



EUROPEAN COMMISSION

Brussels, 12.04.2017
C(2017) 2363 final

Dear President,

The Commission would like to thank the Riksdag for its Reasoned Opinion on the Commission's 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}.

It should be recalled that the WiFi4EU initiative is designed to encourage entities with a public mission such as public authorities and providers of public services to offer free local wireless connectivity in the centres of local public life (e.g. public administrations, libraries, health centres and outdoor public spaces). To this end, it provides financial incentives in favour of those entities who want to provide free, high capacity local wireless connectivity in public spaces within their jurisdiction or at their sites of service. The WiFi4EU initiative will be implemented by way of amendments to a regulation implementing the Connecting Europe Facility (CEF) legal base.

The Commission is pleased that the Riksdag considers the proposal has a positive purpose, and that it shares the Commission's views on the importance of access to connectivity, especially for local communities. The Commission also appreciates the emphasis placed by the Riksdag on the democratic function of access to connectivity.

The Commission regrets the Riksdag's conclusion that the proposal does not comply with the principles of subsidiarity and proportionality. The Commission understands that this conclusion is primarily based on the fact that no dedicated impact assessment has been conducted and on concerns related to the impact of the proposal on competition. The Commission would like to address these two points in turn.

Regarding the lack of a dedicated impact assessment, the Commission wishes to clarify that this proposal forms part of a package of measures supporting connectivity, including the European Electronic Communications Code, which was subject to a very wide-ranging and thorough public consultation and impact assessment that included an analysis of the connectivity dimension in the EU.

*Mr Urban AHLIN
Speaker of the Riksdag
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The proposal itself contributes to the package's articulation of an EU-wide vision for connectivity by allocating resources through an amendment of the legal base of the existing Connecting Europe Facility and its operation in the field of telecommunications infrastructure. As also this had been fully impact assessed, the Commission concluded that, overall, a dedicated impact assessment would not be required.

The evidence gathered as part of these impact assessments has been presented to and discussed with the representatives of the Member States at technical level. In addition, the Commission will gather additional evidence on implementation issues in the coming months.

Furthermore, the consistency of the initiative with the principles of subsidiarity and proportionality has been considered by the Commission, as reflected in the Explanatory Memorandum accompanying the proposal.

The Riskdag also noted its concerns regarding the impact of the proposal on competition. The Commission would like to emphasise that the support of WiFi4EU to the deployment of public local access points is not expected to have any significant effect on competition:

- WiFi4EU will not fund projects located in areas where an existing offer with similar characteristics, including the quality of service, is already offered (exclusion criterion);*
- The local access points financed under the initiative are expected to have limited coverage - often indoor – and will be set up in a way to limit any possible interference.*
- Such access points will be complementary to mobile telecom services (3G/4G) – i.e. no substitution of mobile telecom services by local wireless access should be expected and in some cases there may even be "off-loading" effects benefiting those private operators;*
- The total number of local access points financed under the initiative will be small as compared to those operated by public and commercial providers of electronic communication services – in the range of dozens of millions in Europe.*

Because of the reasons indicated above, the Commission believes there is no risk that the support proposed will distort competition or have a negative impact on market actors' willingness to invest.

Furthermore, the Riksdag's Opinion requested information on the contribution of the proposal to the single market for electronic communications. This contribution will be mostly indirect, as is generally the case for broadband projects supported under CEF: because of networks effects, any local improvement of broadband connectivity improves the functioning of the trans-European telecommunications networks as a whole – and the WiFi4EU application and selection process will be designed in such a way as to put large and small communities on an equal footing ("first-come, first-served" principle while ensuring a geographically balanced distribution). Further cross-border effects will be achieved by the introduction of a system permitting a single log-in valid throughout Europe and a

customisable access solution which may allow some of the Digital Service Infrastructures developed under CEF to be promoted alongside local e-services (e-Government, e-Health, e-Tourism, etc.).

Finally, long-term funding needs of projects supported by Wi-Fi4EU will depend mostly on the cost of connectivity (backhaul). Since this cost will not be eligible under Wi-Fi4EU and its accessibility and quality may vary between and within Member States, local authorities are in a better position to assess it on a case-by-case basis before making a decision to apply for the support under the initiative.

The Riksdag's Opinion has been made available to the Commission's representatives in the ongoing negotiations with the co-legislators and it will therefore usefully inform these discussions.

The Commission hopes that these comments address the concerns raised by the Riksdag and looks forward to continuing our political dialogue.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Andrus Ansip
Vice-President*