TOWARDS A GIGABIT SOCIETY: FROM AMBITION TO REALITY

EVENT REPORT
https://eurac.tv/9T9q

With its Digital Compass, the European Commission set out its digital ambitions for 2030. In a series of events organised in collaboration with the Presidency of the EU Council, GIGAEurope puts these targets at the centre of the debate, looking at their scope and ongoing progress.

In March, the Commission outlined its targets for the Digital Decade, defining how Europe should become a gigabit society by 2030. While these goals are meant to guide the digital transition, challenges such as the mobilisation of financial resources and buy-in from the private sector cannot be taken for granted.

With these in mind, on Wednesday (26 May) GIGAEurope organised the first of its EU Presidency Event Series to discuss progress and questions facing the EU digital agenda. Particular attention is paid to the development of the connectivity infrastructure, as the key enabler for the digital transition.
Connectivity is the starting point for the 2030 digital targets

Portugal’s contribution to the European Digital Agenda

Capturing Europe’s Connectivity Momentum
Connectivity is the starting point for the 2030 digital targets

By Luca Bertuzzi | EURACTIV.com

Digital connectivity is a precondition for achieving the EU digital agenda, but filling the existing digital gap will require a concerted approach among policymakers at the EU and national level and coordination with private providers.

In the Digital Compass 2030, the European Commission committed to making gigabit connection accessible for all EU citizens and 5G network available everywhere in the European Union.

INTERNATIONAL CONNECTIONS

Speaking at GIGAEurope’s EU Presidency event, Hugo Santos Mendes, Portugal’s deputy minister for communications, highlighted international connectivity as a key step for ensuring Europe’s digital sovereignty.

Mendes pointed to EllaLink, the recently inaugurated transatlantic marine cable connecting Europe to Latin America and Africa, as the type of infrastructural projects needed to make Europe a global data hub.

The new digital infrastructure is estimated to reduce the time for data transfers by 50%, boosting digital trade between Europe and the other two continents.

“In what concerns infrastructure such as submarine cables, the EU must provide a clear message that these investments are not merely national budgets, but essential tools for Europe to achieve its digital sovereignty,” Mendes said in its opening remarks.

Mendes highlighted four strategic areas where Europe should develop its international digital connections: the Atlantic region, the Mediterranean Sea, the Baltic to the Black Sea, the North Sea and the Artic. The establishment of these data gateway platforms should go hand in hand with the security and geopolitical

Continued on Page 5
On the internal front, there is still much work to be done to fill the connectivity gaps and achieve the objectives set in the Digital Compass 2030. The European Commission estimates that on digital connectivity alone, there is an investment gap of €42bn per year.

Rita Wezenbeek, director for connectivity at the European Commission, stressed that while several EU countries have committed a significant part of their recovery plans to digital infrastructure, that gap can only be filled with a combination of public and private investments.

For Erzsebet Fitori, head of EU affairs and relations at Vodafone Group, the COVID pandemic showed that digital connectivity is a lifeline. At the same time, she stressed the need to take stock of the current situation as “the EU is currently not in a leading position with regard to both gigabit and 5G networks, we only have 14% coverage of 5G networks.”

While Fitori considers that the Digital Decade targets are the right ambition for Europe, she urged policymakers to drive a “paradigm shift” at both the EU and national level, to leverage more targeted and pragmatic policy measures and financial tools as part of a holistic strategy for digital connectivity.

The Vodafone executive also pointed to the risk of a growing digital divide if the new generation of telecommunication technologies was not extended to rural regions. In scarcely populated areas, private providers do not have a business interest, hence the EU needs to review its state aid guidelines to better consider the digital targets.

To support EU countries, the European Commission issued the connectivity toolbox in September with a list of best practices for deploying telecommunications networks and for establishing efficient access to the 5G radio spectrum.

As part of this process, the member states are in the process of submitting a roadmap illustrating their plans for the 5G and broadband rollout.

Another EU initiative on digital connectivity is the European Electronic Communication Codes, which took effect on 31 December 2020. In February, the Commission announced the opening of an infringement procedure against 24 member states for failing to enact the new EU telecom rules.

Wezenbeek mentioned several reasons for this delay, from the pandemic to ongoing judicial proceedings. The EU executive is currently in dialogue with non-compliant countries, which need to grant the radio spectrum for 5G telecommunications, among other things.

