



ETNO's feedback on the Draft European Commission Implementing Act on the Key performance indicators for the Digital Decade Policy Programme 2030

March 2023

ETNO welcomes the opportunity to provide its comments to the Draft European Commission Implementing Act on the Key performance indicators for the [Digital Decade Policy Programme 2030 \(DDPP\)](#). The telecom industry is engaged in fulfilling the 2025 Gigabit and 2030 Digital Compass objectives.

The European Union's Digital Targets are crucial and necessary to achieve a successful digital transformation and the governance system of the EC establishing the 'Path to the Digital Decade' and its enhanced monitoring system will be a step towards supporting the achievement of the EU Digital target.

However, ETNO would like to remind that a healthy telecom market is a prerequisite for the needed investments to meet the ambitious Digital Decade targets. This is especially true, as current evidence suggests that European fixed Gigabit coverage is expected to reach 90% in 2030, and will therefore risk falling short of the EU Digital target on 'gigabit for everyone'¹.

The targets are set for the benefit of the whole society and thus the key policy goal of EU and each member state should be to mitigate the large investment gap to support the industry meeting the targets. As stated in the BCG report commissioned by ETNO², and the report on "Shaping Policies to Support Investments in Very High Capacity Networks"³, the investment required to meet the connectivity targets are substantial. It has been estimated that an additional €150bn of investment is needed for full 5G rollout, while another €150bn is required to upgrade existing fixed infrastructure and roll out FTTH to gigabit speeds in Europe. The European Commission's report "Shaping Europe's Digital future"⁴ from 2020, i.e. before Covid-19 pandemic and the war in Ukraine, indicates that for digital infrastructure and networks alone, the EU has an investment gap of €65bn per year.

Please find below amendment proposals from ETNO.

¹ For more facts and figures: <https://etno.eu/downloads/reports/etno-state%20of%20digital%20communications%202023.pdf>

² BCG Report to ETNO "Connectivity&Beyond", <https://etno.eu/library/reports/96-connectivity-and-beyond.html>

³ Frontier Report to ETNO "Sharing Policies to Support Investments in Very High Capacity Networks", https://www.etno.eu/library/reports/103-investment-vhcn-2022.html#_ftnref1

⁴ European Commission "Shaping Europe's Digital Future", https://commission.europa.eu/publications/communication-shaping-europes-digital-future_en



Gigabit connectivity

Amendment to the KPI suggested: ‘(3) Gigabit connectivity, measured as the percentage of households ~~covered~~ **passed** by fixed Very High Capacity Networks (VHCN). The technologies considered **initially** are Fibre to the Premises and Cable DOCSIS⁵ 3.1 **though any other technology providing 1 Gbps performance might be considered as well within the KPI**. The evolution of the Fibre to the Premises coverage will also be monitored separately, and taken into consideration when interpreting VHCN coverage data.’

Associated DDPP target: ‘all end users at a fixed location are covered by a gigabit network up to the network termination point’

The EC's DDPP is aiming at covering all end users at a fixed location with a gigabit network up to the network termination point by 2030. Therefore, it makes sense to monitor, using the appropriate KPIs, the evolution of the coverage of the two fixed-line broadband access technologies primarily capable of achieving gigabit download speeds, i.e. FTTP⁶ and DOCSIS 3.1.

ETNO suggests the amendment above to replace “households covered” by “households passed”. This would ensure that the monitoring of the KPIs is in line with the EECC Article 22 process, for which purpose the definition of “passed” has been finalised by the BEREC in relevant guidelines.

ETNO is in favour, like Article 2 (3) of the draft implementing act prescribes, of monitoring FTTP coverage as a separate KPI.

Additionally, the combined coverage of FTTP and DOCSIS 3.1 networks can be monitored too, however it is commendable using “FTTP & DOCSIS 3.1 coverage” instead of “VHCN”, in line with the practice of the “Broadband Coverage in Europe” reports⁷. This avoids confusion and aligns better with the definition of the BEREC guidelines for VHCN⁸, under which DOCSIS does not automatically qualify as VHCN as it is subject to a set of criteria.

