

Internet connectivity for growth, competitiveness and cohesion: European gigabit society and 5G

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PURPOSE: to pave the way for better internet connectivity to prepare for the digital future.

BACKGROUND: in 2010, the [Digital Agenda for Europe](#) defined objectives for connectivity by 2020: universal availability at 30 Mbps, to ensure territorial cohesion, and subscriptions at 100 Mbps by at least 50% of European households, to anticipate future competitiveness needs.

In 2015, fixed networks offering at least 30 Mbps were available to 71% of homes across the EU. Subscriptions at 100 Mbps+ are growing sharply, from a low base: 11% of all homes had such subscriptions by mid-2015. However, there are still substantial differences between Member States, and between urban and rural areas, in both coverage and take-up.

While basic broadband is available to every European, the Commission noted that this is no longer good enough for the ongoing digital transformation.

In its [resolution](#) of 19 January 2016, the European Parliament underlined the role of private investment in Internet connectivity networks for digital progress and the role of a stable regulatory framework in enabling all players to invest in all areas, including rural and remote ones.

CONTENT: this communication confirms the importance of Internet connectivity for the Digital Single Market and the need for Europe to deploy now the networks for its digital future.

To this end, it sets out a vision for a European Gigabit society. This vision is operationalised through three strategic objectives for 2025. To help make this vision a reality, this communication proposes a series of initiatives designed to establish the right conditions for the necessary investments to take place, primarily to be achieved by the market.

Strategic objectives for 2025: while the 2010 connectivity objectives remain valid up to 2020, the Commission sets out three complementary strategic objectives to meet the digital challenge:

- high-speed gigabit connectivity (allowing users to send and receive a gigabit of data per second) for places driving socio-economic developments such as in schools, universities, research centres, transport platforms, public services such as hospitals and public administrations, as well as businesses that rely on digital technologies;
- access for all European households to Internet connectivity offering at least 100 Mbps;
- 5G coverage for all urban areas and all major terrestrial transport paths. An intermediate objective for 2020 is for 5G connectivity to be available as a fully-fledged commercial service in at least one major city in each Member State, building on commercial introduction in 2018.

Adapting the policy and legal framework for investment: according to estimates, an overall investment of around EUR 500 billion over the coming decade is required to reach the vision and objectives for 2025.

The proposed initiatives consist of a major reform of the regulatory framework for electronic communications, in the form of the accompanying legislative proposal for a European Electronic Communications Code (the Code) and Body of European Regulators for Electronic Communications (BEREC) Regulation.

The European Electronic Communications Code presented by the Commission proposes the following:

- incentives for deployment and take-up of very high-capacity networks in competitive markets: the aim is to enable adequate returns on new investments relative to risks, giving Europe-wide predictability to the international investment community, while leaving adequate scope for adaptation to localised network conditions;
- spectrum rules for mobile connectivity and 5G: the proposed Code establishes: (i) key principles for spectrum assignment in the Union, new Union-level instruments to establish assignment deadlines and licence periods (minimum 25 years), and a peer review among national regulators to ensure consistent assignment practices; (ii) consistent approach to coverage obligations, to small-cell deployment and to network sharing, thereby stimulating 5G deployment and rural connectivity; (iii) facilitates spectrum sharing in 5G networks, and promotes end-user access to Wi-Fi-based connectivity;
- improved consumer protection: the proposed Code: (i) modernises end-user switching rights, including for bundles; (ii) ensures that vulnerable end-users have a right to an affordable connectivity contract; (iii) secures a fair internal market through maximum harmonisation of the main sector-specific end-user rules.

In addition to legislative and regulatory measures, the Commission also proposes the following:

- [an action plan for high performance 5G connectivity in Europe](#): according to a recent study, the successful deployment of 5G could bring about EUR 113 billion per annum in benefits in four industries (automotive, healthcare, transport and utilities), with benefits widely spread over business, consumers and wider society. In addition, 5G deployment could support the creation of more than two million jobs in the EU;
- further policy and financial measures, at Union, national and local levels, including a "Wi-Fi for Europe" initiative to promote widespread availability of Wi-Fi connections for citizens across the EU.

The Commission calls on Member States to review progress of their National Broadband Plans and update them by the end of 2017 with a time horizon of 2025. In cooperation with the Committee of the Regions, it will set up by the end of 2016 a participatory broadband platform to ensure a high level of engagement.