At the same time, Robert Kolthek, vice president for regulation at Liberty Global, warned about the fragmented approach on broadband. For Kolthek, administrative burdens and regulatory differences across EU countries create barriers for private companies to invest in the deployment of digital networks.

“Above all, legal certainty is integral to ensuring continued innovation and investment. Simply put, over-regulation or market-making likely disincentivises investment, putting the European Commission’s Digital Decade connectivity goals at risk.”
Digital transformation of the way Europeans live and do business is one of the priorities of the Portuguese EU Council presidency, which ends on 30 June. To find out how much has been achieved, and what Portugal’s successor, Slovenia, should pursue, EURACTIV spoke to Hugo Santos Mendes, Portugal’s deputy minister for communications.

**Accelerating the digital transformation is one of the priorities of the Portuguese Presidency that is going to end next month. What would you say are the main achievements of the presidency in the digital sphere?**

Recognizing the digital transition as a driver for a sustainable economic recovery, the Portuguese Presidency has been committed to promoting European digital leadership and autonomy. Our goals have been to ensure the digital empowerment of European citizens and the establishment of a reliable model for the data economy. We also advocated for an EU framework on Artificial Intelligence (AI) that promotes trust and transparency for AI applications, fostering their widespread uptake by economic actors, notably SMEs and start-ups.

As a part of the legislative initiatives, I would like to highlight the Data Governance Act. Portugal considers it is the EU’s interest to reduce legislative and non-legislative barriers to the free movement of data by ensuring consistency with existing legislation, namely the GDPR and the Open Data Directive.

In this sense, I am particularly pleased to refer the signature of the

Continued on Page 7
Ministerial Declaration “European Data Gateways as a key element of the EU’s Digital Decade” as a call to action that aims to advance the EU as a world-class data hub.

What were the main challenges that you have to address in your digital agenda?

We are working hard to reach these objectives by focusing our attention on legislative files of enormous opportunity and relevance. The Ministerial Declaration “European Data Gateways as a key element of the EU’s Digital Decade” and the still ongoing Data Governance Act proposal required many bilateral and multilateral conversations. I have to leave a word of gratitude to Member States’ delegations for their work and valuable contributions to the progress made. We are honoured to hold the Presidency during a time as critical as today.

In March, the European Commission launched the Digital Decade targets for 2030. The Presidency consequently promoted the signature of three declarations on Digital Day 2021. How will these commitments help European countries to achieve the digital targets?

The goals inscribed in the Digital Compass are part of a model based on European values and rights. Portugal welcomes them greatly, and has provided three strong contributions, in the shape of three Ministerial Declarations:

(i) “Start-up Nation Standards”: A declaration to coalesce policies with the aim of harmonizing the European ecosystem of start-ups and reinforcing them through supports. We want Europe to retain start-up investments and avoid drainage of resources to other continents.

(ii) “European Data-Gateway Platform Strategy”: the EU has the potential to become a competitive, world-class data hub where data is stored, shared and processed in a secure way. However, in order to become digitally sovereign and to make autonomous technological choices, the EU needs to ensure future proof high quality connections to the rest of the world. This declaration will contribute to prepare Europe for the exponential increase in data flows and was signed in the light of the inauguration of the Ellalink cable, linking Europe, Africa and Latin America.

(iii) “A Green and Digital Transformation of the EU”: A declaration aimed at increasing Europe’s role in the global leadership of the green and digital transition. We need to involve industry to speed up the transition of the ICT sector to a sustainable, climate-neutral, circular economy.

The Portuguese Presidency has also tried to promote international connectivity, notably pursuing partnerships with the United States and India. What is your strategy when building these partnerships? What are you trying to achieve with them?

The European Union’s partnership with the United States of America is the world’s foremost and closest relationship, rooted in shared values and common interests, cultural and historic ties. It is also a geopolitical reality of strategic importance for the EU. A renewed transatlantic agenda is necessary to find joint answers to global challenges. The common goals on sustainable connectivity are essential, as well as maintaining our technological edge and dealing with cybersecurity issues.

