015;
- Member States should: (i) promote and extend high-speed open-access connectivity to **important public infrastructure** (schools, hospitals and other public institutions) located in remote areas; (ii) implement public policies to support the introduction of new technologies; (iii) promote the introduction of digital teaching methods;
- continue to develop joint technology initiatives in these areas, involving universities, research institutes, device manufacturers and service and content providers;
- the Commission is urged to urgently present an appropriate proposal for a strategic plan containing a single framework for all aspects of EU **cybersecurity**;
- lastly, Member States are invited to set **national broadband plans** and adopt operational plans with concrete measures to implement the 2013 and 2020 targets set in the Digital Agenda.

2)Broadband for economic growth, innovation and global competitiveness: Parliament emphasises that broadband services are key to the competitiveness of EU industry and greatly contribute to EU economic growth, social cohesion and quality employment, as well as to the participation of all regions and social groups in digital life in the EU. The successful implementation of the 'Broadband Package' is critical to tackling unemployment, particularly among young people, by the provision of smart, sustainable and inclusive growth in Europe.

In this context, it believes that the combination of competition and carefully selected targets, in both infrastructure and services, provides the best basis for sustainable investment, innovation and take-up. It recommends **promoting a competitive market for investment in, and utilisation of fixed and wireless broadband infrastructure**.

Parliament regrets that the EUR 1 billion in funding announced in 2008 in the European economic recovery plan with reference to 100% broadband coverage by the end of 2010 has not been allocated and that this objective has not been achieved. The Commission and the Member States are called upon to **allocate the necessary amounts** to achieve the target of ensuring 100% broadband coverage by 2013 when the current multiannual financial framework is reviewed.

3) Incentivising investment and competition: Parliament highlights the need for measures by Member States and the industry sector aimed at achieving broadband for all, to be focused on the demand side and to avoid distorting the market or creating an undue burden on the sector.

Stressing that the cost of infrastructure investments needs to be financed by the market, it notes, however, that, where open infrastructure is unlikely to be installed through market forces within a reasonable period, the broadband state aid framework and targeted use of Community funds, including through the EIB, structural funds and EAFRD, may be the most progressive complementary means of accelerating broadband roll-out.

The Commission is invited to **provide a stable and consistent framework which supports competition and efficient investment in open networks** and to allow the flexible allocation of EU funds within the respective programming periods.

The resolution notes that in order to maximise broadband availability and adoption, EU policy must encourage the deployment of efficient and affordable networks, applications, access equipment, services and content. It encourages Member States to develop e-government, e-democracy, e-learning and e-health services, which will boost the demand for Broadband.

Parliament welcomes the Commission's proposal to explore new financing sources and innovative financing instruments. It continues to encourage appropriate public-sector investment and organisational models, in particular involving local authorities, public-private partnerships and tax incentive schemes for the roll-out of fast and ultra-fast networks. It stresses the importance of government policies being coordinated at all levels.

The Commission and the Member States are called upon to agree on an **EU Broadband Deployment Pact** with a view to coordinating national and European funding programmes and private investment more effectively.

Parliament also calls for the establishment of a **single high-level EU task force** with representation of all relevant stakeholders, including users and providers of electronic networks and services, to assist in developing a future ICT infrastructure strategy and specific information society services.

4) Consumer benefits: noting the Commission's intention to produce guidance on costing and non-discrimination, Members encourage the Commission to support competition in fast and ultra-fast networks and allow all operators fair access to the infrastructure, in order to **ensure a wide choice of services, fair network access rates and affordable prices** for consumers, and to incentivise efficient investment and rapid switchover to fast and ultra-fast networks.

Parliament calls on the Commission and the Member States to **address social digital exclusion** and other impediments that have kept some populations offline, particularly low-income communities and people with disabilities, and to require all relevant stakeholders to provide: training and public access to broadband services, economic assistance for the acquisition of broadband services and equipment, and incentives for the development of technology and content aimed at specific users' needs.

(5) E-Initiatives: promoting demand: Parliament calls for specific measures to be taken to ensure that SMEs can fully enjoy the potential of broadband in the fields of e-commerce and e-procurement. It also states that broadband deployment should be coupled with demand-awareness information and educational programmes.

Parliament calls on the Member States to step up efforts to **address e-skills shortages** at all educational levels and through lifelong education for all citizens. It supports innovative broadband services directed towards the maritime sector. Lastly, it underlines the importance of a robust privacy framework for the EU and welcomes the ongoing review of the Data Protection Directive.