

## Maintaining local fibre momentum through the Broadband Cost Reduction Directive

The European Union has recently published its proposals for a *Path to the Digital Decade* as part of its 2030 strategy, which stresses the importance of connectivity in all sectors of the economy and the society. It sets the target that networks with gigabit speeds should become available at accessible conditions for everyone. Considering that this cannot be achieved without a reliable nationwide fibre network across EU Member States, increased efforts of all market players must be engaged.

Only a comprehensive fibre infrastructure will allow us to harness the full potential of digitalisation as a pillar of the future economic recovery. Thus, it is imperative that the current **revision of the Broadband Cost Reduction Directive (BCRD)** acknowledges the crucial role alternative fibre network providers play in achieving a digital economy that leaves no one behind nor unconnected. This is also instrumental in successfully delivering the European Green Deal, as an overarching European priority. The engine of progress behind these objectives are investments in future-proof internet infrastructures and the prioritisation of privately funded fibre deployment over public subsidisation. By protecting competition, it will be possible to strengthen the fibre momentum that local network providers have established in recent years.

### 1. Facilitating access to physical infrastructures and coordination of civil works

The relevant provisions on shared-use of physical infrastructures and co-deployment, which are generally aimed at accelerating the roll-out of very-high-capacity networks (VHCNs), form an essential part of the BCRD. It is important that the new rules do not introduce further symmetric regulatory obligations, but rather revise and reduce existing symmetric access obligations, which have an adverse effect on already functioning markets and competition therein. That is why, it is critical that regulatory measures prioritise open access, which creates a level playing field and does not hinder positive market trajectory and fibre momentum. Only in the absence of a viable open access offer should the directive's provisions regarding co-deployment and shared use be applicable.

The primary focus of the directive should be to reduce the costs of deployment for VHC-networks and to accelerate their roll-out in areas without high-speed connectivity. Policy interventions should not delay the deployment of new fibre infrastructures even further by removing investment incentives for the first mover. Given the directive's objective of cost reduction, access obligations for physical infrastructure owned by fibre network operators should not be deemed to fall under the legislation's remit. It should rather focus on access obligations for physical network operators other than telecommunication networks, i.e. undertakings providing electricity, gas, water and sewage disposal networks. In all other cases, negotiated solutions and voluntary open access agreements need to be the basis for ensuring access to existing networks. This is important to protect the first mover's business case and to maintain incentives for operators to deploy new networks without the risk of being overbuilt. A reluctance to build new networks will ultimately lead to fewer networks being deployed, thereby contradicting the main goal of the directive, especially in those areas that are less profitable, such as predominantly rural areas.

The current provisions on the coordination of civil works create an additional incentive for harmful duplication of telecommunications infrastructures. This is mainly due to the inadequate definition of the term "public means" and to the lack of options to reject coordination requests. Public utilities, in particular, face considerable uncertainty under the current definition of "financed from public funds", which triggers the obligation to grant a request for coordination. As a result, many regional and local public utility companies no longer expand their networks, since their privately funded investments categorically fall under the definition of "public means", which makes them vulnerable in the event of a threatened coordination application by a free rider. This underscores the importance of a clear definition of the term, clarifying that it shall only cover the direct inflow of means from public budgets. Additionally, the principle of open access should be prioritised. As such, it must be ensured that coordination applications do not cause unnecessary delays and lead to overbuilding of fibre optic networks for which open network access is already provided.

## 2. Increasing environmental sustainability through fibre

Fibre is demonstrably the most sustainable electronic communication infrastructure compared to more traditional fixed-network technologies, i.e. xDSL or Coax. As such, fibre networks play a key role in combating climate change and achieving sustainable ecological development. It will only be possible to meet the objectives of the European Green Deal and the EU's 2030 sustainability targets with the help of energy and resource efficient technologies. Full fibre networks (FTTB/H), which allow the transfer of almost unlimited amounts of data, are fundamental to sustainable digitalisation. They are distinguished by their long lifespan and comparatively low maintenance requirements, which result in lower material consumption in the overall product lifecycle.

These energy efficiency gains can be even further enhanced through open access agreements. Actively shared networks discourage unsustainable and inefficient overbuilding and allow all players to participate equally in market activities. Wholesale products, such as bitstream open access, are therefore consequential to the success of the European Green Deal and should be incentivised through the revised BCRD. Furthermore, to reap the benefits of digitalisation and to enable a more sustainable future, a strong political commitment to fibre technology within the new initiative is needed. Positive effects on sustainability will only manifold with increasing demand in the future, which reinforces the necessity to roll out fibre infrastructures as quickly as possible.

## 3. Simplifying bureaucratic permit granting procedures

Currently, protracted permit granting procedures are the cause of immense delays to nationwide fibre roll-out in many EU Members States. A new set of rules, harmonising and digitising the approval procedure, would significantly accelerate deployment and reduce costs for rolling out fibre networks. Such a mechanism could be implemented by introducing one-stop-shops on regional and municipal level, which would significantly help to streamline the permit granting procedure. By standardising and simplifying the procedure, authorities are able to issue permits more swiftly and without causing undue delays. This could be achieved by implementing internet-based service portals that can be used in a location-independent manner and which allow permit decisions to be issued almost instantly. Digital permit granting procedures are the foundation for establishing synergies and for creating a process where resources and human capital are allocated efficiently.

Additionally, the introduction of tacit approval mechanisms can further contribute to eliminating existing inefficiencies in permit granting procedures. When authorities do not keep to agreed deadlines, automatic approval should be granted, which will allow network providers to improve their planning capabilities and to schedule civil engineering with certainty.

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### About ELFA:

The [European Local Fibre Alliance](#), ELFA, is the shared voice of alternative fibre network operators and regional public utility companies in the EU. ELFA members bring fibre to everyone across Europe in order to shape the green and digital transition envisaged by the EU. With competition as the key driver for investments and open access as a means to fast, efficient and sustainable deployment, we are committed to the only future-proof technology to fulfil the needs for today's and tomorrow's digital infrastructure.

