



State of the Union 2016: Commission paves the way for more and better internet connectivity for all citizens and businesses

Strasbourg, 14 September 2016

"We need to be connected. Our economy needs it. People need it. And we have to invest in that connectivity now." – President Juncker, State of the Union 2016

On the occasion of President Juncker's 2016 State of the Union address, the Commission today proposed an ambitious overhaul of EU telecoms rules with new initiatives to meet Europeans' growing connectivity needs and boost Europe's competitiveness. These proposals will encourage investment in very high-capacity networks and accelerate public access to Wi-Fi for Europeans.

At work, at home or on the move, Europeans expect an internet connection that is fast and reliable. Encouraging investments in very high-capacity networks is increasingly important for education, healthcare, manufacturing or transport. To meet these challenges and prepare Europe's digital future, the Commission has today put forward three strategic connectivity objectives for 2025:

- 1. **All main socio-economic drivers**, such as schools, universities, research centres, transport hubs, all providers of public services such as hospitals and administrations, and enterprises relying on digital technologies, should have **access to extremely high - gigabit - connectivity** (allowing users to download/upload 1 gigabit of data per second).
- 2. **All European households**, rural or urban, should have access to connectivity offering a **download speed of at least 100 Mbps**, which can be upgraded to Gbps.
- 3. All **urban areas as well as major roads and railways** should have **uninterrupted 5G coverage**, the fifth generation of wireless communication systems. As an interim target, 5G should be commercially available in **at least one major city in each EU Member State by 2020**.

These objectives can only be achieved with massive **investments**. The Commission therefore proposed a new **European Electronic Communications Code** including forward-looking and simplified rules that make it more attractive for all companies to invest in new top-quality infrastructures, everywhere in the EU, both locally and across national borders. The investments triggered by the new framework could boost our GDP by an additional €910 billion and create 1.3 million new jobs over the next decade (by 2025). In addition to the Code, the Commission also presented **an action plan to deploy 5G** across the EU as from 2018. This has the potential to create two million jobs in the EU. Another key initiative of today's connectivity package, **WiFi4EU**, aims at helping European communities offer free Wi-Fi access points to any citizen (more information [here](#)).

Andrus **Ansip**, Vice-President for the Digital Single Market, said: *"Without first-class communication networks, there will be no Digital Single Market. We need connectivity that people can afford and use while on the move. To achieve that, spectrum policies must be better coordinated across the EU. More competition and further integration of the European market will allow us to reach these goals, helped by the right environment created by the new Communications Code."*

Günther H. **Oettinger**, Commissioner for the Digital Economy and Society, said: *"Connectivity is a key prerequisite for Europe's digital future: The Internet of Things, digitisation of industry, cloud, big data – all this demands secure and ubiquitous connectivity, with the best speed and quality. Europe has the ambition to lead on the deployment of 5G. It is time to move to a gigabit society and make sure all Europeans, whether in the countryside or in cities, can get access to a quality internet connection."*

A new Electronic Communications Code to help build future networks

Reaching our connectivity objectives is estimated to require €500 billion investment over the coming decade. This money will largely have to come from private sources. However, under current investment trends, there is likely to be a €155 billion investment shortfall.

In order to address this investment challenge, the Commission proposes a modernisation of the current EU telecoms rules, which were [last updated in 2009](#). The Code will stimulate competition which drives investments and strengthens the internal market and consumer rights.

Today's new European Communications Code proposes:

- **Increased competition and predictability for investments:** In whichever sector they operate, investors need long-term certainty. This means a stable regulatory environment which reduces divergences between regulatory practices across the EU. The Code will apply market regulation only where end-user interest requires it and where commercial arrangements between operators do not deliver competitive outcomes. The new Code substantially reduces regulation where rival operators co-invest in very high-capacity networks and makes it easier for smaller players to be part of investment projects, thanks to the pooling of costs, the overcoming of scale barriers, etc. New rules make the investment case more predictable for "first movers" who take the risk to invest in those networks in less profitable areas, such as rural areas. With the new Code, it is not only about competition for access to networks anymore, but also competition for investments in these networks (see [Questions and answers](#) for more details).
- **Better use of radio-frequencies:** Reducing divergences between regulatory practices across the EU is particularly relevant in the area of radio spectrum, which is the key raw material for wireless communications. The Code proposes long licence durations, coupled with more stringent requirements to use spectrum effectively and efficiently. It also proposes to coordinate basic parameters such as the timing of assignments to ensure timely release of spectrum to the EU market and more converged spectrum policies across the EU with the aim to provide full wireless coverage across the EU.
- **Stronger consumer protection,** in areas where general consumer protection rules do not address the sector-specific needs. Updated rules make it easier to switch suppliers when consumers are signed up to bundles (packages combining internet, phone, TV, mobile etc.) and ensuring that vulnerable groups (like the elderly, disabled and those receiving social assistance) have the right to affordable internet contracts.
- **A safer online environment for users and fairer rules for all players:** Selected rules are extended to new online players which offer equivalent services to traditional operators, to ensure that security requirements (making sure networks and servers are secure) apply. The rules also foresee the possibility for users to reach the EU emergency number 112 via such online services in the future. This will not imply any additional costs for the users.

