



Update on Broadband Policy

Governmental Day Workshop

12 March 2019

Amsterdam

EU 2018



59.7% coverage with ultrafast broadband

19.9% rural areas

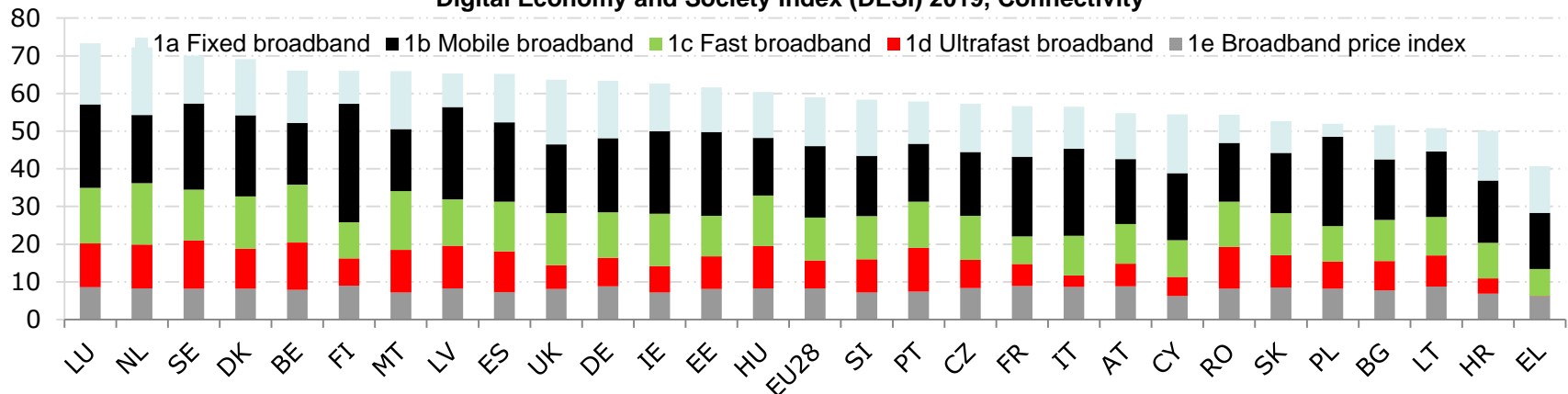
40.6% take up of ultrafast broadband

15% rural areas

29.6% FTTP coverage

14.1% rural areas

Digital Economy and Society Index (DESI) 2019, Connectivity



Towards a "European Gigabit Society"

3 strategic connectivity objectives for 2025

1. **All main socio-economic drivers** should have **access to gigabit connectivity**: schools, business parks, universities, research centres, hospitals, etc.
2. **All urban areas and major roads and railways** should have **uninterrupted 5G coverage**; 5G should be commercially available in at least one major city in each EU Member State by 2020
3. **All European households**, rural or urban, should have access to connectivity offering a **download speed of at least 100 Mbps**, upgradable to gigabit speed

Policy &
Regulation

EU funding
initiatives for
broadband

Post-2020
Multi-Financial
Framework

European Electronic Communications Code

Facilitate the roll-out of very high capacity (VHC) networks through increased competition and predictability for investment by:

- ☐ Promoting **co-investment deployment** to reduce the risk faced by single operators.
- ☐ Simplified regulatory model for **wholesale-only networks** to facilitate deployment of VHC networks deeper into suburban and rural areas.
- ☐ Empowering national regulators with tools for **mapping of broadband infrastructure and investment intentions** to provide investment certainty in less attractive areas.
- ☐ Facilitating **access to civil infrastructure**, such as ducts, masts, and cabinets etc., which will lower significantly deployment costs.
- ☐ **Coordinated timing of 5G spectrum assignment:** deadline for 5G Pioneer Bands December 2020
- ☐ Sufficiently long **duration of rights for 5G harmonized spectrum: 20 years**
- ☐ **Facilitation of small cells deployment** and RLAN access: removal of administrative obstacles and undue restrictions

Financial support for broadband under the current MFF

Structural and Investment Funds (ESIF)

- European Regional Development Fund (ERDF)
- European Agricultural Fund for Rural Development (EAFRD)
- € 6 billion for digital networks

Connecting Europe Facility (CEF) – Telecoms strand

- EUR 17.5 million commitment under the **CEF Debt Instrument** reserved for broadband
- **Connecting Europe Broadband Fund (CEBF)** with an expected leverage of € 1-1.7 billion
- **WiFi4EU initiative** € 150 million for equipment

European Fund for Strategic Investments (EFSI)

- As of February 2019, EUR 3.53 bn **EFSI guarantee** having unlocked **total related EFSI investments of EUR 16.2 billion** into pure broadband projects

Update on WiFi4EU



The European Union is bringing free Wi-Fi to the public parks, squares, libraries, town halls...

