



PRESS RELEASE

TRENTINO: A NEW APPROACH IN THE DEVELOPMENT OF FIBRE-OPTIC TELECOMMUNICATIONS NETWORKS

Provincial government-Telecom Italia agreement to cover 60% of homes via a mixed public/private company

Trento, 8 February 2011

Lorenzo Dellai, President of the Autonomous Province of Trento, and Franco Bernabè, CEO of Telecom Italia, today signed a preliminary agreement that sets out a path for building a next-generation fibre-optic network (NGN or Next Generation Network). Over the next few months, this should lead to the signature of a final public/private partnership agreement that establishes a public/private joint venture – the first of its kind in Italy for NGN infrastructure – to ensure fibre connection to more than 150,000 properties, corresponding to around 60% of all properties in the province.

This agreement has been reached within the framework of an open-ended consultation of industry players, is in compliance with the principles of transparency and non-discrimination and followed the 16 December 2010 foundation of the Trentino NGN Srl company. Trentino NGN Srl is set to build, maintain and supply “passive” access network infrastructure to carriers, and accept the ingress of other partners.

The Telecom Italia project has been acknowledged as worthy of consideration by the Province of Trento. In observance of applicable law and regulations, and any guidance that may be issued by relevant industry authorities, the project will facilitate the fiber rollout providing end-use benefits to local government bodies, health authorities, the university, local research facilities, enterprise and citizens in general.

As part of the project, the provincial government will contribute €60 million in capitalization to Trentino NGN Srl. Telecom Italia could endow the company with assets in two phases:

- ▶ An “initial assignment” of stretches of piping, underground ducting and piling within the province;
- ▶ A “subsequent assignment” of its proprietary copper access network within the province.

After the final agreement has been signed, Telecom Italia may be granted the right to exercise an option to buy out the provincial government’s stake.



Moreover, in order to bring down costs and reduce NGN network building times, an assessment will be conducted on the appropriateness and economic feasibility of re-purposing existing civil infrastructure in the area.

Lorenzo Dellai, President of the Autonomous Province of Trentino, declares: “The future of Trentino lies along a digital superhighway that will enhance the area’s competitiveness through connectivity and new services for local government, enterprise and individuals. Trentino is working hard to upgrade and deploy the best tools to rise to the challenges that await us. Our objective is to plan and act with a global mentality while leveraging our local identity, in which cohesion plays a key, underlying role. Above all else, autonomy means responsible management of local resources in an approach based on value for money and efficiency. We have already begun working on the 900 km-long fibre-optic backbone that will close the digital divide between towns and outlying areas. A number of our most promising resources are located in such outlying areas; we cannot and will not forsake them.”

Telecom Italia CEO Franco Bernabè says: “Today’s agreement with the Autonomous Province of Trento is another major part of Telecom Italia’s strategy for equipping Italy with a next generation fibre-optic network. This public/private partnership will speed up investments in fibre optics, and at the same time guarantee economic sustainability. Telecom Italia is moving ahead with its NGN project to provide 50% fibre optic coverage of the Italian population by 2018.” Mr Bernabè concludes: “We are convinced that building this infrastructure and the roll-out of the services that the new network enables is key to Italy’s economic and social advancement”.

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