

Response to 'Path to the Digital Decade' Public Consultation

13 December 2021

GIGAEurope, a trade association that brings together private operators who build, operate and invest in gigabit networks that enable Europe's digital connectivity, thanks the European Commission for the opportunity to provide feedback on the initiative launched on 16 September 2021 on a "Proposal for a Decision of the European Parliament and of the Council establishing the 2030 Policy Programme "Path to the Digital Decade".

GIGAEurope welcomes the ambition in the Commission's 2030 Digital Decade targets. As private operators investing in gigabit fixed & 5G mobile infrastructures, we believe that the Commission is focusing on the right pillars and sets the right level of ambition. While we regard all pillars as equally important, we regard the connectivity pillar as a prerequisite to deliver on the others.

The objective of bringing Gigabit Connectivity into every household and 5G in all populated areas of the EU by 2030 builds on earlier targets but is particularly challenging to achieve.

The 2021 Digital Economy & Society Index (DESI) shows that roll-out of high-speed fixed and mobile connectivity increased faster during the past year than before. This trend is impressive considering that much of this deployment happened with the constraints of the pandemic, where operators struggled with staffing and supply chain issues. At the same time, take-up of especially high-speed fixed connectivity (speeds of at least 100 Mbps) is lagging behind, only reaching 34%. Even with lagging demand, operators are expected to pursue further investments to reach the new EU connectivity targets for 2030 of 1 Gbps to all households and 5G in all populated areas. The EIB estimated that for EU27 there is a need to invest an additional €210bn until 2025.

GIGAEurope believes the solutions to accelerate coverage of gigabit & 5G networks to 100% and attract private investment into European digital infrastructure are:

(i) EU policy reforms

- A revised Broadband Cost Reduction Directive should aim to lower the cost of network roll-out by streamlining network building permits & procedures which will accelerate the deployment of 5G and Very High Capacity Networks.
- Revised Broadband State Aid Guidelines should lead to more effective use of public funds by adopting a technology-neutral perspective, closing any loopholes leading to network overbuild, and include mobile networks in their scope.

(ii) National implementation of EU rules

- The European Electronic Communications Code should be transposed by all EU Member States as a matter of priority. To date, 19 Member States have failed to implement the Code before the end 2020 deadline, which leads to a fragmented regulatory landscape that makes infrastructure investment cases unnecessarily more difficult as cost of capital increases due to regulatory risk.

- All Member States should complete 5G spectrum allocations. Currently, only 38,7% of 5G spectrum has been assigned and is usable throughout the EU27.
- (iii) Member States' Implementation of connectivity best practices
- Practical outcomes of pending EU policy reforms could be fast-tracked by implementing the EU Connectivity Toolbox best practices as agreed amongst Member States to accelerate roll-out of gigabit & 5G networks and reduce network deployment cost.

GIGAEurope believes the onus is on the Member States to create a positive, enabling environment in their strategic roadmaps that conveys long term legal security and a perspective on ROI for private infrastructure investors. GIGAEurope proposes a number of concrete improvements:

- For spectrum licenses coming up for renewal, we urge governments to explore alternatives to auctions. Whilst safeguarding competition, we believe that reaching agreement between regulators and operators on the conditions for prolonging licenses (for example by improving coverage) with 10 or 20 years will stimulate further investment, whilst contributing to the Digital Decade connectivity coverage targets.
- Focus spectrum allocations on how to stimulate the most rapid and broad 5G coverage instead of on extracting maximum value from the operators e.g. by creating spectrum scarcity through allocation of spectrum to verticals.
- Stimulate continued infrastructure/innovation competition between VHCNs by adopting a technology-neutral perspective and focus on prioritizing consumer outcomes in terms of choice and time to market.
- With regard to setting out KPIs in future implementing acts as referred to under Art.5 to monitor & measure progress made on the 2030 connectivity target, we emphasize the importance of defining technology-neutral connectivity KPIs to avoid picking technology winners and instead stimulate infrastructure competition by gigabit-capable network technologies.
