

## **BREKO position on the ITRE Committee draft report “European technological sovereignty and digital infrastructure”**

About BREKO:

As the leading German fibre-optic association, BREKO advocates for fair competition in the German telecommunications market. Its members, including over 260 network operators, are committed to the deployment of future-proof fibre optic networks and are responsible for more than 60% of fibre roll-out in Germany. In 2023, they invested 4.8 billion euros for this purpose.

BREKO welcomes the European Parliament ITRE Committee initiative draft report on “European technological sovereignty and digital infrastructure” as digital infrastructure is a key component of technological sovereignty and with increasing geopolitical challenges, the EU needs to shape innovative and resilient network infrastructure for the future.

In the following development, we would like to emphasise the importance of fair market competition to fostering an innovative, resilient and sovereign digital infrastructure in Europe (I) and believe that the discussion on the competitiveness of European digital actors needs to be targeted on empowering technologies that will allow the EU to build competitive alternatives to non-EU market leaders in the field of AI, cloud, edge and high-performance computing technologies (II).

### **I) Fair competition as a prerequisite for efficient fibre network deployment**

BREKO shares the assumption that further investments in fibre optic network deployment are vital to foster the deployment of innovative network infrastructure.

As the draft report states, fibre optic networks only cover approximately 64 % of households on average in Europe, based on a FTTH Council study from March 2024<sup>1</sup> and important discrepancies in fibre optic roll-out and take-up rates persist between Member States.

Germany is particularly lagging in terms of FTTH coverage, as the percentage of FTTP coverage only amounts to 29.8%, according to the European Commission Digital Decade 2024 report<sup>2</sup>. In Germany, the incumbent, Deutsche Telekom, has relied on the copper-based “vectoring” technology for many years, while at the same time in other European countries, companies have already started to invest in the deployment of fibre networks. It is only due to the competitive pressure exerted by alternative network operators that the incumbent finally started to invest in fibre networks. This leads to the situation, today, of alternative network operators being responsible for more than 60 % of overall fibre optic roll-out in the German market.

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<sup>1</sup> [FTTH/B Market Panorama](#)

<sup>2</sup> <https://digital-strategy.ec.europa.eu/en/library/digital-decade-2024-country-reports>

With regard to the draft report, we would therefore want to underline the fact that a competitive environment is the major lever for fast and efficient network deployment, not the limitation of competition in this field. As a matter of fact, past experiences in the EU telecoms sector have demonstrated that less competition leads to less investment, less innovation and poorer consumer welfare.

Besides, network deployment by local network operators should be considered as sovereign infrastructure and encouraged, as this infrastructure does belong to EU-based companies and datastreams through these networks can be safely stored by EU-businesses, either on-premise or in local data centres.

Moreover, alternative network operators, mindful of the necessity to optimise network usage, are intensifying collaborations to extend network coverage, as well as to cooperate with Internet Service Providers to deliver high-quality services to end users. In this context, it should also be noted that competition on the telecom markets has led to much lower retail prices and more consumer choice in Europe, compared to the US for instance.

## **II) Beyond network infrastructure, a sovereign digital ecosystem needs innovative and competitive service offerings**

Beyond maintaining fair competition as an important lever for innovation, Europe needs to foster targeted investments into technologies and actors which can develop sovereign cloud-native service offerings and AI-based applications that can boost EU's competitiveness vis-à-vis non-EU market-leaders.

This will require the working together of the entire digital value chain, of which telecom operators are a part, especially when it comes to the vital part of rolling out physical network infrastructure, but not a substitute. Indeed, on a broader level, the EU needs targeted investments into AI, cloud, edge and high-performance computing technologies, which go beyond infrastructure deployment and ultimately require the development of service offerings that can compete with those of US hyperscalers.

BREKO therefore advocates for a balanced and differentiated approach between maintaining a competitive market for the roll-out of innovative and sovereign network infrastructure, while at the same time fostering investments into technologies and ultimately actors that can enhance Europe's competitiveness throughout the digital value chain towards international market leaders.

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*BREKO is registered in the lobby register (R002215) for the representation of interests vis-à-vis the German Bundestag and the Federal Government and in the European Transparency Register (028570718529-43) for the representation of interests vis-à-vis the EU institutions.*