



Satellite Broadband for European Regions
CIP-ICT PSP Call 6

Working session: Guidelines on Satellite services procurement Working Group Nr.

WP2 - Early Analysis & Guidelines



European Commission
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Solutions To Implement Satellite Broadband Access Operation (E.g. Final Beneficiaries, Final Recipients, State Aid Broadband Guidelines, Demand Aggregation)

- If groups of users have 1 antenna & then Wi-Fi
- Possible to including in 2014–20 regional programme
- Package into total project plan – initial free period
- Prior demand registration – so understand scale of demand, for funding & can sell to operators
 - Long-term need everyone connected but short-term need to understand demand
- Opportunities for communities to aggregate demand & co-finance, and must be community led
 - Sell services not Internet access per se
- Beneficiary? Must build up from end users – v. small % of population – everyone having right to access at set price & people moving into rural areas wanting same services as urban

IMPLEMENTATION/PROCUREMENT METHODS: e.g. Vouchers, Call for tender.

- Lots of European examples of residential broadband satellite schemes with 2 routes: either tenders or vouchers:
- Tender – service spec if frozen doesn't allow price & speed improvements to flow thru
- Vouchers (for CPE) – invest upfront & refund (works in Northern but not Southern countries) – choice remains to end user so can decide what service wants – can pre-qualify number of minimum offers but can still innovate
 - Experience is take-up is higher through this route
 - Though lots of different offers to users can be confusing & they don't know what they will get from different services
 - CPEs not standardised so cannot switch operators though can switch service providers

Financial Circuit

- Initial investment in infrastructure to provide services for free for e.g. 2 years & then services paid for & infrastructure sold (can link into e.g. wider training programmes)
 - Works for Cohesion policy countries; other countries may need more minimal investment
- Explore potential for discounts for aggregated demand through distributors – e.g. invest in ‘chunk’ of satellite (i.e. in infrastructure, which will make service cheaper)
- Satellite + Wi-Fi hybrid – buy service off satellite operator
 - Option for long-term evolution to e.g. fibre connections

Monitoring

- Monitoring depends upon EU funding streams being used
- Need to understand usage & impact as well as adoption, though provision of basic broadband connectivity is basic right, but want to assess return on investment
- Need to track what delivering and demonstrate have delivered

Conclusions and Recommendations

- Differences between countries and e.g. with Cohesion funding mean design of programme and funding will vary widely across European countries – different requirements, culture, etc.
- Satellite can be part of hybrid solutions, with long-term evolutionary potential – e.g. aggregating demand for satellite to feed Wi-Fi, which can be replaced over time with fibre
- Vouchers good way of reaching individuals with actual demand, but may not deliver overall strategic programme to reach final %, which may require tenders driven by communities/localities/regions



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