

CEDEC Joint Statement on Digital Networks Act

1. Legal instrument – a directive, not a regulation

Position:

The upcoming EU legislation on digital infrastructure should be based on a directive and not a regulation.

Rationale:

The digital infrastructure landscape across the EU is highly diverse. Member States differ significantly in terms of:

- Ownership structures (e.g. public, private, municipal, or hybrid models)
- Market maturity and competitive dynamics
- Deployment levels and geographic/demographic conditions
- Existing legal frameworks and regulatory capacity
- Security requirements and resilience considerations

In light of this diversity, a directive provides the necessary flexibility for national implementation. It allows each Member State to adapt EU objectives to its legal, institutional, and market-specific context, without undermining the collective ambition. This flexibility is particularly important in sectors where well-functioning national systems and models are already in place.

By contrast, a regulation imposes a uniform set of rules that apply directly and in full. Such an approach risks destabilising effective national solutions, creating legal friction, and generating resistance or a need for exemptions – ultimately complicating implementation and enforcement.

Recommendation:

We urge the Commission to adopt a directive as the preferred legal instrument for digital infrastructure legislation. Should a regulation be proposed – as currently indicated in the case of the Digital Networks Act – it is essential that it contains **sufficient flexibility to accommodate national specificities and preserve existing, well-functioning models.**

2. Future-proof competition – not just a focus on rapid deployment

Position:

EU digital infrastructure policy must promote long-term, sustainable competition by supporting a diverse ecosystem of actors, including publicly owned, regional, and locally anchored networks. The focus must not lie solely on rapid rollout.

Rationale:

Accelerated deployment is important, but it must not come at the expense of market structure, network resilience, or public value. Long-term competition is what keeps markets open, prices fair, and innovation alive, in both metropolitan and rural areas across Europe.

Digital infrastructure is a critical societal function. Publicly owned networks – such as municipal and regional operators – play a particularly important role by combining local presence with public responsibility, reinvesting revenues into infrastructure, preparedness, and community services. Smaller, locally and regionally anchored providers also contribute to inclusion and end-user choice, especially in areas with limited commercial incentives.

Such actors contribute to a more open and resilient market by:

- Deploying infrastructure in underserved or commercially unattractive areas
- Enabling service-level competition through open access
- Strengthening redundancy, operational continuity, and local crisis preparedness
- Reinvesting in the local community and supporting public sector needs
- Enabling the emergence of more competing service providers and price competition

Experience from several Member States shows that public and community-based network ownership can foster, rather than restrict, competition – especially by lowering entry barriers and creating a stable environment for new actors.

International studies, including from the OECD¹, underscore that infrastructure diversity, open access models, and decentralised ownership are effective tools to accelerate investment and reduce the digital divide.

Recommendation:

To safeguard long-term competitiveness and societal value in the EU telecom sector, the Commission should:

- Promote a diversity of infrastructure owners, regardless of ownership model
- Avoid regulatory frameworks that unintentionally favour vertical integration or consolidation
- Ensure that funding and regulatory mechanisms are accessible to smaller, public, and locally anchored providers

¹ OECD – "Development of High-speed Networks and the Role of Municipal Networks". Report from Centre on Regulation in Europe, "Ideas for the future of European telecommunications regulations", September 2024.



- Acknowledge that open networks, decentralised ownership, and long-term competition are fundamental to digital resilience, social cohesion, and public trust

3. Ensure a well-functioning wholesale market – stimulate demand and prevent strategic overbuild

Position:

The EU must support the development of a competitive, open, and transparent wholesale market for both fixed and mobile networks. This includes not only ensuring access to infrastructure products, but also actively stimulating demand – particularly from new and smaller players – and preventing anti-competitive practices such as strategic overbuild.

Rationale:

A functioning wholesale market is essential for efficient use of existing infrastructure, lower market entry barriers, and stronger competition. In many Member States, access to wholesale products remains limited or ineffective, even when infrastructure is already deployed.

At the same time, the market is evolving towards a model where more operators gain access to existing infrastructure via wholesale agreements, rather than building parallel networks. This is particularly evident in Sweden, where mobile operators have used local fibre networks to roll out 4G and 5G through wholesale contracts. This approach has proven both economically efficient and competition-friendly – and should be encouraged in more Member States.