€120 million of EU investments in vouchers

At least 6,000 to 8,000 local communities

WHO WILL BENEFIT?

Increased
to EUR 150
million



Everyone: WiFi4EU will give free internet access to local residents and visitors throughout the entire EU in the main centres of community life (parks, squares, libraries, public buildings, etc.).



WHO CAN APPLY?

Municipalities or groups of municipalities:

Who would like to offer digital public services such as eGovernment, eHealth, eTourism, etc.

Who seek funding for equipment and installation and can provide free connection to their community for at least 3 years.



one voucher per municipality
= €15,000

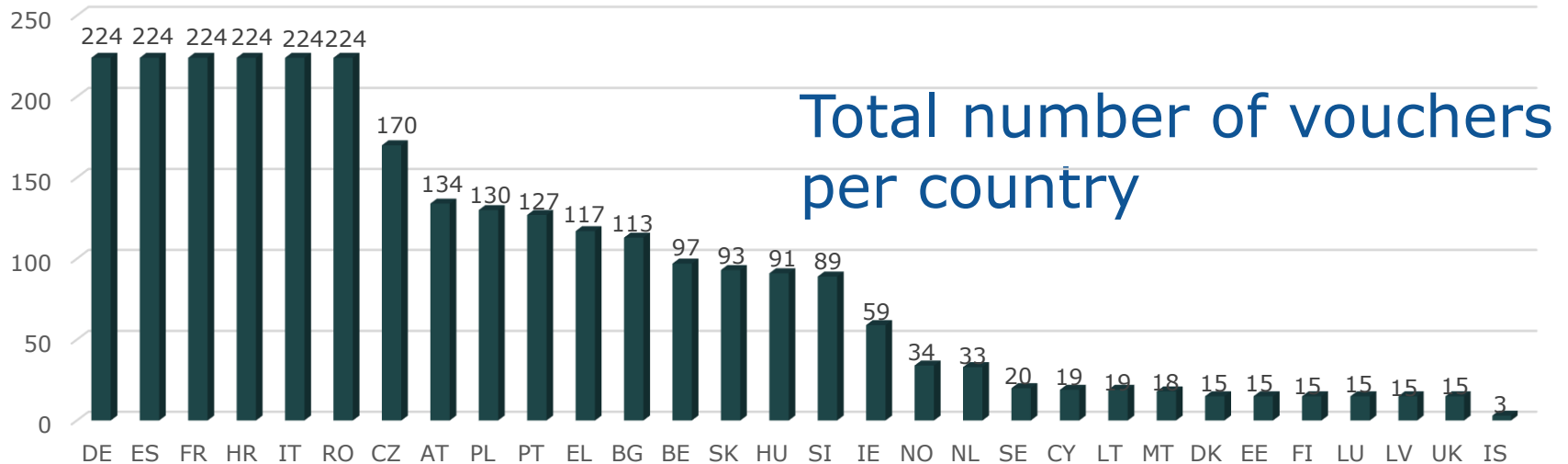
Call 1: 7-9 November 2018 - 2800 vouchers – EUR 42 million

Current rules:

- **First come first served:** first 2800 municipalities to hit the Apply button
- In addition, to balance the geographical distribution, some automatic adjustments are made to the list of the first 2800 ones:
 - if a country does not reach the minimum 15 vouchers, we go beyond the first 2800 ones to first guarantee the minimum 15
 - if a country reaches more than the maximum 8% (224 vouchers), then we stop allocating vouchers for that country
- As requested by some Member States, the cap has been increased to 15%

