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10 November 2017
Third edition
The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure.
Please note this document has been designed for on-line viewing.

WiFi4EU – Promotion of internet connectivity in local communities

On 12 September 2017, the European Parliament voted to adopt a legislative act that aims at the promotion of very fast wireless internet access in local communities.

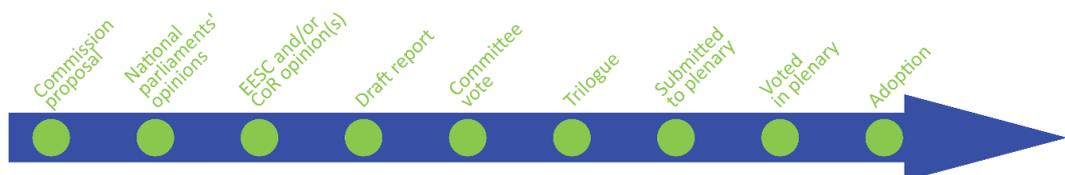
This service will be provided free of charge to the public at large. The areas covered will encompass public administrations, libraries and hospitals, as well as outdoor spaces accessible to all. The aim is to increase accessibility to high-performance mobile internet, and to raise awareness of the benefits of such connectivity. Administrative procedures will be simplified and EU funds will be used to provide financial support to the establishment of such networks.

This action comes within the framework of the digital single market, and is one of several legislative proposals announced on 14 September 2016 by the Commission, with its communication, 'Connectivity for a competitive digital single market – Towards a European gigabit society'.

Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of internet connectivity in local communities

COM(2016) 589, 14.9.2016, Procedure ref.: 2016/0287(COD), Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')

| | |
|------------------------|--|
| Committee responsible: | Industry, Research and Energy (ITRE) |
| Rapporteur: | Carlos Zorrinho (S&D, Portugal) |
| Shadow rapporteurs: | Anne Sander (EPP, France); Anneleen Van Bossuyt (ECR, Belgium); Pavel Telička (ALDE, Czech Republic); Neoklis Sylikiotis (GUE-NGL, Cyprus); Michel Reimon (Greens, Austria); David Borrelli (EFDD, Italy); Barbara Kappel (ENF, Austria) |
| Procedure completed. | Regulation (EU) 2017/1953 OJ L 286 1.11.2017, pp. 1-8 |



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Introduction

The expansion of fast fixed and wireless internet is lagging behind in the EU when compared to countries such as Japan. The Commission considers this to be an obstacle to the connected digital single market, a project which ranks amongst its top priorities. On 6 May 2015 a total of 16 initiatives were announced to realise the digital single market, with a substantial increase in efforts planned for the second half of 2016. A package of initiatives was published on 14 September 2016, including a [communication](#) outlining the path towards a [European gigabit society](#), which will rely on very high capacity networks, the deployment of which requires the right environment and conditions. Emphasis is put both on optical fibre and wireless networks.¹

The [proposal](#) aims to develop, by 2025, fast wireless internet connections for citizens in [spaces](#) where public services are provided. These could be public administrations, libraries and hospitals. Other places where community life takes place should be targeted too, such as outdoor spaces accessible to the general public. It is expected that this operation will raise citizens' awareness of, and interest in, high capacity internet services, thus promoting both the use of new, fast services, and the development of public infrastructure.

Simplified planning procedures and lightened regulatory obligations will be used to promote the deployment of local wireless access points. In addition, financial incentives will be provided through the European budget.

Context

Gigabit connectivity is nothing intrinsically new, but its worldwide introduction is very uneven, both between EU Member States and when comparing the EU with the rest of the world. Certain countries, such as South Korea, Singapore and Japan, have already achieved significant strides in Gigabit connectivity. China and Russia are also showing ambition in this field. Inside the EU, deployment is taking place in several countries like Estonia, Portugal, Spain and Sweden. Amongst others, however, several large Member States seem to be lagging behind. There is also an increasing risk of a divide between urban and, slower developing, rural areas in several Member States, including in Germany, France, Italy, Austria and Finland.

Almost all EU citizens have access to broadband networks, with 97 % having access to fixed connections with a download speed of at least 2 megabits per second (Mbps) at the end-user level. This access level falls to 70.9 % for transmission speeds of at least 30 Mbps. Yet, these are average numbers, which hide the differences between Member States, as well as between urban and rural areas. Up to now, the upgrading of existing copper networks has brought a substantial increase in capacities, benefiting those Member States which already had extensive legacy telephone and (coaxial) cable networks, but in a number of cases the limits to their upgradability are being reached.

