



# EUROCITIES position on broadband

## Ahead of the review of the Telecom regulatory framework



Future-proof broadband is a priority for our cities continued economic development, competitiveness and better quality of life. By fostering high-speed broadband we, as city authorities, can promote job creation, support education, better healthcare and new skills building. Similarly, increasing broadband deployment can allow local governments to reduce administrative costs while increasing citizen engagement.

We believe future-proof broadband networks should be based on the open access principle<sup>1</sup>, be unbounded scalable and symmetric, be affordable, widely available and use fibre technology<sup>2</sup> or an equivalent technology<sup>3</sup>.

Fibre cables are progressively replacing parts of the copper network in cities. Experience from other infrastructure projects (such as roads, railways etc.) has shown that such infrastructure has a very long lifespan, therefore investments in fibre networks must be sustainable.

We are now at a crossroads on how to increase investment in future-proof broadband networks while ensuring access on open and pre-competitive terms to create free competition.

### Improving future-proof broadband infrastructure investments while safeguarding competition

Most of the investment in Next Generation Access (NGA) networks is related to passive physical infrastructure. This requires high capital investment and is characterised by long payback periods.

Future-proof broadband infrastructure is an enabler for urban development. Local and regional authorities can function as builders and owners of passive broadband networks and promote competition in the market for active network operation and services. By enabling multiple actors to be part of future digital development, city authorities can stimulate competition, innovation and service development in the public sector, and also promote efficient public spending.

The business model determines the openness of the infrastructure and how it is designed, which is crucial for competition at the service level. Promotion of 'non-vertically integrated' actors creates favourable conditions for fibre roll-out, encourages competition, promotes the socio-economic development of the community and stimulates innovation.

Collaboration between public authorities and the private sector to foster broadband deployment, especially in areas not covered by the market, can be beneficial. However,

---

<sup>1</sup>Except for operators with a small market share. In this case, the open access principle could prevent them to investing in the market.

<sup>2</sup>For the full definition of broadband network please refer to the EUROCITIES statement on broadband strategy 2010-2015 <http://wsdomino.eurocities.eu/eurocities/documents/EUROCITIES-policy-paper-on-broadband-in-cities-WSP0-8PM5LH>

<sup>3</sup>Technology that are equivalent to fibre in terms of quality, speed and capacity.

the partnership must be operator neutral to avoid proprietary lock-in of public data and favour competition at the service level. Future-proof broadband infrastructure and competitive services based on open data are crucial for our cities to become smarter.

## A review of the state aid rules

Cities are commonly considered as ‘black areas’, where broadband is supplied by at least two competitors. However, many deprived neighbourhoods within cities are still not well connected. Private investments in the latest broadband technology are not guaranteed when the economic return is not certain. Current state aid rules set out by the European Commission prevent public sector intervention in ‘black areas’. As a result, the ‘broadband for all’ objective in densely populated areas is not automatic.

For the completion of the digital single market in Europe, citizens require access to future-proof fibre connectivity. The current state aid rules are technology neutral and can favour the continued deployment and use of obsolete technologies. A review of the current EU state aid regulation is needed to support investment in the latest technologies and to allow city authorities to open the market for broadband services in Europe.

## The definition of targets in terms of speed, quality and capacity at EU level

Future-proof broadband network technology should be available to households and businesses, and must also be seen as the prerequisite for a European digital economy and society as well as an enabler for our cities to become smarter.

Future-proof networks should be designed for digital healthcare, government, education and all other e-services of the future. This requires symmetrical speed in electronic communications, meaning that networks can carry digital services at the same high download/upload data capacity.

Future-proof broadband networks have to use fibre technology; the only technology that meets the demand for unlimited symmetrical capacity on both download and upload.

Defining a common understanding of desirable speed, quality and capacity would be important for our cities. An EU framework to support this process could be helpful.

## Conclusions

From job search to e-learning and training, social networks and online platforms, broadband connectivity has become an essential element of the everyday life of more than 70% of people living in European cities. Local authorities feel responsible for providing those services to their citizens.

The roll out of high speed future-proof broadband networks is a prerequisite for the completion of the digital single market and a step forward towards a smart, sustainable and inclusive growth in Europe. SMEs and start-ups, drivers of innovation and job creations, can play a key role in the economic growth of deprived urban areas and effective broadband can help attract businesses and investments to these areas.

As part of the process of becoming smarter, our cities are leading the way towards CO<sub>2</sub> neutrality. Robust and reliable broadband networks are necessary to support energy efficiency facilitating low carbon development.

The Commission’s review of the telecoms regulatory framework, as part of its Digital Single Market Strategy, should incentivise investment in future-proof broadband networks.