- **17.000** municipalities registered, **13.200** applied
- **99,6%** of the 2800 vouchers were exhausted within the first hour,
 - **IT DE ES FR**: all vouchers exhausted within **first 3 seconds**
 - Other countries within **first 8 minutes** (but UK IS LU LV)
 - last voucher on the second day at 9:06.
- **Six countries reached the maximum** number of vouchers (**DE ES FR IT RO HR**)
- **All countries reached the minimum** of 15 vouchers, but Iceland
- **2.658** grant agreements signed

Wifi4EU results of the first call– Distribution of the 2800 vouchers

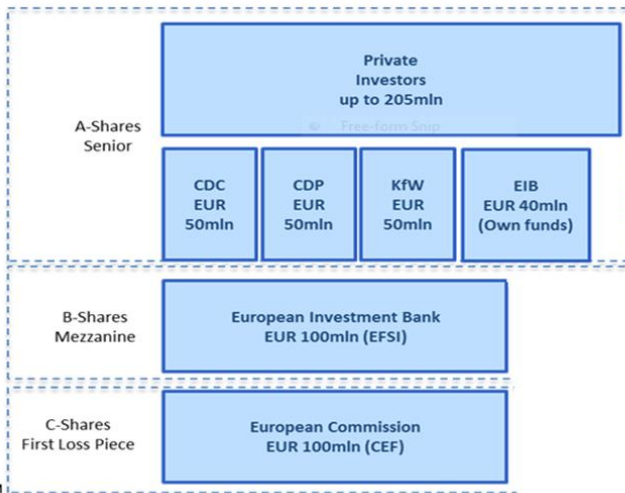


Time at which
countries
reached their
number of
vouchers

TIME OF THE LAST « WINNING » APPLICATION			
COUNTRY			
PT	2018-11-07 13:01:12.544		
IT	2018-11-07 13:00:01.179	CZ	2018-11-07 13:01:12.659
DE	2018-11-07 13:00:02.144	BG	2018-11-07 13:01:12.701
ES	2018-11-07 13:00:02.536	IE	2018-11-07 13:01:13.430
FR	2018-11-07 13:00:03.626	HU	2018-11-07 13:01:13.766
RO	2018-11-07 13:00:09.613	PL	2018-11-07 13:01:13.996
CY	2018-11-07 13:00:13.312	SE	2018-11-07 13:01:14.179
LT	2018-11-07 13:00:28.221	SK	2018-11-07 13:01:14.321
HR	2018-11-07 13:00:29.350	AT	2018-11-07 13:01:14.393
DK	2018-11-07 13:00:37.502	BE	2018-11-07 13:01:15.657
SI	2018-11-07 13:01:02.156	EE	2018-11-07 13:02:28.447
MT	2018-11-07 13:01:09.627	FI	2018-11-07 13:07:58.177
NO	2018-11-07 13:01:10.473	UK	2018-11-07 13:40:16.604
EL	2018-11-07 13:01:11.269	IS	2018-11-07 17:02:04.002
NL	2018-11-07 13:01:11.936	LU	2018-11-08 08:47:37.529
		LV	2018-11-08 09:06:36.607

- **Installation of equipment:** The municipalities that have a grant agreement signed with the Commission can start installing. Companies will be able to **declare the installation** around end March-early April.
- **Single authentication:** Goal is to provide a secure solution for WiFi authentication with an easy to access experience across the EU. **Call of tender** expected to be published in Q1 2019.
- An **interactive forum** that serves as a direct, focal point with stakeholders (i.e. municipalities and Wi-Fi installation companies) for information exchange <https://ec.europa.eu/futurium/en/wifi4eu>
- **Next call:** spring 2019

Fund Description



- Aimed at directing private investors to **smaller, riskier broadband projects in underserved areas**
- Minimum 420 million EUR, 20-year fund with an expected leverage of **1 to 1.7bn EUR**
- Layered fund with **market standard governance** structure and **attractive risk / return profile**
- **Independent** fund manager Cube IM
- Public investors supervise compliance with **investment guidelines**

Strategy & types of investments

- Eligible projects according to the legal base of Connecting Europe Facility Regulation, i.e. broadband projects contributing significantly to the achievement of **EU connectivity targets** → focus on **less dense areas** (mostly rural), white and grey areas + requirement to invest in minimum 12 countries, target **20 countries**
- **Equity** and quasi-equity
- **Minority** positions
- **Small, but technically and commercially viable greenfield projects** (EUR 1-30 mln*, average EUR 12 mln)

