



ecta statement on suggested contribution to network investment ("fair contribution" debate)

Brussels, 13 September 2022

ecta, the european competitive telecommunications association represents those competitive telecommunications operators who, relying on the pro-competitive EU legal framework that has created a free market for electronic communications, have helped overcome national monopolies to give EU citizens, businesses and public administrations quality and choice at affordable prices. ecta represents at large those operators who are driving the development of an accessible Gigabit society, who represent significant investments in fixed, mobile and fixed wireless access networks that qualify as Very High-Capacity Networks and who demonstrate unique innovation capabilities.

For the last months, ecta has carefully reflected with its members on the various opinions expressed by policy makers and industry stakeholders on the subject of a suggested "fair contribution" by the largest providers of internet-based streaming services to network investment in Gigabit connectivity and 5G wireless networks. ecta would like to contribute to the debate as follows:

The European Model must be preserved

The European model, built on a pro-competitive EU legal framework for electronic communications, providing for, among other things, wholesale access to networks, transparency, non-discrimination, and price regulation and accounting separation where appropriate, and structural regulation¹ has demonstrated its benefits for the well-being of Europeans. For more than two decades, competition in electronic communications has thus been the greatest enabler of innovation, choice and benefits for businesses, authorities, and citizens across all parts of society and the wider economy alike.

Furthermore, the successes of several ecta members - entrepreneurs who believed in the promise of the European regulatory framework, invested at their own risk and innovated - show that it has enabled entrepreneurial

¹ E.g. Net Neutrality, GDPR

success stories of which Europe can be proud and which should be a source of inspiration for future entrepreneurs.

So, let's make no mistake, the “fair contribution” debate is not about deregulation of the telecoms sector, let alone undermining the benefits of the European model.

For these and many other reasons, we firmly believe that the European model, including the well-established competition law principle that those with special power also bear special responsibility, must be preserved. Deregulation has never led to more investment. On the contrary, where there is less competitive pressure, investments and innovation are ultimately reduced.

Therefore, [ecta](#) members call for regulation whenever it is necessary to ensure that actors with special power are not behaving in a way that would eventually reduce competition on a reference or any of its ancillary markets, regardless of their position in the value chain.

[ecta and its member companies are committed and engaged to achieve the EU Digital Decade targets](#)

More particularly, when it comes to the roll-out of “gigabit connectivity for everyone and 5G everywhere by 2030” we wish to point to the fact that many [ecta](#) members exhibit investment rates around or above 30 % CAPEX to revenue ratios year after year, resulting in them having an outsized positive investment impact. These investments have been made possible thanks to the EU regulatory framework that has levelled the playing field.

More than ever, the necessary digital transformation of businesses and public services will be better supported if it can benefit from a wide range of products and services provided by a variety of telecom players, large and small, enabling the emergence of new business models and unlocking the potential for innovation.

[Contributing to the EU Green Deal agenda is a must for the whole ecosystem](#)

The dramatic climatic news of this summer, with extreme temperatures, droughts and forest fires on an unprecedented scale in Europe, reminds us of the more pressing concerns that Europe is facing, namely the fight against climate change which impacts us all.

[ecta](#) members are all hands-on deck to reduce their environmental footprint. Unfortunately, the steady increase in data consumption has an impact on the industry’s efforts to limit the GHG emissions of electronic communication

networks and services. At best it reduces the speed at which operators can reduce their carbon footprint, at worst may create adverse rebound effects².

Problematic situations are particularly visible on mobile networks. For example, streaming video at 4K and 8K resolution, 60 images/second or systematic HDR to handheld and other small screen-sized devices does not improve the user experience in practice compared to FHD resolution but causes far greater bandwidth consumption and increased GHG emissions.

At the same time, it forces operators to dimension their networks to a larger scale (larger dimensioning of core network and RAN equipment, more equipment at more locations), thus potentially leading to a larger than needed environmental impact due to a higher energy consumption.

Therefore, any action leading to "Energy Sobriety", must be encouraged collectively by the entire digital ecosystem.

However, just as for water, as long as it is free, no one wants to reduce the flow from the tap. So there needs to be a financial or regulatory incentive.

This could be realized through a regulation instrument requiring, on a non-discriminatory and content-agnostic way, large content providers to install solutions adapting the video resolution to the screen size and hence reduce the unnecessary data flows. The introduction of appropriate financial incentives could also be considered.

All players in the entire digital ecosystem must acknowledge their respective impact in it

ecta supports the EU Declaration on Digital Rights and Principles for the Digital Decade and the valuable deliberations it is generating amongst stakeholders.

ecta believes that the practices prevailing under the electronic communications regulatory framework should also apply in this context. All players in the entire digital ecosystem must acknowledge their respective impact in it and, those with special power should assume their special responsibility.

The carbon impact must also be accounted for and be correctly attributed to the entity causing the carbon impact.

² Bol, D., Pirson, T., Dekimpe, R. (2021). 'Moore's Law and ICT Innovation in the Anthropocene.' IEEE Design, Automation. The rebound effect occurs when improvement in energy efficiency are offset by other means (such as change of behaviour or more consumption of data) leading to steady state or an increase of the overall energy consumption.

To conclude

We call on EU policy makers to ensure that any measures taken are consistent with, and contribute to, preserving the EU's rich and diverse electronic communications ecosystem, the European model, consumer choice and welfare, and, achieving the EU Green Deal.

Any action can – and should – be achieved in full respect of Europe's Open Internet principles. Any rule-making should follow the established European regulatory approach in being built on a foundation of sound and technical and economic analysis and findings, open consultation on any tangible proposals, with transparent opportunity for stakeholder input and debate.

ecta and its members are ready to engage through the entire process.

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ecta members are united in their belief that competition is the best driver of efficient investments and the greatest enabler of innovation, choice and benefits for citizens and businesses, as well as for the European economy overall. This is the key message that **ecta** and its members continuously promote.

*For further information on the contents of this press release and **ecta**'s positions, please contact:*

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