

**COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS
CONSEIL DES COMMUNES ET REGIONS D'EUROPE**

CEMR Response

**To the public consultation on
Next Generation Access (NGA) networks**

Brussels, 14 November 2008

“Draft Commission Recommendation on regulated access to Next Generation Access Networks (NGA)”¹

Response by the Council of European Municipalities and Regions (CEMR)

Key Messages

1. Local and regional authorities have a key role to play in the promotion and facilitation of roll-out of the future high-speed broadband networks, including the fibre-optics NGA networks. These networks play an important role, as the strategic use of ICT is a crucial enabler of regional and local development, in both economic and social realms.
2. One of the irreplaceable roles of local governments is the coordination of engineering works, which constitute up to 80 % of the total roll-out costs of NGA networks.
3. Together with ensuring competitiveness of the telecommunications sector, it is equally important to assure fair access, where the market fails to address the public interest and to serve the needs of businesses and the citizens.
4. Notwithstanding the development and deployment of modern fibre-optics networks, legacy copper-based broadband networks should be included in the scope of the Universal Service Directive among the services of general interest.
5. It is necessary to enhance competition by functional separation of infrastructure and services in all types of networks as well as to endorse "open infrastructure" and "open networks".
6. Local and regional governments need to be empowered in their capacity to pursue these new issues policies, by increasing their competencies and available skills in the changing reality.

¹ Draft Commission Recommendation on regulated access to Next Generation Access Networks (NGA)
[http://ec.europa.eu/information_society/policy/ecomms/doc/library/public_consult/nga/dr_recomm_nga.pdf]

Introduction

1. CEMR welcomes the opportunity to provide its views on the above document, presented by the Commission for consultation by the public and the stakeholders.
2. CEMR also welcomes the intent of the Commission to provide regulatory consistency, aiming to maximise the benefits and minimise the costs related to the regulation of Next Generation Access networks at European level, agreeing with the views that the coming years will be crucial for the migration to high-capacity networks.

Role of Local and Regional Authorities

3. The conference *Bridging the Broadband Gap* organised by the European Commission in 2007 underlined, that the strategic use of ICT can support regional and local development and infrastructure, overcome geographical obstacles, and make less-developed regions, rural and remote areas more attractive to business and individuals alike.² The conclusions of the conference emphasised the "fundamental belief in the importance of ICT to the local economic and social development, as well as to improving life quality and redress the balance between urban and rural areas".³
4. Local and regional governments find themselves as prospective users of the new technologies and on the other hand—having in mind the public interest and the wellbeing of their citizen—they also see their role in promoting the deployment of the new information and communication technologies.
5. In view of these facts, and in view of the Commission's Communication on future networks and the internet⁴, we see a clear role of local and regional authorities in the promotion and facilitation of roll-out of the future high-speed broadband networks, including the NGA networks.
6. As noted by the Commission, civil engineering works represent up to 80 % of the total rollout costs of NGA.⁵ Local and regional governments might therefore be involved in better spatial and temporal coordination of the works (e.g. road construction or repair, utilities installations, etc.), in mapping of existing ducts and other infrastructure, in the provision of access to public ducts or even in public investments in open ducts, in dark fibre or in networking infrastructure and passive and power grid systems.

Free market versus public interest

7. CEMR supports the Commission in the position that efficient access remedies have proved to be crucial to the competitiveness of the telecommunications sector. Yet we would also like to reiterate, that care should be taken in cases, where a competitive market fails to address issues of public interest.

² Bridging the Broadband Gap: Benefits of broadband for rural areas and less developed regions, Brussels, 14–15 May 2007 [http://ec.europa.eu/information_society/events/broadband_gap_2007/index_en.htm]

³ [http://ec.europa.eu/information_society/events/broadband_gap_2007/docs/conclusions.pdf]

⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Communication on future networks and the internet. COM(2008)594 of 29.09.2008

⁵ Draft Commission Staff working document: Explanatory note accompanying the draft Commission recommendation on regulated access to Next Generation Access Networks [http://ec.europa.eu/information_society/policy/ecomms/doc/library/public_consult/nga/expl_note_ngs.pdf]

8. Already the deployment of broadband access is characterised by market failures in serving rural, remote or sparsely populated areas and we are afraid that NGA access will be concentrated even more in areas of dense population, where telecommunication operators may anticipate high investment return.
9. Therefore CEMR deems indispensable to strengthen the role of public authorities in cases where the market forces do not address key issues related to strategic development goals. We see a role of public authorities in addressing the problem of disbalanced deployment of broadband and possibly NGA networks in underserved areas, whilst leaving determination of operational issues to market players. The use of structural funds or other public funding could be appropriate in cases, where public authorities aim to facilitate balanced and universal deployment of future technologies.

Protection of legacy infrastructure and services

10. CEMR agrees with the need to establish policies as well as financial instruments to promote the roll-out of NGA networks and NGA-based services and would urge the development of new types of public services enabled by these NGA network bandwidths at all levels of public administration.
11. At the same time, however, there is also the emerging need to provide mechanisms of continuous protection of legacy infrastructure—and services based thereon—for a period enabling smooth, secure and affordable transition to new infrastructure. This is especially important in cases, where existing (copper) infrastructure is deployed as carrier of public, universal or even mission-critical (e-Health) services.
12. With the growing deployment of NGA networks, legacy broadband network access should be included in the scope of the Universal Service Directive⁶ among the services of general interest, which would ensure both the protection of affordable infrastructure and services as well as the fair access coverage of underserved areas, which are currently ignored by the market players.

Reiteration of important aspects

13. CEMR also considers important to reiterate the key role of “open infrastructure” and “open networks,” which enhance competition but are—at the same time—a prerequisite to fair access to Internet connectivity and access to public electronic services. CEMR therefore advocates functional separation of infrastructure and services in all types of networks, bearing in mind both the competition on the market and the public interest.
14. Last but not least, we reiterate the need to empower local and regional governments in their capacity to undertake a comprehensive policy approach in the area of future and NGA networks, including long-term strategic planning, needs assessment, infrastructure mapping or procurement, development and delivery of new services. With the emerging new technologies, public administration is in need of new skills and competencies in order to be able to respond adequately to the changing reality.

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⁶ Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive). OJ L 108/51 of 24.4.2002