



## PRESS RELEASE

**The European Local Fibre Alliance (ELFA) share the European Commission’s ambition to bring gigabit connectivity to all European citizens and businesses by 2030. ELFA supports initiatives that aim to reduce the costs of rolling out ubiquitous fibre networks and to encourage faster rollout. However, ELFA is concerned that the Commission’s Gigabit Infrastructure Act Proposal will not speed up the rollout of fibre networks in the EU. We are also concerned that the proposed Regulation will disincentivize network investments due to the risk of anti-competitive overbuild, especially in rural areas lacking in gigabit connectivity.**

*Brussels, 8 May 2023*

ELFA, the joint voice of European local and regional fibre operators embraces the European Commission’s ambition to bring gigabit connectivity to all European citizens and businesses by 2030 - powering the development and use of technologies, such as cloud, data spaces, AI, virtual reality and the metaverse.

We believe that the Commission’s ambition can only be achieved by ensuring full fibre connectivity in both urban and rural areas – removing the digital divide once and for all. An acceleration of dense fibre networks will not only support first-class connectivity to all but will also unlock the potential of ‘real’ 5G-services demanding fibre connections to a very high number of 5G cells.

ELFA generally supports initiatives that aim to reduce the costs of rolling out fibre networks and to encourage faster rollout, including proposals that can promote fast and streamlined (digital) procedures for permit granting.

However, ELFA is concerned that the European Commission’s Gigabit Infrastructure Act (GIA) Proposal will not speed up the rollout of fibre networks. With the exception of a few provisions, the proposed Regulation is an expression of harmonisation of civil work procedures across the EU, including permit granting procedures and coordination of civil works (joint digging). We would like to underline the importance of not implementing a one-size-fits-all regulation in the EU due to the vast differences between Member States regarding rollout speeds, market maturity and structure and institutional differences.

In our view, an update of the Broadband Cost Reduction Directive (BCRD) should constitute a flexible framework with minimum standards to accommodate the different market situations and administrative structures within the EU to support already efficient permit granting procedures and well-functioning existing digital systems in the Member States. Indeed, the great variety in administrative structures among the Member States can in some cases be a limiting factor for meaningfully establishing detailed directive-level rules regarding administrative procedures such as



permit granting. Often freedom of choice as to solutions will ensure the best outcome, and in such areas “toolbox” approaches as set out in the *Commission’s Recommendation of 18.9.2020 on a common Union toolbox for reducing the cost of deploying very high capacity networks and ensuring timely and investment-friendly access to 5G radio spectrum, to foster connectivity in support of economic recovery from the COVID-19 crisis in the Union* (C(2020) 6270 final) should be considered as an alternative and/or a supplement to directive-level rules.

ELFA fears that a one-size-fits-all approach on civil work procedures in the EU can slow down the fibre rollout in Europe, especially in Member States with efficient and streamlines digital procedures for permit granting. We believe that there is a need for flexibility in the proposed measures in order to take national characteristics into account and to protect already existing and well-functioning procedures. We therefore urge the Commission to withdraw the proposal and resubmit it as a Directive.

According to the draft Regulation, a competent authority must reject an application for a digging permit if the applicant has not provided information about the planned construction at least three months before the time of application. ELFA considers a three months’ notice period far too long reducing the speed of deployment and increasing costs. In some Member States, including Denmark and the Netherlands, the processing of digging applications is typically completed within a couple of weeks including a coordination of civil works (joint digging). ELFA finds it essential that Member States can maintain already efficient and streamlined procedures for permit granting and coordination of civil works.

ELFA is concerned that the proposed Regulation will facilitate anti-competitive overbuild by incumbent operators (including cable companies) requesting access to passive infrastructure (fibre ducts) owned by local fibre operators, which is a particular problem in Germany. The risk of strategic overbuilding by SMP operators act as a disincentive to network investments, especially in rural areas lacking in gigabit connectivity. ELFA finds the viable alternative for refusal of physical infrastructure access insufficient as it only includes wholesale physical access (dark fibre, fibre unbundling) and not wholesale bitstream access which is the most widespread business model for open access networks – supporting a strong competition in the retail market.

ELFA is also concerned that the proposed transparency obligations to network operators regarding planned civil work, including geo-referenced information, can be too extensive due to national security reasons (protection of critical infrastructure) and can be too burdensome for smaller network operators. Additionally, the need for operators to make information about civil works available at least three months in advance makes it very easy for SMP operators to strategically overbuild fibre networks, as they have information about their competitor’s roadmap of expansion.



ELFA fully supports the establishment of relevant standards and technical specifications for in-building physical infrastructure and fibre cabling for all new or majorly renovated buildings (apartment buildings), including buildings renovated for the purposes of improving energy efficiency.

We also support the proposed "fibre-ready" labelling scheme for apartment buildings fulfilling the specifications for inbuilding physical infrastructure and fibre cabling. We believe that the labelling scheme will create greater awareness among building owners and developers about the importance of access to fibre connectivity. Fibre cabling in apartment buildings not only ensures first-class connectivity, but also provides a cost-effective way to extend mobile indoor coverage through WiFi. One of the biggest challenges for mobile operators today is to obtain sufficient indoor coverage – especially in new building constructions and buildings renovated for the purposes of improving energy efficiency – as energy-efficient materials often weaken radio signals. According to studies, nearly 60 percent of all 4G mobile data is offloaded to Wi-Fi networks and it is estimated that the mobile offload percentage on 5G data will be around 70 percent.

The fact that fibre networks are also an important building block in the 5G ecosystem underlines the need for ubiquitous fibre networks in Europe.

ELFA stand ready to support the European Parliament and Member States in the Council as they review the proposal by the Commission.

#### **About ELFA**

[ELFA, the European Local Fibre Alliance](#), is the shared voice from alternative private and public local fibre operators in the EU. ELFA has been founded to call for a more ambitious European Digital agenda and the acceleration of fibre deployment in Europe to power very high capacity networks (VHCN) to citizens and businesses. Our vision is to create sustainable fibre-based infrastructure in both urban and rural areas across Europe. Members support open access business models and technology neutral access networks.