1 One gigabit equals 10^9 bits, i.e. 1 000 000 000 bits. Gigabit connectivity means the capacity to transmit a gigabit (or more) in one second. Currently most networks are in the megabit per second range. One gigabit equals 1 000 megabits.

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For mobile connectivity, 4G is now available to 86 % of homes. Here too, there is a marked difference between Member States, and there are also significant gaps between population centres and sparsely populated areas.

According to the Commission there is a pressing need to increase the capacity offered by network infrastructure. In particular, the increased use of smartphones and tablets equipped with large, high definition screens as well a trend towards multiple devices and users served by a single connection can put a strain on slow networks, and so does the trend towards cloud services, connected devices (internet of things, IoT), and the machine-to-machine (M2M) industry. The Commission estimates that the current state of internet connectivity, even if incrementally upgraded, will not suffice for Europe's needs beyond 2020. Hence future reliance must be placed on upgraded infrastructure, notably fibre-optic cable networks. The aim is now to offer 100 Mbps (downlink) to all households, be they urban or rural, which would be upgradable to gigabit speed, hence the expression 'gigabit society'.

To increase the infrastructure's transmission capacity, a dual approach is being taken by the Commission, as outlined in its [communication](#), Towards a European gigabit society. First, the use of smaller cellular cells will be required to deliver adequate wi-fi and [5G](#) (the next generation of network technologies) performance, enabling a data volume of several gigabits per second (Gbps). Secondly, fibre-based links will provide the bulk of the necessary infrastructure capacity. According to the Commission's [staff working document](#) there are clear advantages for fibre-based technology, as, in addition to speed, the efficiency range of optical fibre for delivering high-quality connections is of the order of several dozens of kilometres, as opposed to an upper limit of 250 metres for future state-of-the-art copper based technologies. The question is therefore whether the EU should rely mainly on upgrading its vast copper-based infrastructure, or if it should shift to the nascent optical fibre technology, which is not yet geographically widespread. The Commission is clearly in favour of the latter, suggesting that the switch is inevitable.

Existing situation

So far there is no common strategy to promote access to free wireless connectivity throughout the EU. Neither is there a common strategy aimed at increasing the participation of local communities in the digital single market. Initiatives promoting free wi-fi connections are fragmented at best, and therefore deemed inefficient by the Commission. Efforts are not coordinated at EU level, and there is no EU finance available for this kind of initiative.

Parliament's starting position

In its resolution '[Towards a digital single market](#)' of 19 January 2016, Parliament recognises the beneficial role of the digital single market for the economy, for the integrity of the single market, and for the preservation of economic and social cohesion. It is stated that citizens, consumers and entrepreneurs can be further empowered by the digital single market. Parliament calls on the Commission to foster the participation of citizens in the digital single market and provide them with the benefits of the digital shift. It stresses that fast and ultrafast communication networks are a necessity, including in rural and remote areas. Parliament requests that the Commission 'promote public WLAN networks in larger and smaller municipalities'. It also stresses, 'in case of market failure, the importance of fully exploiting the public funds already available for



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digital investment'. The Commission is asked to assess how future-proofed the current broadband strategy for mobile and fixed networks is, bearing in mind that Member States have committed to reach speeds of at least 30 Mbps for citizens and businesses by 2020. Parliament also encourages the Commission to evaluate the appropriateness of the current targets for meeting future requirements. Parliament is particularly worried about the possible emergence of a [digital divide](#).² Furthermore, the need for investment in digital infrastructure is stressed. In the light of this resolution, broad support from Parliament for the Commission's WIFI4EU proposal, at least in general terms, may be expected.

Council & European Council starting position

On 28 June 2016, the European Council adopted an [agenda](#) which called for, amongst other things, ensuring that very high-capacity fixed and wireless broadband connectivity is available across Europe, in order to give future competitiveness a boost. However, the willingness to launch certain investments, especially those necessary for switching to optical-fibre networks rather than simply upgrading the copper-based infrastructure, is likely to vary between Member States.

² The digital divide refers to uneven access to digital technologies which affects certain parts of the population, e.g. the elderly, or geographically remote areas.



Proposal

Preparation of the proposal

The WiFi4EU [proposal](#) is part of a much broader strategy to create a digital single market, and is meant to facilitate its development, including by fostering awareness among the general public of the advantages of enjoying high-speed internet connection 'on the fly'.

This proposal was published on the same day the Commission outlined its vision for a European gigabit society. The Commission's [communication](#), 'Connectivity for a competitive digital single market – Towards a European gigabit society', identifies fragmentation of the communications markets along national borders and points to the fact that the deployment of very high capacity networks is difficult under the current regulatory framework.