As part of today's legislative proposals, the Commission also proposes to reinforce the role of national regulators, and the Agency - [BEREC](#) to ensure consistent and predictable application of the rules throughout the Digital Single Market, limiting current fragmentation and inconsistencies.

WiFi4EU

The Commission proposed a new initiative today to give the possibility to all interested local authorities to offer free Wi-Fi connections to any citizen, for example, in and around public buildings, health centres, parks or squares. With an initial budget of €120 million, this new public voucher scheme has the potential to deliver connectivity to thousands of public spaces, generating 40 to 50 million Wi-Fi connections per day. Financing for the installation of local wireless access points should be available quickly, after adoption of the scheme by the European Parliament and Member States. A minimum of 6000 to 8000 local communities should benefit from this new project by 2020. As foreseen in the [eCommerce Directive](#), the local authorities offering these services to their citizens would not be liable for the content that they transmit.

An action plan for 5G

The Commission also presented today a 5G Action Plan, which foresees a common EU calendar for a coordinated 5G commercial launch in 2020, as well as joint work with Member States and industry stakeholders to identify and allocate spectrum bands for 5G, organise pan-European 5G trials as of 2018, promote common global 5G standards and encourage the adoption of national 5G deployment roadmaps across all EU Member States.

The Commission and investors in the telecoms sector also consider providing venture capital to start-ups developing 5G solutions for innovative applications and services across industrial sectors. This would take the form of a specialised venture financing facility helping them to bring new services to market such as in the area of automated driving, goods delivered by drones, or virtual reality for specific professional collaboration.

Background

Businesses, from start-ups to large companies, increasingly rely on the internet to operate, create and scale-up. In the global race to create high-tech companies and to transform traditional ones, first-class internet connectivity is indispensable. The success of e-commerce, the Internet of Things, the reliability of e-government and e-health applications, the user experience of video and audio content in gaming and streaming: all these and much more depend on investment in future connectivity. Higher quality

broadband coverage will be needed to make sure many users can use online services in the same location – for example in airports or stadiums, business parks and public administrations, and to connect billions of objects, from cars to home appliances. It can also enable children to learn in a new way at school with virtual reality and allow doctors to perform remote surgery.

In 2015, 71% of European households - but only 28% of those in rural areas - had access to a [fast fixed internet connection](#) (download speed of at least 30 Mbps), and for 4G mobile coverage, the EU average is 86%, but in rural areas only 36% ([source](#)). This is not enough to address the growing need for speed, quality and reliability of the infrastructure necessary for the Digital Single Market.

Building on the [EU's existing 2020 broadband targets](#), the Commission today sets out a vision for a European Gigabit society, where availability and take-up of very high capacity networks enable the widespread use but also development of products, services and applications in the Digital Single Market.

Making progress towards a Digital Single Market

Today's connectivity initiatives, presented along with new EU copyright rules ([press release](#) – [press conference at 15.15 CET](#)), are part of the EU strategy to create a Digital Single Market (DSM). The Commission set out 16 initiatives ([press release](#)) and is on the right track to deliver all of them by the end of this year.

The Commission counts on the European Parliament and the Council to endorse the ambitious objectives it has presented and to adopt these legislative proposals as soon as possible, so that Europeans can fully benefit from digital opportunities.

For more information

[Questions and answers](#)

[Factsheet on telecoms](#); [Factsheet on WiFi4EU](#)

[Digital Economy and Society Index \(DESI\) including data on connectivity per country](#)

[More on telecoms](#)

Documents adopted today

Communication and Staff Working Document – [Connectivity for a Competitive Digital Single Market – towards a European Gigabit Society](#)

Action Plan and Staff Working Document Communication – [5G for Europe](#)

[European Electronic Communication Code](#)

[Regulation on the Body of European Regulators of Electronic Communications \(BEREC\)](#)

[Regulation on the promotion of Internet connectivity in local communities and public spaces \(WiFi4EU\)](#)

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Attachments

[WIFI4EU Factsheet.pdf](#)

[Factsheet telecoms.pdf](#)