Vodafone Group comments on the European Commission’s Initiative for reviewing the Broadband Cost Reduction Directive
17 July 2020

Vodafone Group welcomes the European Commission’s initiative to review the Broadband Cost Reduction Directive (BCRD) to ensure Europe has a fit for purpose, effective and enforceable framework enabling efficient and cost-effective rollout of future proofed networks.

Vodafone Group is a converged communications technology leader, enabling the digital society. We operate across multiple Member States, and we own and operate both mobile and fixed networks, including fibre and HFC. We are Europe’s largest 5G network.

We take pride in our Gigabit network capabilities and continuous improvements to our fixed and mobile networks on a variety of different technologies. We are optimistic about how technology and connectivity can enhance the future and improve people’s lives. Through our business, we aim to build a digital society that enhances socio-economic progress, embraces everyone and does not come at the cost of our planet.

We are supportive of and aligned with the Commission’s Gigabit Society and Green Deal goals. Today we announced that our European network will be powered by 100% renewable electricity no later than July 2021 and a new target to help customers save 350 million tonnes of CO2.

The COVID19 crisis has confirmed just how essential digital connectivity and networks are for the functioning of economies, for the delivery of and access to critical government functions, for the ability of businesses to adapt, and for every aspect of citizens’ lives. The crisis has highlighted that the electronic communications networks are critical infrastructure and a fundamental engine underpinning our societies and economies.

Looking to the future, investments in modernising digital networks, enhancing capacity and expanding reach of connectivity services should be a key objective as part of ensuring greater societal and digital resilience. Enabling efficient rollouts via eased rights of way and decreased deployment costs will prove fundamental.

The BCRD is an important instrument for reducing the costs of deployment across Europe. We believe the BCRD is ripe for revision to ensure it provides a bold, effective and enforceable pan-European instrument that recognises networks as critical infrastructure and enables their deployment accordingly.

Vodafone has analysed the effectiveness of the BCRD across the 12 Member States we have been operating in and our results show that the effectiveness has widely varied, with limited success in areas of enforcement, dispute resolution and local permit costs and procedures. The BCRD has also not been successful in helping achieve a Digital Single Market.
We endorse the recommendations by the GSMA that the revised BCRD should ensure it meets there key pillars:

1. Fit for purpose
2. Cutting red tape
3. Bold and enforceable

A fit for purpose BCRD, aligned with the EECC, with a bold rights of way/deemed consents regime and adequate harmonised adoption and enforceability across Member States will enable a COVID19 crisis recovery that ensures that telecom operators can keep everyone connected. BCRD should support appropriate investment in network expansion, and allow capital to be focussed directly into networks to support increasing traffic volumes with improved cost efficiency and economies of scale, resulting in better value for citizens and businesses.

The above three pillars are aligned with the direction proposed in the Commission’s Roadmap.

Given the fundamental role of network deployment for social resilience and economic recovery for all Europeans, we urge the Commission to priorities the BCRD review by ensuring:

- its political profile is adequately raised;
- the timeframes are more ambitious; and
- regulation is proposed rather than a directive in order to enable the goals of harmonisation and enforceability.

We look forward to working with the Commission on a future proofed BCRD that enables a socioeconomic recovery for all Europeans through digital inclusion and connectivity.