

Response to public consultation on the review of the Broadband Cost Reduction Directive

European Wireless Infrastructure Association – EWIA

About us

We are the **European Wireless Infrastructure Association**, the European trade association of independent wholesale wireless infrastructure providers. Our members invest in and operate wireless infrastructure essential to the delivery of mobile voice, wireless broadband, and other wireless networks.

EWIA is a well-established presence in Europe with **ten members operating across fourteen European countries** who develop, acquire and operate communication towers together with investment in the fibre-connected small cell networks in buildings and on city streets needed for 5G. Together, our members have invested and operate over 100bn of wireless infrastructure assets globally and operate a portfolio of more than 80,000 assets in Europe, raising the share of independent infrastructure to over 20% of the wireless infrastructure in Europe.

EWIA advocates for policies that **encourage network infrastructure investment and deployment**: this is necessary to make advanced wireless broadband available everywhere for consumers, businesses, health care, intelligent transport systems, public safety and the countless other sectors that rely on dependable wireless connections. This includes ensuring better and faster connectivity in rural areas as well as edge computing infrastructures and network densification in urban areas to allow high capacity and low latency new applications.

EWIA's priorities: question on neutral host infrastructure

As a feedback to this public consultation, we aim to respond to Question 22 on how the neutral host infrastructure could facilitate the deployment of electronic communications networks. We will also touch upon some horizontal issues such as: how to help the Covid-19 recovery and how our business model contributes to reducing the environmental footprint of the telecoms sector.

Our industry could be a valuable partner to EU policymakers and play a central role in facilitating the deployment of electronic communications networks. In particular, we could help to:

Attract more investments: EWIA members enhance Europe's connectivity by attracting investments that will be critical to 5G into wholesale only, or 'neutral host' infrastructure, which is offered on an open access basis to all mobile and other wireless operators and delivers greater levels of connectivity. €28 bn could be unlocked if outsourcing to independent infrastructures operators grew to 50% in Europe, well below the 80% actually existing in USA and other regions.

Provide better connectivity: Independent neutral host infrastructures play a vital role in providing connectivity for millions of Europeans. Independent neutral host infrastructure is twice as productive as

vertically integrated infrastructure, leading to better connectivity. Independent infrastructure operators are incentivised to maximise utilisation of assets, leading to higher productivity and ultimately better connectivity.

Reduce infrastructure costs: Neutral host reduce life-cycle costs of infrastructure, whilst offering a pro-competitive solution to infrastructure sharing. Our neutral host business model provides tangible benefits to our wireless operator customers by lowering the economic threshold for deploying new networks and reducing the life-cycle costs through the increased adoption of sharing schemes. This in turn makes wireless services more available to end users and helps bridge the digital divide.

Improve coverage in rural areas and network densification in urban areas: Independent TowerCos can reduce the cost of delivering infrastructure, which enables faster and cheaper rollout to areas and households that otherwise could miss out and facilitating network densification in urban areas that will be necessary to obtain the real benefits promised by 5G.

Promote faster rollout: Independent neutral host infrastructure facilitates competition and allows all players to access the infrastructure easily and quickly. Sharing infrastructure results in fewer barriers to entry or expansion. This encourages smaller wireless operators and innovative new applications, and this reduces the time to market.

Reduce environmental footprint: Infrastructure sharing may reduce the need for new towers, which in turn reduces the environmental footprint.

Help drive European recovery: EWIA and its associated members could be instrumental in executing the Next Generation EU recovery plan by attracting more investments, provide better connectivity and reduce life-cycle costs of infrastructure, our business model could help strengthen the single market and accelerate the twin green and digital transitions in the wake of the social and economic disruption caused by the corona crisis.

EWIA's Requests: Avoid Over-Regulation

The benefits that a strong and healthy wholesale wireless infrastructure sector brings are maximized in competitive telecoms markets that support wholesale business models. Market conditions that favour the interests of incumbent telecoms companies at the expense of new entrants or new business models do not provide the appropriate conditions for long term investment our sector relies upon. Given the transformational impact on investment, infrastructure utilisation and competition that our business model delivers to the market, the sector has been promoted and supported around the globe.

The most important thing that policymakers can do to ensure that consumers see the benefits that our sector can bring is to avoid over-regulation. Of course, as with all sectors in the economy, if issues of competition arise, they should be dealt with by the competition authorities or sector regulator, but our experience has been that wholesale wireless infrastructure is a thriving and fiercely competitive market, with our customers' networks and consumers benefiting significantly from our presence while sharing the same sites. Over-regulation dilutes the appeal of the sector for the financial market investors, who tend to perceive over-regulation as a threat to long-term return on investment.

Looking at the current EU policy landscape, EWIA welcomes initiatives – such as the Recommendation on 5G rollout, the Next Generation EU recovery plan and the EU’s Digital Strategy – aimed at boosting investments in new generation networks (5G), providing better connectivity especially in rural areas and reducing the costs of 5G deployment. In this context, the Broadband Cost Reduction Directive’s objective to facilitate and incentivise the deployment of high-speed electronic communications networks by reducing its cost and inefficiencies, is a first step in the right direction.

What is important to recall is that during the process to establish the actual Directive the independent tower sector was not within its scope. The independent tower sector should continue outside of the scope of the BCRD review, as providers of wholesale only infrastructure we are neither a public communication network providers (with dis-incentives to provide access to their competitors) or utilities (with many obstructions to co-locating telecoms equipments within other infrastructures). Instead, we operate a business model where we are incentivised to offer open access and this is reflected in the transformational levels of utilisation of our assets relative to similar assets owned by MNOs. Access levels on independent wholesale towers are over double when compared to MNO-owned towers across Europe. Our business model promotes higher levels of investment and creates infrastructure that is easier for the entire telecoms sector to access, creating greater levels of connectivity for end users.

In the review of the Broadband Cost Reduction Directive, it is important to maintain this approach and not to over-regulate the independent tower sector, which could damage investment incentives. In addition to this, we would also recommend for the Commission to coordinate with Member States to avoid over-regulation and provide clarifications at national level that a wholesale only provider of associated facilities (ducts, masts, towers etc.) intended to be used only for the provision of electronic communications networks by others is not a network operator in the sense of Article 2 of the actual BCRD.