In Germany and elsewhere, strategic overbuild occurs when the dominant operator announces fibre rollouts in areas where its competitors have already initiated expansion – but without completing the connections. This effectively blocks competitors, discourages investment, and distorts the market. The German national regulatory authority (the *Bundesnetzagentur*) has confirmed that this is a widespread and systemic issue.

Wholesale models must be based on openness, transparency, and fair conditions. This ensures that all actors, regardless of size or national context, can access infrastructure on equal terms. At the same time, European regulation must acknowledge that technical and commercial standards may vary between Member States. This calls for regulatory flexibility, but also clear safeguards to ensure functional access across the EU.

Recommendation:

To ensure an efficient and inclusive telecommunications market, the EU should:

- Promote open, transparent, and wholesale models and restrict infrastructure-based competition
- Stimulate demand for infrastructure products – especially from mobile operators and new service providers
- Ensure the independence of national regulatory authorities and empowering them to intervene in cases of strategic overbuild
- Recognise that local and smaller networks are essential to a well-functioning wholesale market, and provide them with appropriate legal and financial support under EU frameworks

4. Fair access to mobile infrastructure – strengthen the European mobile wholesale market

Position:

To foster genuine competition in the mobile market, the EU must ensure the development of a functioning wholesale market – where mobile virtual network operators (MVNOs), resellers, and local actors can access mobile wholesale products under fair, transparent, and non-discriminatory conditions.

Rationale:

In several Member States, particularly Germany, there is no functional wholesale market for mobile networks. Independent service providers, including MVNOs, often face limited and / or discriminatory access to mobile networks. This undermines competition, hampers market entry, and reduces consumer choice.

Many local actors that already provide fixed broadband face significant barriers when attempting to complement their offers with mobile services. In practice, it is currently impossible for them to access mobile wholesale capacity on equal terms. This limits their ability to provide integrated solutions and weakens market dynamics.

Although mobile wholesale access is not yet established to a significant degree in many Member States, the EU regulatory framework must ensure that such a market can emerge where there is demand. What is needed is a mobile market that promotes competition, choice, and innovation, enabling more actors to contribute with new business models and services throughout the European Union.

Relying solely on an obligation to negotiate is not sufficient. To guarantee fair competition, **clear and legally binding rules are required to ensure access to mobile networks on non-discriminatory and transparent terms. Spectrum allocation and extension should be linked to open access obligations** – those benefiting from public spectrum resources must also contribute to a fair and open market.

Recommendation:

To promote effective competition, avoid distortions of competition in the internal mobile market and to strengthen the single market, the EU should:

- Introduce wholesale access to mobile networks through binding rules in the European Union – which establish access to mobile wholesale products for MVNOs, resellers and local actors without their own mobile infrastructure
- Link spectrum allocation to requirements for open and non-discriminatory access to mobile networks
- Promote a mobile wholesale market that enables diverse business models, innovation, and greater consumer choice across the EU

5. No “fair share” models – a threat to net neutrality, competition and innovation

Position:

The EU should reject proposals for so-called “fair share” payments from content and application providers to telecom operators. This model risks distorting the market and primarily benefits large, vertically integrated players.

Rationale:

The idea of introducing mandatory contributions from content and application providers to network operators – the so-called “fair share” model – has re-emerged in the EU policy debate. While such proposals are sometimes presented as a way to fund network investments, there is no evidence that they lead to increased rollout or improved service quality.

Instead, this model would reinforce existing market imbalances. It would disproportionately benefit large operators, without any guarantee that the funds would be reinvested into networks.

Meanwhile, smaller infrastructure providers – such as local or municipal networks – would likely be excluded from compensation mechanisms. It would also increase entry barriers for smaller or innovative service providers, undermining openness and innovation in the digital ecosystem.

It is questionable whether municipal telecommunications companies – the driving force behind fibre optic expansion in Europe – would receive an appropriate share of any potential revenues if contributions are mandatory. Rather, any additional payments from content providers regulated at an EU-level would introduce a two-sided market model. This jeopardises net neutrality and shifts the financial burden onto parts of the ecosystem that are already driving demand and innovation.

