



2016/0287(COD)

31.1.2017

*****I**

DRAFT REPORT

on the 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)0589 – C8-0378/2016 – 2016/0287(COD))

Committee on Industry, Research and Energy

Rapporteur: Carlos Zorrinho

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT.....	16

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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)0589 – C8-0378/2016 – 2016/0287(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2016)0589),
 - having regard to Article 294(2) and Article 172 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0378/2016),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 00/00/00¹,
 - having regard to the opinion of the Committee of the Regions of 00/00/00²,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Budgets, the Committee on Transport and Tourism and the Committee on Regional Development (A8-0000/2017),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

Amendment

(1) The Commission Communication

(1) The Commission Communication

¹ OJ C, p..

² OJ C, p..

setting out a European vision of Internet connectivity for citizens and business in the Digital Single Market¹⁴ describes a number of possible measures capable of enhancing connectivity in the European Union.

of 14 September 2016 entitled “Connectivity for a Competitive Digital Single Market – Towards a European Gigabit Society”, setting out a European vision of Internet connectivity for citizens and business in the Digital Single Market, describes a number of possible measures capable of enhancing connectivity in the European Union.

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Connectivity for a Competitive Digital Single Market - Towards a European Gigabit society (COM(2016)587).

Or. pt

Amendment 2

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) In its Communication of 26 August 2010 entitled “A Digital Agenda for Europe”, the Commission recalls that the Europe 2020 Strategy underlined the importance of broadband deployment to promote social inclusion and competitiveness in the EU, reaffirming the goal of ensuring that, by 2020, (i) all Europeans have access to much higher Internet speeds of above 30 Mbps and (ii) 50% or more of European households subscribe to Internet connections above 100 Mbps.

Or. pt

Amendment 3

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) Amongst measures to support the vision of European connectivity, it promotes the deployment of local wireless access points through simplified planning procedures and reduced regulatory obstacles. Such access points, including those ancillary to the provision of other public services or non-commercial in character, can make an important contribution to the improvement of current and the deployment of future generations of wireless communications networks by facilitating more granular coverage in line with evolving needs.

Amendment

(2) Amongst measures to support the vision of European connectivity, it promotes the deployment of local wireless access points through simplified planning procedures and reduced regulatory obstacles. Such access points, including those ancillary to the provision of other public services or non-commercial in character, can make an important contribution to the improvement of current and the deployment of future generations of wireless communications networks by facilitating more granular coverage in line with evolving needs. ***These access points may form part of a network with a single authentication system, valid in the whole European Union territory. The system should guarantee net neutrality, and the use of data for advertising or other commercial uses should therefore not be permitted.***

Or. pt

Amendment 4

Proposal for a regulation Recital 3

Text proposed by the Commission

(3) Following the Communication ***setting out a European vision of Internet connectivity for the Digital Single Market*** and in order to promote digital inclusion, the Union should support the provision of ***free*** local wireless connectivity in the centres of local public life, including outdoor spaces accessible to the general public, through targeted support. Such

Amendment

(3) Following the ***Commission*** Communication ***of 14 September 2016*** and in order to promote digital inclusion, the Union should support the provision of local wireless connectivity ***free of charge and free from restrictions*** in the centres of local public life, including outdoor spaces accessible to the general public, through targeted support. Such support is so far not

support is so far not covered by Regulations (EU) No 1316/2013¹⁵ **and** (EU) No 283/2014¹⁶.

¹⁵ Regulations (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, OJ L 348, 20.12.2013, p. 129, as last amended by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, OJ L 169, 1.7.2015, p. 1.

¹⁶ Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC, OJ L 86, 21.3.2014, p. 14.

covered by Regulations (EU) No 1316/2013¹⁵ **or** (EU) No 283/2014¹⁶.

¹⁵ Regulations (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, OJ L 348, 20.12.2013, p. 129, as last amended by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, OJ L 169, 1.7.2015, p. 1.

¹⁶ Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC, OJ L 86, 21.3.2014, p. 14.

Or. pt

Amendment 5

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) Support of this kind should encourage entities with a public mission such as public authorities and providers of public services to offer **free** local wireless connectivity as an ancillary service to their public mission so as to ensure that local communities can experience the benefits of very high-speed broadband in the centres of public life. Such entities could include municipalities and other local public authorities, libraries and hospitals.

Amendment

(4) Support of this kind should encourage entities with a public mission such as public authorities and providers of public services to offer local wireless connectivity **free of charge and free from restrictions** as an ancillary service to their public mission so as to ensure that local communities can experience the benefits of very high-speed broadband in the centres of public life. Such entities could include municipalities and other local public authorities **and cultural spaces, in particular** libraries and **museums, as well**

as schools, hospitals and health centres.

