



EUROCITIES STATEMENT ON MEASURES TO REDUCE THE COST OF DEPLOYING HIGH-SPEED ELECTRONIC COMMUNICATIONS NETWORKS

To be smarter, more sustainable and more inclusive, it is essential that our cities have the benefit of comprehensive future-proof connectivity. But the market does not always support such investment in the latest technology. In particular public services depend increasingly on high-speed connectivity. It is imperative therefore that legislative frameworks promote efficient investment and maximise the benefits from telecommunications infrastructure.

Market failure and public sector budget constraints including reduced EU funding constrain investment in broadband in some urban areas. The Commission's focus on promoting investment in high-speed electronic communications infrastructure is therefore very welcome.

The Commission proposal for a regulation on reducing the cost of deploying high-speed electronic communications networks is a positive step in enabling cities to use existing infrastructure in the deployment of high-speed broadband networks. This approach is welcome but the regulation must also protect cities that have already established forms for coordinating civil works and cities that already provide sufficient access to Next Generation Access (NGA) networks. The proposal contains important provisions that will protect critical city infrastructure and existing successful broadband models.

SPECIFIC COMMENTS ON THE DRAFT REGULATION

Article 3: Access to existing physical infrastructure

The right for network operators to offer access and the obligation to meet all reasonable requests for access to their infrastructure is key to the proposed regulation. In areas where there is a risk that the Digital Agenda is not achieved we strongly support this access to existing physical infrastructure. The proposal also contains welcome measures that take into account the need to protect critical infrastructures and existing successful broadband business models. We support the provisions in the proposal that make clear that network owners may restrict or refuse access to critical city infrastructures where necessary, for example:

- where there is already alternative means of access to a high-speed communications infrastructure that would meet the needs of the access seeker; this provision is important for cities that already deploy successful broadband models offering passive next-generation access infrastructures that provide open, non discriminatory access
- where there are safety and security issues, for example where access to underground transport systems in cities could result in severe travel restrictions or raise security and safety issues

The national dispute settlement body (or other regulator) should only be able to intervene in a pricing decision when dark fibre is not available on equivalent terms and when there is evidence that this is a genuine barrier to access for electronic communications service providers and where the price requested significantly exceeds the cost to the network operator of granting access. There should be a provision for reimbursement to the network operator in case of direct or indirect costs incurred as a result of granting access, for example works that run late thus impacting on the network operators' services.

Article 4: Transparency of physical infrastructure and creation of a single information point

The creation of a single information point containing all relevant network information will help reduce the administrative burden and costs. It will enable new public sector networks and new network operators to reduce the amount of time spent collecting and analysing data before deciding on an installation path.

It is important that network operators grant access to, at a minimum, the core information necessary for interested network operators (public and private) to make an informed decision on whether it is viable for them to use the infrastructure.

The Commission proposal includes some aspects of this critical information, but it should go further to include, in an indicative list (**additions in bold**):

- A. location, route and geo-reference coordinates
- B. size, type and current use of the infrastructure
- C. name of the owner or of the holder of rights to use physical infrastructure, and a contact point
- D. **physical infrastructure (ducts and poles) access conditions**

Information concerning the planned civil works of any network operator should include (**additions in bold**):

- A. location and type of works
- B. network elements involved (**duct or installation of equipment/fibre**)
- C. estimated start date and duration of works
- D. **open access conditions in place**
- E. a contact point

However, as is provided for in the Commission's proposal, it is also essential that network operators are able to refuse access to such information or limit the information provided. This should include for example, situations where there is already alternative means of access to a high-speed communications infrastructure that would meet the needs of the access seeker, or on the grounds of public safety, public security, integrity of the network or confidentiality.

Article 7 & 8: In-building equipment and access to it

Granting building permits is a central function of local authorities, so cities will play a key role in assessing and approving in-building high-speed-ready physical infrastructure. Equipping new buildings and major renovations (where feasible) with open, next-generation internal connectivity with access points can lead to a significant reduction in costs (compared with those of retrofitting).

These access points need to be open, carrier-neutral access points. This will encourage investment and competition between service providers.

THE NEED FOR A COMPLEMENTARY APPROACH AT EU LEVEL - FUNDING AND STATE AID

- This proposal needs to be complemented by supportive EU policies in order to achieve broadband targets and effectively address the digital divide. The reduced budget expected for broadband investment through the Connecting Europe Facility should retain the provisions for funding in high-density urban areas where there is market failure.

- The revised EU rules on state aid for broadband allow for public investment in cities and urban areas where there is market failure. These areas are often socially-deprived neighbourhoods and areas which are home to micro-businesses and SMEs. It is important that assessments of market failure are determined only through identification of NGA (Next Generation Access) white areas, and that different criteria are not applied to urban as compared to rural areas: barriers to investment can be just as high in some urban areas as in rural areas and these should be given equal opportunities for intervention if needed.
- The EU rules should be clear that public investment is allowed everywhere provided the Market Economy Investor Principle is respected. This will lead to the development of improved business cases.
- This state aid will be subject to very strict conditions on open access, technological neutrality and competition, albeit with recognition of the need to leverage private investment. The Commission should undertake to evaluate state aid applications as quickly and efficiently as possible, so as not to delay the deployment of high-speed broadband networks. In particular, it is critical to ensure that challenges are dealt with promptly and efficiently to avoid incumbents delaying investments.
- The EU should enforce open access conditions through National Regulatory Authorities (NRAs) on a comprehensive basis rather than through state aid conditions placed solely upon public interventions. This will ensure a level playing field and encourage new entrants.