Recommendation:

To protect competition, innovation and the open internet, the EU should:

- Reject traffic-based or bilateral “fair share” payment models between content and application providers and network operators
- Uphold net neutrality as a foundational principle in the digital single market
- Promote infrastructure investment through competition, targeted public funding, and non-discriminatory regulatory frameworks
- Ensure that all policy measures support a diverse ecosystem of infrastructure providers – large and small, public and private

6. Non-discriminatory migration from copper to fibre

Position:

The transition from copper to fibre networks must be carried out under objective and non-discriminatory conditions. EU policy should ensure that technological shifts do not reinforce existing market dominance, but instead foster competition in the next generation of networks.

Rationale:

In several Member States, the former state-owned monopoly still controls a large share of the copper access network. As the migration to fibre progresses, there is a tangible risk that the incumbent operator prioritises its own infrastructure, while alternative operators face disadvantages in migrating customers or offering services.

Such imbalances risk undermining competition, hinder ongoing market-financed fibre deployment and limiting user choice. Technological transitions must not be used as a tool to re-establish dominance in new markets, the costs of which are in many cases being billed to taxpayers as state funding has become necessary to meet connectivity goals.

Even in Member States where the copper-to-fibre migration is largely completed, there is broad recognition of the need for fair and objective conditions. To achieve a truly open and competitive Digital Single Market, this transition must be clearly regulated, technology-neutral, and provide equal access opportunities for all network providers.

Recommendation:

To support a fair and competitive transition to next-generation networks, the EU should:

- Clarify the provisions on technological migration in the European Electronic Communications Code (EECC)
- Ensure that technical interoperability and open access are baseline principles in all migration processes
- Limit exclusivity agreements and other terms that prevent access seekers and households from choosing alternative networks
- Strengthen the powers of national regulatory authorities to proactively ensure fair migration processes and to act against discriminatory migration practices

7. Standardisation of wholesale products and market interfaces

Position:

To enable a competitive and efficient market for digital infrastructure, wholesale products and market interfaces must be standardised, transparent, and open. At the same time, EU policy must respect national models, technical systems, and market conditions.

Rationale:

Access to clearly defined and open wholesale offers is essential for new players – including service providers and network operators – to enter the market and compete on equal terms. In Sweden, standardised product models and common process platforms have helped build a strong service layer and incentivise investment.

In other Member States, such as Germany, the lack of shared and functioning interfaces is a concrete barrier. Dominant operators do not always provide access through open or transparent systems, which hampers market development and limits competition.

There is a need for a common foundation based on interoperability, transparency, and clear procedures. However, standardisation must not imply a uniform, one-size-fits-all model. National market structures, regulatory systems and technological platforms vary, and EU policy should enable collaboration rather than enforce harmonisation.

Recommendation:

To promote competition and investment certainty in the internal market, the EU should:

- Encourage the development of interoperable, open and competition-neutral wholesale products
- Support the creation of transparent and efficient process platforms, while respecting national systems
- Ensure that interoperability is used to enable access and cooperation and not to impose rigid harmonisation
- Include requirements for openness and non-discrimination in relevant regulatory frameworks, public support schemes, and spectrum allocation processes

8. Stable and predictable funding

Position:

Public support schemes for broadband deployment must be long-term, transparent, and predictable. EU policy should ensure that funding complements the market – not crowds it out – and that public interests are safeguarded.

Rationale:

Both Sweden and Germany have experienced challenges linked to short-term or inconsistent support programmes. In Germany, repeated significant changes to the federal gigabit funding scheme have created high levels of uncertainty, delayed projects, and increased administrative burdens. In Sweden, unclear application rules and shifting priorities have made it difficult for municipal networks and smaller actors to plan and invest with confidence.

Support schemes should be designed to enable effective collaboration between public and private capital, and to ensure that publicly owned actors – such as municipal networks – have fair and equal access to funding. Public support should be targeted to areas where the market does not deliver on its own, and where digital connectivity is essential for local communities.

Recommendation:

To secure stable and market-complementing public support, the EU should:

- Ensure long-term and predictable funding frameworks with clear timelines and budgets
- Avoid abrupt changes to application windows, criteria or allocation levels
- Promote cooperation between public and private investments, with open access as a requirement
- Guarantee accessibility of funding to smaller operators, including local and municipal networks



FOR MORE INFORMATION

please contact:

Sophia Milusheva, Policy Officer

sophia.milusheva@cedec.com

Gert De Block, Secretary General

gert.deblock@cedec.com