The target set out in the Decision (EU) 2022/2481 refers to the coverage at fixed location of a gigabit (e.n. download speed) network. It is a technology neutral, target, as defined in Article 4.2(a) “...in accordance with the principle of technological neutrality”. Additionally, the target does not mention that the connectivity should be delivered over wired connection.

However, the KPI refers to a fixed very high capacity (VHC) network. That is not fully aligned with the target as the latter provides for a stricter definition that requires also a minimum upload speed of 200 Mbps and other performance thresholds to be met⁹. The wireless technology will also be able to deliver gigabit data-speeds, and thus we propose the KPI to be technology neutral and to cover both wired and wireless connectivity. This would allow considering potential networks that could contribute to the achievement of this gigabit target (e.g. 5G FWA).

⁵ Data Over Cable Service Interface Specification

⁶ “Fiber to the Premises” is inclusive of FTTH and FTTB.

⁷ For example “Broadband Coverage in Europe in 2021”, 28 July 2022

<https://digital-strategy.ec.europa.eu/en/library/broadband-coverage-europe-2021>

⁸ “BEREC Guidelines on Very High Capacity Networks”, BoR (20) 165, 1 October 2020

<https://www.berec.europa.eu/en/document-categories/berec/regulatory-best-practices/guidelines/berec-guidelines-on-very-high-capacity-networks>

⁹ “BEREC Guidelines on Very High Capacity Networks”



5G coverage

Amendment to the KPI suggested: *'(4) 5G coverage, measured as the percentage of populated areas covered by at least one 5G network using the 3.4-3.8 GHz spectrum band. For the first 2 years, additional reporting will be done for 5G coverage regardless of the spectrum band used'*

Referring to article 4.2(a) of Decision (EU)2022/2481), ETNO notes that the digital target mentions that *"all populated areas are covered by next-generation wireless high-speed networks with performance at least equivalent to that of 5G, in accordance with the principle of technological neutrality;"*.

Recital 2 clearly states that the abovementioned digital target on next-generation wireless high-speed networks takes into account the principle of technology neutrality and is consequently not linked to any specific spectrum band. In Europe the mobile frequency bands and licenses are technology neutral, and mobile operators currently deploy 5G in the "5G pioneer bands".

ETNO also notes that the coverage target is for all populated areas without defining the populated area. Mobile operators use different means to provide high quality mobile service to users in different areas, e.g. urban, sub-urban, and sparsely populated areas. Different spectrum bands (low, mid, and high bands) as well as technical capabilities (e.g. carrier aggregation) are used based on what is efficient from service quality, economical, as well as ecological perspective in each area. It should also be noted that mobile operators may have different amount of spectrum in different spectrum bands, and that use of some spectrum bands, including 3.4-3.8 GHz band, is limited for example in cross-border areas. Limiting KPI only to 5G coverage in 3.4-3.8 GHz band would provide only a limited picture of the status of meeting the target. This focus on just one specific spectrum band, may lead to investment that don't match the current digital and climate ambitions.

Thus, ETNO believes the suggested KPI linked to that target **should also be technology neutral and not 'band-specific'**, even more so as MNOs will have to honour specific coverage obligations attached to each acquired licences, the KPI will thus need to be attached to all bands in order to represent an accurate assessment of coverage. Additionally, the 'band-neutral' 5G coverage reporting suggested in the KPI during the next 2 years should be the rule even beyond this 2-year period. Therefore recital 2 and article 2.1(4) should be amended accordingly.

Regarding the data collection, the measurement of these KPIs should not lead to additional reporting requirements, generated by yet another measurement methodology, that reveal more cumbersome for operators or rely on different standards than the current ones followed for reporting at national level. In this respect, the figures on fixed and 5G coverage that operators provide to the Commission's consultants for the "Broadband Coverage in Europe" report and the DESI survey should be aligned with the KPIs of the DDPP.



