

Measures to reduce the cost of deploying high-speed electronic communications networks

2013/0080(COD) - 26/03/2013 - Legislative proposal

PURPOSE: to propose measures to reduce the cost of deploying high-speed communications networks.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: high-speed broadband infrastructure is the **backbone of the Digital Single Market** and a precondition for worldwide competitiveness, for example, in the field of e-Commerce. According to the 2010 report on the Single Market, **telecommunications services and infrastructures in the EU are still highly fragmented along national borders**. A recent report on the cost of non-Europe in the electronic communications sector has shown that the **untapped potential of the Single Market corresponds to a yearly amount of 0.9% GDP, or EUR 110 billion**.

As recalled in the Communication on the [Single Market Act II](#), a 10% increase in broadband penetration can result in a 1-1.5 % increase in the GDP annually and 1.5% labour productivity gains. Broadband-induced innovation in companies creates employment and has the potential to generate 2 million extra jobs by 2020.

The Union has subscribed to ambitious broadband targets of the [Digital Agenda for Europe](#): by 2013, basic broadband for all Europeans, and by 2020, (i) access to speeds of above 30 Mbps for all Europeans, and (ii) subscription of internet connection above 100 Mbps for 50% or more of European households. These goals will only be achieved if the infrastructure deployment costs are lowered across the EU.

IMPACT ASSESSMENT: the Commission analysed **four options**:

- ***Option 1 (Status quo)***: maintaining the current approach of monitoring, enforcement and guidance.
- ***Option 2***: recommending measures towards a more coherent and harmonised application by National Regulatory Authorities of the regulatory framework for electronic communications.
- ***Option 3***: a proposal for a Regulation aiming at unlocking the potential of cross-sector cooperation (two sub-options, 3a and 3b, discuss options regarding respectively, a regulation only and a combination of a regulation and a recommendation).
- ***Option 4***: a proposal for legislation complementing the current regulatory framework to mandate measures going beyond option 3, (such as infrastructure atlases, cost-oriented infrastructure access, mandated cooperation in civil engineering works even when not financed by public means, and installation of high-speed-ready infrastructure even in old buildings).

The impact assessment concludes that **option 3a is the best option available**, given its effectiveness in achieving the objectives identified, the costs-benefits analysis, and ability to exploit the cost reduction potential efficiently and coherently with general EU policy objectives.

A study estimates that if measures were taken to address the problems identified, **the potential capital savings to operators are in the range of 20–30% of total investment costs**, i.e. up to EUR 63 billion by 2020.

LEGAL BASIS: Article 114 of the Treaty on the Functioning of the European Union.

CONTENT: the objectives of the proposed Regulation are to **reduce the cost and enhance the efficiency of deploying high-speed electronic communications infrastructure** by scaling up existing best practices across the EU. In order to do this, the proposal sets out a number of directly applicable rights and obligations across the various steps of infrastructure deployment, which can lead to significant cost reductions.

The proposal aims to **lower the barriers to investment and market entry** (i) by allowing for more intensive usage of existing physical infrastructures, (ii) by enhancing cooperation on planned civil works, (iii) by streamlining procedures on granting permits and (iv) by removing obstacles to high-speed-ready in-building infrastructure.

This initiative therefore addresses **four main problem areas**:

- inefficiencies or bottlenecks concerning the use of existing physical infrastructure (such as ducts, conduits, manholes, cabinets, poles, masts, antennae, towers and other supporting constructions);
- bottlenecks related to co-deployment;
- inefficiencies regarding the granting of administrative permits;
- bottlenecks concerning in-building deployment.

In order to maximise synergies across networks, the regulation is **aimed not only at electronic communications network providers but to any owner of physical infrastructures**, such as electricity, gas, water and sewage, heating and transport services, which are suitable for hosting electronic communications network elements.

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.