Three strategic objectives for 2025 are defined:

- > gigabit connectivity to achieve growth and jobs,
- > 5G coverage for all urban areas and along all major terrestrial transport paths for boosting Europe's competitiveness, and
- > internet connectivity offering at least 100 Mbps for all European households to foster Europe's cohesion.

A series of initiatives are proposed:

- > a [European electronic communications code](#) (the code), which replaces four existing directives and aims to [reform](#) the framework for electronic communications,³
- > an amended [Body of European Regulators for Electronic Communications](#) (BEREC) regulation which aims to foster the cooperation between national regulators,
- > an [action plan on 5G connectivity](#), which aims to boost deployment of next generation of network technologies, and
- > the 'Wi-fi for Europe' initiative, discussed in detail in this briefing.

The Commission is revising the technical objectives for connectivity. These were last defined in 2010, when it was agreed to achieve universal availability at 30 Mbps, as well as subscriptions at 100 Mbps for more than 50 % of European households. Although the EU seems to be on the right track to achieve these objectives, it is clear already that the demand for high-speed transmission will increase well beyond that, especially

3 The Code is intended to replace the [Framework Directive](#), the [Authorisation Directive](#), the [Access Directive](#), and the [Universal Service Directive](#).



Preparation of the proposal

The changes the proposal would bring

once additional usage comes from new fields such as the internet of things. The Commission ran a public consultation on the needs for high-speed internet in 2015.⁴

The changes the proposal would bring

The amendment of Regulations (EU) 1316/2013 and (EU) 283/2014 would 'promote the deployment of local wireless access points through simplified planning procedures and reduced regulatory obstacles'. The support for free local wireless connectivity would target centres of local public life, such as municipalities, other local public authorities, libraries and hospitals, as well as outdoor public spaces.

To achieve this, targeted financial support would be provided. The financial envelope for the implementation of the [Connecting Europe Facility](#) (CEF) would be increased by €50 million, and €70 million will be reallocated within the CEF, thus allowing for a total of €120 million of EU investment in relation to WIFI4EU. The entire amount would be offered in the form of grants (and/or financial assistance), but the use of [financial instruments](#) is ruled out, on the grounds of the high administrative burden associated with them, as well as an unacceptably high time lag. Up to 100 % of eligible costs may be funded by EU financial assistance. The new rules are designed to avoid crowding out commercial offers and distorting competition. No local duplication of existing offers would take place.

The Commission deems it important to provide this financial support as quickly as possible. To this end, on-line tools should be used, which would facilitate and accelerate the implementation of local wireless access, including in the monitoring and auditing phase.

4 For the results of the public consultation see this briefing's Stakeholder's views section.



Advisory committees
European Economic and Social Committee
Committee of the Regions
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Views

Advisory committees

Consultation of the European Economic and Social Committee (EESC) as well as the Committee of the Regions (CoR) is mandatory on this proposal.

European Economic and Social Committee

On 20 September 2016, the EESC appointed Emilio Fatovic (Workers – Group II, Italy) as rapporteur. The [report](#) was adopted at plenary on 26 January 2017. It welcomes the Commission's WiFi4EU initiative. However, the EESC makes a number of recommendations, which include significantly increasing the budget allocated to this initiative, and creating a fairer allocation through capping the amount that can be given to a country. The criteria for the allocation of funding need to be clarified, and this public initiative should be supplemented with public-private partnerships. There should be no discrimination by company size, and part of the budget should be earmarked for areas that are less developed economically and digitally. The EESC argues that the proposal lacked a proper in-depth feasibility study of the way the initiative will be integrated in the EU's digitalisation process. The creation of a single, multilingual and user-friendly access point is advocated. Inspiration should be sought from the [eduroam](#)⁵ project.

Committee of the Regions

The CoR appointed Mart Võrklaev (ALDE, Estonia) as rapporteur for its opinion on the telecoms package. The [opinion](#) was discussed at the November 2016 meeting of the Commission for social policy, education, employment, research and culture (SEDEC), and was adopted in plenary on 8 February 2017.⁶ The CoR also welcomed the initiative, and in particular the use of financial vouchers, as envisaged by the Commission. It stressed that smaller town and rural areas also benefit from WiFi4EU, and that the scheme should be limited to new, complimentary WiFi access points. It recommended to implement the initiative as quickly as possible, while guaranteeing user-friendliness. To avoid an unpleasant user experience no personal user data should be requested. The Committee also appealed to draw up minimum requirements for the network in order to avoid outdated technology being used. Networks like eduroam and [govroam](#)⁷ are recommended as models. The CoR also suggested that a common pan-European network could be created through WiFi4EU.

