

# Paving the way for Europe's Competitive Connectivity Sector: GIGAEurope responds to the Commission White Paper on Digital Infrastructure Needs

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GIGAEurope welcomes the European Commission's leadership in future-proofing the current regulatory framework for connectivity across EU Member States. The White Paper "*How to master Europe's digital infrastructure needs?*" acknowledges technological trends, the level of industry fragmentation, and macro investment challenges impacting the evolution and competitiveness of the European connectivity sector. It also outlines various future industry scenarios for public consultation. Important issues to address going forward are linked to fragmentation in the EU Single Market for electronic communications services, the socioeconomic impact of low user uptake concerning advanced digital tools, and how to navigate and compete in an increasingly complex and converging internet ecosystem.

GIGAEurope shares the assessment that the current trajectory is undesirable, and risks missed opportunities for people and businesses across the Union. Industry and policymakers must work together to ensure that no transformative technology passes Europe by. Important elements to consider in this context include:

- **Preserving the principle of technology neutrality** in all future regulations. This is the most efficient path to achieving the Digital Decade targets. It leverages market-based competition between all Gigabit technologies (i.e. fibre, Hybrid Fibre Coax/DOCSIS 3.1, 4.0 and 5G). Infrastructure competition remains a key driver of very high-capacity network investment in Europe. Furthermore, technology neutrality allows providers to select the best connectivity solutions for homes and businesses across Europe.
- **Removing barriers to a functioning Digital Single Market**, specifically those that relate to spectrum management across the EU. Future policy frameworks must create incentives for harmonisation. Operators need to be able to benefit from economies of scale. Fragmented regulatory conditions and an overly complex code are the primary barriers to achieving a true Digital Single Market. Ways to achieve this include harmonising annual spectrum fees without undermining investment incentives; ensuring availability of new harmonised spectrum bands; licensing only the number of players that are viable in the market long term; establishing clear spectrum roadmaps; and tacitly renewable spectrum licences over the long term.

- **Adopting a holistic approach to consolidation that considers dynamic factors.** Acknowledging the necessity of achieving the right scale for European telecom players is important, but enabling its creation requires a shift in merger policy. Competition and price are hardly the only metrics for determining consumer welfare. Isolating the price of services fails to take all other aspects of consumer welfare into account, such as network availability, quality, and resilience. Telecommunications companies have an inherent economic incentive to provide high-quality service at an affordable price.

The White Paper and the inputs for the public consultation are an important opportunity to set the stage for a modernised and future-proof European connectivity policy framework. This process can only bring about the intended outcomes if it leads to simplifying existing sector-specific regulations. This includes enhanced predictability and investment certainty; greater scale for the sector in-country; more operational efficiency; and increased user uptake of advanced digital technologies. Any future framework must also include mechanisms to empower Europeans with the digital skills to safely navigate our modern internet ecosystem, remain active in an increasingly digitised labour market, and create innovations.