(In order to ensure that the wording proposed by Parliament is consistent across all languages, the terms used to translate the Portuguese expression 'gratuita e livre de restrições' should correspond to the English expression 'free of charge and free from restrictions'.)

Or. pt

Amendment 6

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) Local wireless connectivity should only qualify as free where it is provided without corresponding remuneration, whether by direct payment or other types of consideration, including, but not limited to, advertising and the provision of personal data.

Amendment

(5) Local wireless connectivity should only qualify as free ***of charge and free from restrictions*** where it is provided without corresponding remuneration, whether by direct payment or other types of consideration, including, but not limited to, advertising and the provision of personal data, ***and free from restrictions as regards the terms and conditions of use, such as connection for a limited period of time or with restrictions on speed or volume.***

Or. pt

Amendment 7

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) Rural coverage of the new access networks (NAN) is still significantly lower than urban coverage, and only 28% of rural homes are covered by fixed technology.

Or. pt

Amendment 8

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Given the non-commercial nature of this intervention and the small scale of individual projects foreseen, the administrative burden should be limited to a minimum. Therefore, the intervention should be implemented by the most appropriate forms of financial assistance, notably grants, available under the Financial Regulation, now or in future. The intervention should not rely on financial instruments.

Amendment

(8) Given the non-commercial nature of this intervention and the small scale of individual projects foreseen, the administrative burden should be limited to a minimum. Therefore, the intervention should be implemented by the most appropriate forms of financial assistance, notably grants, ***for instance through vouchers***, available under the Financial Regulation, now or in future. The intervention should not rely on financial instruments.

Or. pt

Amendment 9

Proposal for a regulation

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Given the limited volume of financial appropriations measured against the possibly high number of applications, steps will need to be taken to ensure that administrative procedures are simplified so that decisions can be taken in a timely manner. Regulation (EU) No 1316/2013 (the CEF Regulation) will need to be amended to allow Member States to support categories of proposals in line with the criteria defined in section 4, so as to avoid the individual approval of applications and ensure that certification of expenditure and annual reporting to the Commission are not obligatory for grants awarded under this Regulation.

Amendment 10

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) The available budget should be allocated in a geographically balanced manner so that projects can be covered in all the Member States. This principle, the aim of which is to guarantee geographical balance, should be included in the relevant work programmes adopted in accordance with the CEF Regulation, be specified in the calls for projects and, if necessary, should allow increased participation for applicants from Member States where participation has been relatively low. The criteria for selecting applications should not result in a situation where areas that are already digitalised are favoured, to the detriment of regions that are most in need of connectivity.

Or. pt

Amendment 11

Proposal for a regulation

Recital 11

Text proposed by the Commission

Amendment

(11) Given Internet connectivity needs within the Union and the urgency of promoting access networks that can deliver, throughout the EU, an Internet experience of high quality based on **very** high-speed broadband services, financial assistance should seek to attain a geographically balanced distribution.

(11) Given Internet connectivity needs within the Union and the urgency of promoting access networks that can deliver, throughout the EU, an Internet experience of high quality based on high-speed broadband services, ***in support of the objectives of the European gigabit society***, financial assistance should seek to attain a geographically balanced

distribution, *promoting the principle of universal access for citizens to the benefits of the information society.*

Or. pt

Amendment 12

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point b

Regulation (EU) No 1316/2013

Article 7 – paragraph 4 – point c

Text proposed by the Commission

(c) actions in the field of providing *free* local wireless connectivity in local communities shall be financed through grants or forms of financial assistance other than financial instruments.

Amendment

(c) actions in the field of providing local wireless connectivity *free of charge and free from restrictions* in local communities shall be financed through grants or forms of financial assistance other than financial instruments.

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. pt

Amendment 13

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Annex – section 4 – paragraph 3 – point 1

Text proposed by the Commission

1) are implemented by an entity with a public mission capable of planning and supervising the installation of indoor or outdoor local wireless access points in public spaces;

Amendment

1) are implemented by an entity with a public mission capable of planning and supervising the installation of indoor or outdoor local wireless access points in public spaces, *and of ensuring funding for operating costs*;

Or. pt

Amendment 14

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Annex – section 4 – paragraph 3 – point 2

Text proposed by the Commission

2) build on **very** high-speed broadband connectivity enabling delivery of high quality Internet experience to users that

Amendment

2) build on high-speed broadband connectivity enabling delivery of high quality Internet experience to users that

Or. pt

Amendment 15

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Annex – section 4 – paragraph 3 – point 3 a (new)

Text proposed by the Commission

Amendment

3a) guarantee that the acquisition of equipment and installation of services are carried out in accordance with Directive 2014/24/EU^{1a} of the European Parliament and of the Council.

