Senato della Repubblica

Camera dei deputati

MEETING OF CHAIRPERSONS OF COMMITTEES ON EMPLOYMENT, RESEARCH AND INNOVATION

Session II – Digital opportunities

Concept note

According to an assessment made by the European Commission, full implementation of the Digital Agenda – launched in March 2010 with the goal of dragging Europe out of the crisis and preparing the EU economy for the challenges to be faced over the next decade – will increase Europe's GDP by 5%.

In order to take advantage of the opportunities offered by the digital economy, it will be necessary to strengthen investment in communication infrastructures and networks that ensure fast, reliable and comprehensive connectivity. The European Commission estimates that the construction of digital infrastructure could create 1.2 million jobs.

The average speed of data transmission on mobile devices in Europe is half of that in the United States. The US, South Korea and Japan together account for 88% of worldwide 4G mobile network subscribers, compared with just 6% for Europe. Similarly, in Europe the amount of fibre-optic cable laid for fixed-line networks and average broadband speeds are much lower than those of our international competitors. In South Korea, 58% of households have fibre-optic connections, while in Japan the figure is 43%. It is just 5% in Europe.

The Digital Agenda sets the following goals for broadband coverage:

– basic broadband for all by 2013 (objective achieved);
– access to new-generation networks (speeds of at least 30 Mbps) for all European citizens by 2020. At present, 62% of European citizens are covered;
– also by 2020, at least 50% of households should have Internet subscriptions at connection speeds higher than 100 Mbps. At present, 3% have such subscriptions.

Therefore, enormous investment is needed to complete the infrastructure. The European Commission estimates that between €60 billion (total coverage at 30 Mbps) and €270 billion (50% of European households with access at 100 Mbps) will be required.

The resources allocated by the EU for the 2014-2020 period are far less than required. In addition to the Structural Funds, the **Connecting Europe Facility** (CEF),[1] has been established with €1 billion to fund a number of specific projects to build high-speed and ultra-fast broadband networks. In July 2014, the Commission inaugurated the "Connected Communities" initiative, which comprises a series of support tools for small and large cities, local broadband partnerships and operators to bring broadband to their community. Funding can also be sought from the European Investment Bank for broadband projects. Furthermore, the Commission has established special rules for state aid granted for broadband that avoid the distortion of competition. As announced by the Commission itself, this has led to a considerable increase in such aid by individual Member States in recent years. Finally, Directive 2014/61/EU on measures to reduce the civil engineering costs of deploying high-speed electronic communications networks (estimated savings of around 30% of the total investment cost), recently came into force.

Nor can we ignore the benefits of transitioning to e-government (online government services), which could allow government entities to reduce their costs by 15-20% and benefit users in terms of time saved and lower costs, as well as improving the level of satisfaction. Although these benefits are not easily and unambiguously measurable, according to the Commission's assessments they could result in saving citizens and businesses time that can be quantified as worth between €150 million and €600 million each year.

It is necessary to understand, apart from the current monitoring of the implementation of the Digital Agenda (most recently published in the Digital Agenda Scoreboard):

a) whether, given the strategic nature of digitalization and the need for Europe as a whole to catch up with more advanced areas as quickly as possible, the initiatives undertaken by the European Union are adequate to achieve the targets set (in addition to development of networks, reducing the fragmentation of the TLC market, the delivery of smart digital services, enhancing the TLC literacy of European citizens and increasing demand for services);

b) whether the resources allocated by the EU are sufficient and whether the decision to leave much of the burden of upgrading infrastructure to the

[1] The CEF, with an appropriation of €33 billion for the 2014-2020 period, is specifically designed to promote growth, employment and competitiveness through investment in infrastructure at the European level.

Member States could lead to substantial asymmetries, among other things in relation to the size and features of the various territories;

c) whether and in what form innovative financing sources could be introduced, starting with more extensive use of EIB funding which, through the project bonds initiative, seeks to stimulate the capital market to finance large-scale infrastructure projects in the strategic transportation, energy and broadband sectors;

d) what are the most relevant experiences and how to build models based upon them.