First Close

- First close in June 2018
- Invested until June 2021

Second Close

- Expected after 18 months
- Cap at EUR 600 million

First project

- RENE Project Croatia: (FTTH) open-access network for residential, business and public administration in the rural areas of the Primorje-Gorski Kotar and Istria regions - over 135,000 locations

Contact for project promoters

www.cubeinfrastructure.com
cebf@cubeim.com

CEF DIGITAL 2021-2027

€3 billion

Focus on connectivity infrastructure to enable digital transformation

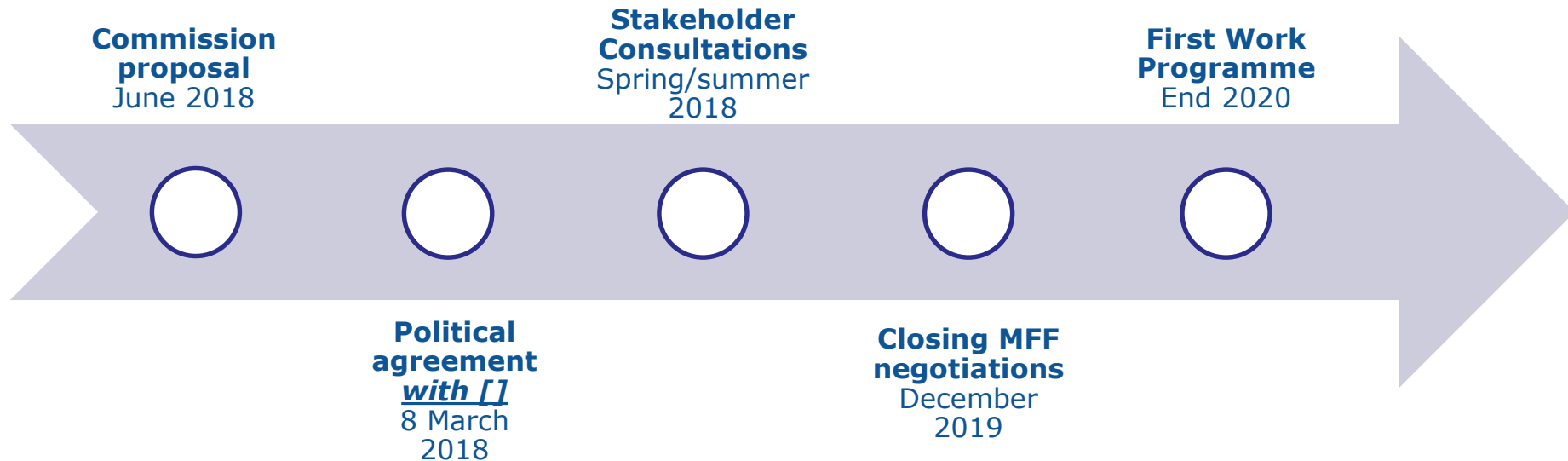
Alignment with Gigabit Society Strategy objectives (€ 155 bn gap)

Complementarity with Digital Europe, structural funds & InvestEU

Synergies with transport and energy networks within CEF

- Cross-border 5G automotive corridors
- Gigabit connected hospitals, schools, business parks, public WiFi & coverage of surrounding areas
- Key international/ cross-border connectivity

CEF DIGITAL 2021-2027 Timeline



5G corridors along transport paths

- Uninterrupted 5G coverage of cross-border sections on pre-agreed (indicative) corridors
- 5G coverage of other transport paths (rail, inland waterways)

2nd objective
Gigabit Society
5G Action Plan

▪ Strategic deployment agenda & cross-sector public - private partnerships

▪ Access to roads and spectrum as pre-condition & intra-MS continuation of service

▪ Complementary to Digital Europe and Horizon Europe Programmes



Indicative 5G corridors under CEF



Gigabit connectivity for socio-economic drivers & coverage of surrounding households