Concerning India, relaunching relations with this strategic partner is of major importance for the Portuguese Presidency, and it was translated into the political commitment of our government on the holding of the Union Leaders’ Meeting (8 May). Considering the EU-India shared vision on sustainable connectivity, New Delhi is an important partner for the development of international connections with the necessary capacity to keep up with increasing data flows.

Slovenia will soon take over the presidency of the Council. What is your advice for them? Which are the most pressing digital challenges for the European Union?

We believe the priorities will be the establishment and promotion of digital rights and principles, digital education, digital democracy, digital government, as well as the implementation and strengthening of communication networks and data systems in Europe. In legislative terms, of particular importance are the Artificial Intelligence Act, the Data Governance Act (DGA), the Digital Services Act (DSA), the Digital Markets Act (DMA), and the ePrivacy Regulation.
The connectivity sector in Europe is up to the challenge to meet Europe’s Digital Decade ambitions.

With the Digital Compass targets, the EU sets a clear course towards achieving its digital sovereignty ambition by 2030. Concrete targets on connectivity, digital skills, public services and transformation of businesses aim to enable Europe to play a leadership role in driving green & digital transition and economic recovery after the pandemic.

By setting values and rules around the deployment of data-driven emerging digital technologies such as AI and IoT, Europe aspires to create trust in digitisation. It will stimulate enterprises, public administrations and end-users to embrace innovative digital applications and boost Europe’s digital economy and society.

But connectivity will be the cornerstone to delivering a successful EU Digital Decade, building on the current momentum for connectivity in keeping societies and businesses running during the pandemic. By 2030, every European should have access to gigabit speed and 5G needs to be rolled out across the Union. This is no small feat for telecom operators. The current Digital Decade is characterised by a number of important digital trends, which result in exponential data growth, from 33

Continued on Page 9
zettabytes in 2018 to an expected 175 zettabytes worldwide in 2025.

Connectivity providers have anticipated these trends. Over the past decade, they have continued to invest in network roll-out and innovations to allow for ubiquitous fixed-mobile access, faster speeds and lower latency.

Of the €125bn per annum investment gap to meet the needs of the Digital & Green Transition, connectivity infrastructure alone amounts to €42bn per year, according to the European Commission. To close this investment gap, a mix of private investment and public funds is needed in the coming years.

More importantly, policies will have to provide incentives for private infrastructure investment. Finding the right balance on state aid will be key with the significant amount of public funding hitting the connectivity market over the coming years. Funds from the Recovery & Resilience Facility for the digital transition, including broadband connectivity, already amount to €334 billion alone. Furthermore, the revision of the Broadband Cost Reduction Directive and the forthcoming 5G/6G Action Plan provide opportunities to simplify rules for deploying networks and setting an ambitious target for future connectivity.

GIGA Europe, representing the private investors in Europe’s very high capacity networks, looks forward to collaborating closely with EU policymakers, national and local governments, industry and citizens to ensure every European can connect to a gigabit network. By fostering a dialogue on best practices and planned network roll-outs and upgrades, we can jointly define the local areas that are underserviced and discover where public funds are needed to repair a market failure. It is in the general interest that recovery funds are not unnecessarily spent on duplicating existing gigabit-capable infrastructures. This can be achieved by assuring compliance with the Broadband State Aid rules.

Current providers of very high capacity networks are constantly adapting their technology roadmaps to meet, and probably exceed, the 2030 gigabit targets. For example, in the Netherlands, VodafoneZiggo recently achieved 10Gbps download speeds in a test over its existing Hybrid Fibre Coax network. Vodafone and Nokia tested new network technology in Germany and recorded 100Gbps speeds over a single wavelength. Virgin Media completed a live-trial on its current network in the UK delivering 2.2Gbps and tested new network technology achieving 10Gbps symmetric speeds.

The connectivity sector in Europe is up to the challenge to meet Europe’s Digital Decade ambitions.
THE DUTCH BID FOR EMA
www.netherlandsforema.eu
From London to...
the Amsterdam
Metropolitan Area
Contact us
Luca BERTUZZI
Journalist, Digital/Tech
luca.bertuzzi@euractiv.com
+32 (0)4 78 98 01 38
Teresa DOMINGUEZ
EU Affairs Manager
teresa.dominguez@euractiv.com
tel. +32 (0) 47 601 78 26
For information on EURACTIV Event Reports...