



# Response

## **Cable Europe response to Commission Consultation on a Targeted Review of the General Block Exemption Regulation (GBER)**

Cable Europe welcomes the opportunity to provide comments to the Commission's proposed targeted review of the General Block Exemption Regulation (GBER). As part of the Commission's development of the framework for broadband state aid, the draft aligns the EU state aid rules with the Gigabit Society Communication and the European Electronic Communications Code (EECC; notably Art. 22 on geographical surveys).

According to Cable Europe's long-established position, it is important that public funds in the broadband sector are carefully used. As identified in the European Commission's Gigabit Communication, the Gigabit Society, where very high capacity networks enable the widespread use and development of products, services and applications, requires connectivity well beyond the traditional 30 Mbps. At the same time, the extension of funding measures into "grey NGA areas" entails a much greater risk of crowding out private investment. Legal and investment security are therefore indispensable prerequisites for any funding measure. The Commission should ensure that State aid remains a complementary measure in order not to crowd-out investments that can usefully and efficiently be performed by market players. Ultimately the higher the level of investment by the private sector, the lower the pressure upon the public purse to provide broadband infrastructure.

### **Article 1: Scope**

Cable Europe welcomes the extension of the scope of the GBER to also include State aid involved in financial products supported by the InvestEU fund.

### **Article 2: Definitions**

#### New point 138a:

Although the new definition of *next generation backhaul networks* appears not to be of direct relevance neither to the remaining provisions of the draft regulation nor the existing GBER, we support it because it is in line with the GBER's definition of *next generation*



access (NGA) networks and for the fact that the definition is technology neutral i.e. “through optical fibre (or equivalent technology)”.

New definitions for aid involved in financial products by the InvestEU Fund:

The definitions of “white, grey and black areas” are in line with the Commission’s guidelines for State aid in broadband networks (2013/C 25/01).

We do however believe that the definition of the “step change” under point (177) needs careful consideration. The proposed target speeds of 300 Mbps appear to lack the ambition necessary in light of the Gigabit society targets. Namely, in case of funding measures targeting “NGA grey areas” where an NGA network is already present and the concept of “step change” has to apply in order to justify public intervention, the funded broadband infrastructures should be capable of delivering much higher speeds than currently foreseen in the draft. This applies even more so to measures under the GBER which are subject to a lighter control by the Commission.

We suggest the following wording:

*“(177) “step change” can be demonstrated if, as a result of the subsidised intervention, the selected project creates significant new investments in the broadband network and the subsidised infrastructure brings significant new capabilities to the market in terms of broadband service availability and capacity, speeds and competition compared to networks existing or planned within three years in the intervention area. A step change can be demonstrated when the following conditions are cumulatively demonstrated: the subsidised project ensures a doubling download and upload speeds compared to existing and/or planned infrastructure and at least ~~symmetrical speeds above 300 Mbps~~ **1 Gbps download speeds**, whichever is higher, and ensures significantly more pro-competitive outcomes compared to the current and/or planned infrastructure such as full open access conditions and more adequate and affordable services for end-consumers;”*

Finally, we support the definitions of “appropriate mapping” and “public consultation”.

**New Article 56e – Conditions for aid involved in financial products supported by the InvestEU Fund**

Cable Europe welcomes that Aid shall NOT be granted for projects including **black NGA/NGN areas** or including areas where **at least one very high capacity network** is present or planned within the next three years.



We would like to underline that it's very important to avoid State aid for projects targeting areas where cable has a presence. Cable operators operate Hybrid Fiber Coax (HFC) networks which covers more than half of the European households. They provide broadband speeds needed to stay well ahead of consumer demand today and for years to come. With the current state of play of the technology, broadband speeds can reach 1Gbps. The technology has an evolutionary path to provide up to 10 gigabits per second speeds and significantly lower latency in the coming decade.

To date, cable broadband service has typically provided asymmetric speeds with downloads speeds being higher than upload speeds. This asymmetry in speed has matched consumer use patterns, but as new and innovative broadband applications are developed, cable operators will soon have the technology and flexibility to provide consumers with symmetric services. These innovations and investments are the grassroot of the best type of competition. Ultimately the higher the level of investment by the private sector, the lower the pressure upon the public purse to provide critical infrastructure.

For further information please read <https://www.cablelabs.com/technologies>.

The pace of innovation is such that competitors need to step up their own investments in competing technologies such as FTTH. When cable operators upgrade their networks with the next generation of DOCSIS specification, incumbent telecom operators usually follow suit. This results in a dynamic and efficient competition for the benefit of consumers and businesses. This is why Cable Europe stresses the need to treat the revision of the GBER with great care.

\*\*\*

### **About Cable Europe**

Cable Europe is the trade association that connects leading broadband cable TV operators and their national trade associations throughout the European Union. The regulatory and public policy activities of Cable Europe aim to promote and defend the industry's policies and business interests at European and international level. The European cable industry provides high speed broadband internet, TV services, and telephony to more than 65.8 million homes in the European Union.