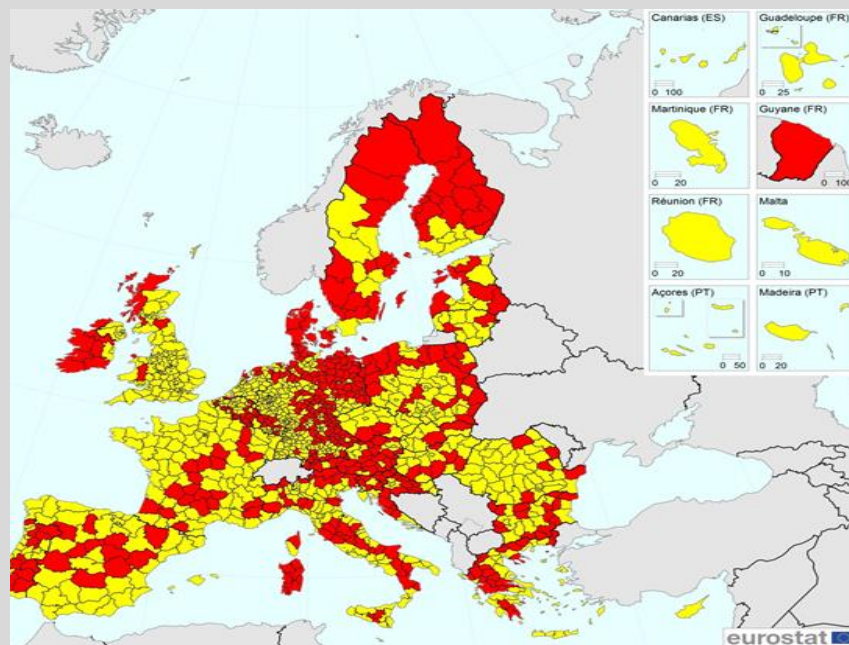
VHC (including 5G) connectivity to as many socio-economic drivers as possible

Maximising number of household coverage in the surrounding areas

1st Gigabit Society objective

Build 5G communities
Boost use of online services
Reduce digital divides

Complementarity with Digital Europe
Delineation from structural funds and InvestEU

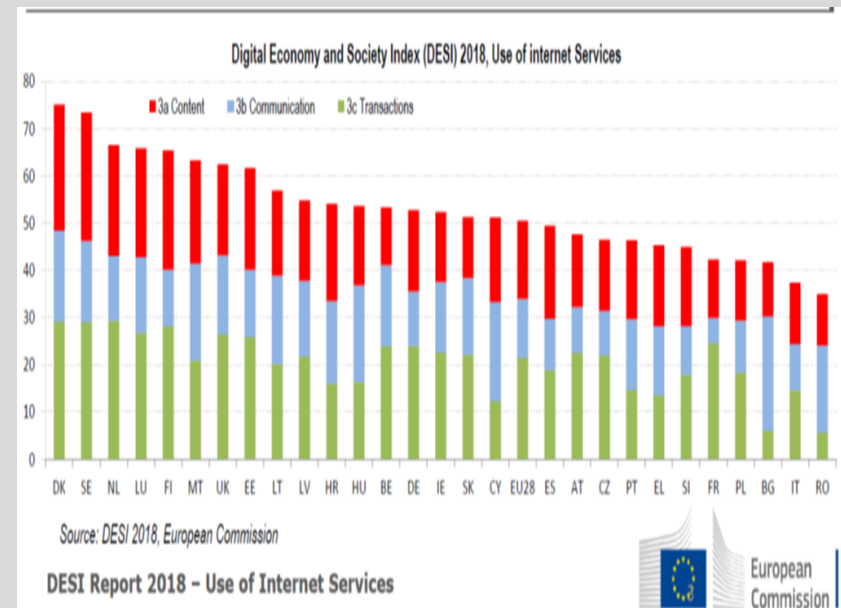


Evolution of WiFi4EU & synergy projects

Next generation “WiFi4EU”: different selection criteria & possible integration with 5G ready small cells

Gigabit Society objective

- Massive demand for Wifi4EU vouchers
- Synergies with SED connectivity, Digital Europe Programme
- Possibilities for smart cities, including via synergy projects (e.g. digital operational platforms)



Key international and cross-border connectivity

Terabit links making high performance computing available throughout Europe

Increasing capacity & resilience of connections to EU islands or between EU and external hubs



Examples:
Submarine cables intra EU or reaching outside EU;
Links between digital innovation hubs to HPCs

Thank you for your attention!

Questions?