5 The eduroam network is already available in 89 countries and links students, educators and researchers. Anyone using eduroam is given seamless internet connectivity when moving across a campus or spending time studying or working at another education institution.

6 This opinion also covers the communication on 'Connectivity for a competitive digital market - Towards a European gigabit society' (COM(2016) 587), as well as '5G for Europe: an action plan' (COM(2016) 588).

7 Govroam stands for 'government roaming', and provides wireless roaming services for public services and government administrations. Users who are on the premises of another institution can connect to that institution's wireless network and get easy access to the IT network of their own institution by using their usual username and password. This is a Belgian service which is now expanding to the Netherlands.



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The European Commission, in cooperation with the CoR, set up a participatory [broadband platform](#) in order to ensure a high level of engagement and cooperation between relevant public and private entities.

National parliaments

National parliaments can raise objections to proposals. The [deadline](#) for the submission of reasoned opinions⁸ on the ground of subsidiarity was 30 November 2016. Only the Swedish Riksdag concluded that the proposal was in breach of subsidiarity and proportionality, all other parliaments either supported the initiative, or did not publish a reasoned opinion. This means the Commission has no obligation to reconsider its proposal.

Stakeholders' views⁹

At the end of 2015, the Commission ran a [consultation](#) on the needs for internet speed and quality beyond the 2020 horizon, focussing on 2025. The main findings include the following: internet usage is expected to increase, especially that involving mobile connectivity, with expectations in rural areas being particularly high. Rather than concentrating solely on download speeds, a series of other features are deemed of increased importance, such as upload speed, reliability and uninterrupted access. Inadequate connectivity is felt to hamper the digital single market's capacity to create jobs and growth. Currently, most customers are left dissatisfied with their internet connections. There are strong calls to promote infrastructure deployment through public policy measures.

8 A reasoned opinion is issued by a national parliament or chamber when a legislative proposal is deemed not to comply with the principle of subsidiarity. If a certain number of reasoned opinions were issued, then the Commission would be forced to reconsider its proposal.

9 This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.



Legislative process

The legislative proposal was published by the Commission on 14 September 2016.

Council

Council agreed on a partial [general approach](#) on 23 November 2016. It was deemed 'partial', being conditional on an ongoing budgetary procedure, which was successfully closed soon after.¹⁰ Council welcomed the proposal in general, although a number of points are raised. It expressed astonishment that the proposal had not been announced in the Commission's work programme, and criticised the lack of an impact assessment, as well as the lack of clarity on a number of fields, such as the source of the funds, the entities eligible, the procedures to be followed, and on the resources which are required to maintain the access points over time. Council further raised questions on the possible impact on competition, and saw contradictions between the necessary geographical balance and the 'first come, first served' principle. It warned about the necessity to swiftly adapt the 'omnibus regulation' in order to allow the WiFi4EU regulation to be implemented as early as possible, and warned about possible discrimination leading to the widening of the digital divide. The streamlining of administrative procedures was requested, including the possibility for Member States to endorse categories of proposals, rather than having to agree on each individual application. Council requested a better definition of the legal scope, and would have liked to extend the initiative also to those areas where very high-speed internet connectivity is not available yet. It pushed for limiting the potential impact on competition and investment, in order, for example, to not jeopardise the roll-out of 5G. It opened the possibility to develop the access points into a network with an authentication system valid throughout European territory. Financial assistance should, for example, be made available through a system of vouchers.

European Parliament

Parliament referred the dossier to the ITRE Committee, where Carlos Zorrinho (S&D, Portugal) was appointed rapporteur. The committee adopted its [report](#) on 25 April 2017. The Commission's initiative was broadly welcomed. However, a number of amendments, reflecting the committee's preferences, were adopted, including the general principle that wireless connectivity envisaged under this scheme should be provided free of charge and free of restrictions. Instead of concentrating solely on radio frequencies, the infrared or visible light spectrum could be used too, but in all cases a high bandwidth should be offered. Several of the amendments to the Commission proposal were intended to slightly modify the potential recipients, moving away from 'entities with a public mission' towards more strictly defined public-sector bodies, whilst the scope of eligible locations was enlarged. Also, it was encouraged to prolong the financing beyond the three years set out in the proposal, as well as to continue monitoring the project by the Commission beyond the operational period.