^{1a} Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

Or. pt

Amendment 16

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Text proposed by the Commission

Amendment

3b) respect the principles of technological neutrality, the efficient use of public funding and the ability to adapt projects to the best technological offers.

Or. pt

Amendment 17

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Annex – section 4 – paragraph 5

Text proposed by the Commission

Amendment

The available budget shall be allocated in a geographically balanced manner to projects meeting the above conditions in view of the proposals received and, in principle, on a 'first come, first served' basis.'

The available budget shall be allocated in a geographically balanced manner **in the Member States** to projects meeting the above conditions in view of the proposals received and, in principle, on a 'first come, first served' basis, **in keeping with the work programmes contributing to economic, social and territorial cohesion in the Union and promoting digital inclusion.**'

Or. pt

Amendment 18

Proposal for a regulation

Article 2 – paragraph 1 – point 6

Regulation (EU) No 283/2014

Annex – section 4 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

Member States may allocate their own resources or resources from the European Structural and Investment Funds to

develop complementary services and offers that boost the sustainability of projects.

Or. pt

EXPLANATORY STATEMENT

The WiFi4EU initiative is a proposal that will help to bolster the development of a more inclusive European digital society.

In his State of the Union address of 14 September 2016, the Commission President, Jean-Claude Juncker, spoke of ‘a new legal framework that attracts and enables investments in connectivity’, where ‘connectivity should benefit everyone’.

According to the commitment given by Jean-Claude Juncker, ‘everyone benefiting from connectivity means that it should not matter where you live or how much you earn’, and he therefore proposed ‘to equip every European village and every city with free wireless Internet access around the main centres of public life by 2020’.

In this context, the WiFi4EU initiative represents an opportunity, as part of the communications package, to affirm the principle of universal access for European citizens to the benefits of the information society, by implementing a pilot scheme with a balanced geographical dimension and distribution that will serve as a reference point for the development of inclusive platforms providing free access to wireless networks that is dynamic and resilient in the face of technological change.

It also opens up the possibility of developing and applying a concept to differentiate the European digital identity, incorporating the values that inspired the European project into the design of the pilot scheme, with a focus on solutions for citizens and the opportunities created for businesses and content creators.

Universal access aims to boost local digital ecosystems, strengthen the link between the European Union and its citizens, and create more and better opportunities for the development of new-generation networks.

To this end, it is crucial to ensure that the focus on access to networks is complemented by the universal free availability of public interest services and content of general interest, and to promote a simplified application and implementation system that will guarantee transparency and certification of project quality and compliance with the requirements.

The amendments proposed in this report aim to guarantee a better response to the following principles around which the initiative is structured:

1. Universal free access

The access networks promoted in the EU should deliver an Internet experience of high-speed broadband services, thus contributing to the development of the European gigabit society. This access should be universal, free of charge and free from restrictions.

Free access means that no direct remuneration is made, through commercial advertising or the commercial use of users’ data.

2. Authentication and access system

The access points should develop into a network with an authentication system that is valid in the whole European Union territory. Access should follow the single authentication ('one login only') principle. In order to exploit the full potential of this approach, a reference template should be developed that will guarantee interoperability, collective efficiency and a common identification line, with a possibility of tying it into the specific features of each local project.

3. Eligibility

Public bodies whose mission is compatible with the project's objectives should be able to submit applications. Bearing in mind the limited amount of funding available for each project and the high number of potential applications, a system for administering the scheme is needed that will ensure rapid and efficient decisions. Consideration should be given to a voucher-based allocation scheme for this purpose.

4. Geographical balance

The principle of geographical balance across the various Member States in accessing resources under the initiative should be guaranteed. Geographical balance within each Member State should be guaranteed by criteria to be defined in the corresponding work programme.

5. Combating exclusion and promoting territorial cohesion

The criteria for approving projects should take account of the priority to be given to promoting digital inclusion and territorial cohesion.

6. Sustainability

In order to guarantee the sustainability of projects, Member States may use their own funds or the European Structural Funds to develop complementary services and offers.

7. Non-overlapping of offers

Projects should be considered only where there is no public or private offer with similar characteristics in the same area.

8. Monitoring

The Commission should ensure that a system is in place for monitoring the initiative, including the publication of reports on its implementation.