Operators currently provide data on 5G coverage as a percentage of population: therefore ETNO is of the opinion that it should be taken as a proxy of the percentage of populated areas covered provided under article 4 (2)a of the DDPP.

Finally, ETNO is respectfully requesting the European Commission to revise the reporting process of its coverage reporting (including the abovementioned coverage report and the DESI report) to shorten the time lapse between data collection and publication of the reporting. Today that time laps between validity date of the data and the publication of the data is too large:

For example, the coverage report 2021 and DESI 2022 report publishing June 2021 coverage figures were published on 28 July 2022 resulting, i.e. in a time lag of 13 months.

In our opinion, shortening of the delays can be achieved by starting the data request earlier, and by accelerating the composition of the report and its publication. An ideal situation would limit the time delay between the date of the data set and its publication to maximum 6 months (e.g. data of 30 June to be released by end December of the same year). This way of working would in fact bring the process back to the practice which existed in the past, namely at the time of the 2016 DESI and the 2017 DESI and would prevent that many coverage data are already outdated by the time they are published. The latter is in particular the case for Member States where fiber and/or 5G networks are currently being deployed at a high pace.

Edge nodes

Amendments to the KPI suggested: '(6) Edge nodes, measured as the number of compute nodes ensuring proximity to customer and providing latencies below 25 20 milliseconds; such as an individual server or other set of ~~connected~~ computing **connected to a secure access network**, operated as part of an edge computing infrastructure, typically residing within an edge data centre operating at the infrastructure edge, and therefore physically closer to its intended users than a cloud node in a centralised data centre.'

European telecommunication operators are ready to play a key role in the transition towards an edge-cloud continuum. In this context, ETNO welcomes the work of the European Commission to define a KPI that could reflect comprehensively the target of climate-neutral highly secure edge nodes.

ETNO is ready to contribute to the European Commission's work on the KPI definition and encourages an open and joint work with stakeholders on this topic.

Regarding the suggested latencies below 25 milliseconds, ETNO believes edge nodes would be connected both via 4G and 5G, therefore the maximum latency identified (20 ms) is underestimated, considering that BEREC set a threshold of 25 ms for wireless VHCN (indicator Round-trip IP packet delay (RFC 2681)). Furthermore latency here is not defined and could very well be intended as latency of the application, of the network, as the latency that customer perceives: values differ enormously in all such different cases.

The clarification "**connected to a secure access network**" for the KPI measurement ensures that security is taken into account with respect to edge nodes.



Cloud computing

KPI suggested: 'Cloud computing, measured as the percentage of enterprises using at least one of the following cloud computing services: finance or accounting software applications, enterprise resource planning (ERP) software applications, customer relationship management (CRM) software applications, security software applications, hosting the enterprise's database(s), and computing platform providing a hosted environment for application development, testing or deployment'

We believe that the list is missing important services that will affect the "digital transformation of businesses" as well as the "digital intensity of SMEs" and suggest therefore to insert the following missing relevant points to article 2.1(8):

"Office productivity applications; Point to point and group communication applications; and education and productivity applications."

DESI

Regarding the reporting on the newly set 2030 targets for Gigabit and 5G connectivity, it is important that the DESI report has the utmost precision in reporting on the investments and activities of the telecom operators (and other actors in other sectors) across the EU to reach these targets. In the past, ETNO has made remarks on various inconsistencies with the metrics used for the DESI report and we would urge the EC to ensure that e.g. the technical definitions to measure VHCN are consistent with other policy frameworks and well understood at the Member State level. The new targets present an opportunity to review the DESI metrics to reflect the reality more precisely and we would be pleased to discuss our detailed concerns during the review process.

We further also refer to the above remarks regarding the delays and time lapse between moment of data collection and moment of publication.

About ETNO

ETNO (European Telecommunications Network Operators' Association) represents Europe's telecommunications network operators and is the principal policy group for European e-communications network operators. ETNO's primary purpose is to promote a positive policy environment allowing the EU telecommunications sector to deliver best quality services to consumers and businesses.

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