



BDI

The Voice of
German Industry

POSITION PAPER

Review of the telecoms rules: connectivity package

BDI is the umbrella organization of German industry and industry-related services. It speaks for 36 trade associations and more than 100,000 enterprises with around 8 million employees. Membership is voluntary. 15 organizations in the regional states represent the interests of industry at the regional level. Our guiding principle is: BDI serves industry – and industry serves people.

I. Assessment of the overall aim

BDI supports the aim of the European Commission that by 2025 all schools, transport hubs and main providers of public services as well as digitally intensive enterprises should have access to internet connections with download/upload speeds of 1 Gigabit of data per second. At the same time, BDI believes that gigabit infrastructure should by 2025 be available via fixed and mobile networks area-wide based on demand. Such availability is important since many applications, e.g. in the field of industry 4.0, smart mobility, smart home or smart health, rely on area-wide high-capacity networks. In addition, high-capacity networks are not only essential for companies' decisions on where to locate, but also trigger the development of new digital applications and business models. Therefore, BDI calls for a reassessment of the broadband targets of the European Commission. These targets should be expanded to take into account quality features such as low latency, minimal jitter or reliability, which are of particular importance to our industry.

In general, BDI welcomes the new objective of the European Commission to contribute to widespread access to, and take-up of, very high capacity connectivity across the EU. However, BDI underlines that connectivity should be seen as an equal objective alongside those of promoting competition, the internal market and the interests of end-users. Since these four regulatory objectives are in parts mutually dependent, the new connectivity objective must not override existing ones.

II. Spectrum policy

The availability of sufficient and adequate frequencies are a prerequisite for the roll-out of 5G. This in turn requires a far sighted and EU-coordinated spectrum strategy, in line with the global harmonisation process. BDI supports the European Commission's proposed measures to harmonise and coordinate spectrum allocation in Europe. The aim must be to strengthen investments, to allocate adequate spectrum in a timely manner and to prevent inefficient

and discriminatory auction designs. However, a guarantee is needed that while harmonisation ensues, first mover advantages when allocating spectrum remain. This is especially important from the perspective of Germany as a pioneering member state. Furthermore, allocation procedures should not be primarily focused on maximising auction revenues. Withdrawing resources from market participants that are needed for investments in broadband network expansion must be avoided.

III. Level playing field between telecoms services and comparable Internet-based services

A level playing field needs to be in place that creates investment incentives and enables fair competition for all market players. Also end users should be equally protected when using functionally equivalent services provided for remuneration (whether in the form of money or data). With this in mind, we need to reassess how to create equal parameters for traditional telecoms services and comparable Internet-based services. This concerns e.g. data protection law or consumer protection provisions. However, it is important that such parameters do not disadvantage services offered via other digital platforms which do not compete with regulated services.

The term 'electronic communication services' is to be adjusted in such a way that henceforth a horizontally defined regulatory regime includes services with identical functions. As a reference point the function of the service instead of the conveyance of signals or numbers could be used. In general, the necessity of existing sector-specific rules should be reviewed. Redundant regulation should be removed or – if appropriate – be transferred into general consumer protection law.

IV. EU investment fund for broadband network infrastructure

BDI welcomes the promotion of gigabit-capable infrastructure in a manner that is neutral towards the choice of technology and providers in regions where a cost-effectively broadband expansion is not possible. Funds should be provided to connect both industrial parks as well as companies outside such parks to fibre networks. The same should apply to connections along transport routes. Funded infrastructure projects should be made transparent in the national directories of the member states. Furthermore, investments in 5G-capable fibre-based networks should be supported through appropriate incentives.

Imprint

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