The committee pushed towards optimal technological solutions and the use of best standards on cyber security, technological neutrality, and the efficient use of public funding. Member States were encouraged

¹⁰ A 'general approach' is an agreement in Council which sets the mandate for negotiations, e.g. for trilogues.



to allocate additional resources to develop complementary services. Implementation through a system of vouchers was encouraged, as well as minimising the administrative burden in relation to the establishment of the scheme to allow for timely deployment. Member States should be able to approve categories of proposals rather than being forced to approve each individual application. Synergies with other national or Union funds, or private investment, should be ensured. The availability of finance should be geographically balanced, and the digital divide addressed. Areas with low levels of high-speed broadband connectivity should also be supported. Local SMEs should be given priority in procurement and installation of equipment. The report called for a single authentication system that is valid across the whole Union, and a ban on the use of data for commercial uses. Potential users should be informed about the availability of this EU-funded service.

During the vote, the ITRE committee took into account the opinions adopted in the Committee on Budgets (BUDG), rapporteur Liadh Ní Riada (GUE/NGL, Ireland), the Committee on Transport and Tourism (TRAN), rapporteur Claudia Țapardel (S&D, Romania), and the Committee on Regional Development (DEVE), rapporteur Rosa D'Amato (EFDD, Italy).¹¹

Also on 25 April 2017, the ITRE committee gave the mandate to the rapporteur, Carlos Zorrinho, to open trilogue negotiations with a view to reaching a first-reading agreement with the Council. This mandate was not revoked by plenary,¹² enabling trilogue meetings to start soon after the adoption of the ITRE report.

A series of trilogue meetings took place, and a [provisional agreement](#) between Council and the EP was found on 29 May 2017. Many EP positions found their way into the agreement. It is now envisaged to provide local wireless connectivity that is 'free of charge and without discriminatory conditions', and to 'eliminate the need for Member States to provide an agreement to each individual applicant', in order to avoid unnecessary administrative burden. The access should be provided, if possible, in other EU languages than just that of the Member State concerned. As wished by the EP, the recipients of the financial assistance will be public-sector bodies, rather than entities with a public mission. The financing of the operation costs, which will be done through appropriate forms of financial assistance, e.g. grants by way of vouchers, will be ensured for a minimum of three years. The initial proposal to build very high-speed broadband connectivity was scaled down to high speed, and technological neutrality at the level of the backhaul will be respected, which puts copper networks on an equal footing with optical fibre. Care should be taken to avoid overlap with existing private or public offers of similar characteristics. Financial means will be spent in a geographically balanced manner across Member States, but, while maintaining the initial 'first come, first served' principle, all Member States will be included. The Commission will closely monitor actions for at least three years.

The most prominent departure from Parliament's (and in that case also the Commission's) position was a cut to the amount of additional resources. Instead of the proposed additional €50 million, only €25 million would have been made available, limiting the funding to €95 million, thus jeopardising the initial aim to provide €120€million, although a backdoor was left open, allowing a possibility to reach the initially proposed amount of additional resources.

11 All three opinions are attached to the ITRE [report](#).

12 A recent addition to the EP's rules of procedures, Rule 69c provides for the possibility for Parliament's plenary to revoke a mandate given by a committee to open trilogue negotiations.



In addition, negotiations between the European Parliament, the Council and the Commission to overcome the financial limitation led to the following joint statement, which was annexed to the provisional agreement:

'The European Parliament, the Council and the Commission agree that the WiFi4EU initiative should have meaningful impact and scalability. To this end, they note that if an increase of EUR 25 000 000 to EUR 50 000 000 of the financial envelope for the implementation of CEF in the telecommunications sector cannot be secured in full, the Commission might propose reallocations within that envelope in order to facilitate overall funding for the promotion of internet connectivity in local communities of EUR 120 000 000.'

On 7 June 2017, the Permanent Representatives Committee of the Council agreed on the outcome of the trilogues, and [informed](#) the EP, that if Parliament was also to agree on this outcome, then Council would agree to the legislation.

On 21 June 2017, the ITRE committee approved the provisional agreement, and on 12 September Parliament discussed the outcome of the trilogues in plenary, and subsequently adopted the agreement at first reading by a large majority (582 in favour, 98 against, 9 abstentions). The joint statement was adopted too, thus paving the way to a total amount of €120 million to be made available for WiFi4EU.

In a [joint statement](#) published on 26 September 2017, Sweden, Spain and the Netherlands outlined the reasons why they would not support the proposal in Council. This is motivated on the grounds of subsidiarity, as well as by the lack of a Commission impact assessment.

The final [adoption](#) in Council took place on 9 October 2017. On 25 October, the final act was signed, and it was [published](#) in the Official Journal on 1 November 2017.



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