

Committed to Europe

Orange' summary on the 2030 Digital Compass targeted consultation

Orange is pleased to contribute to the reflection that will lead to a new policy programme aiming at ensuring that the newly defined targets set in the Digital Decade communication are effectively reached. As one of the largest European operator and leading operator in Europe in terms of fibre deployment, Orange has focused its contribution to the infrastructure cardinal point, and mostly on the targets for Gigabit networks and 5G.

In its response, Orange details how a successful digital transformation can only be achieved thanks to a strong private economic fabric that will be able to invest in the infrastructures, train or retrain the workers, develop the innovative solutions that will be used in the public sector.

In particular, regarding digital infrastructures and in particular fiber/Gigabit networks and 5G, **the huge amounts of investment necessary to achieve the objectives set by the EC can only be achieved if a truly investment-friendly regulatory framework is implemented at every level (national, European) by the various entities that are in charge.** Orange is of the view that political goals, declarations and regulatory objectives such as promotion of investment as stated in the EECC, are a good first step to ensure EU is at the forefront of the global competition in terms of digital infrastructures, but this should be accompanied by effective regulatory decisions implementing this political vision.

Key areas of concerns are in particular:

- **The capacity for investing operators to properly value their investment** in infrastructures – and ROCE of the telecom sectors is key area which has raised the concerns of the financial sector leading to weakening the European telecom industry. This is critical as investment is the business model of operators, and private investment is key to achieve the ambitious targets that have been defined in the Digital Decade communications. It is also a chimera that if private investment isn't realized, public money will be able to bridge the gap: the need will be too huge, and EU will already be behind schedule.
- **The market structure:** efficient market structures are a key driver of investment and efficiency that helps achieve coverage goal faster. Giving more legal certainty to the sector when implementing RAN sharing agreements, as well as not promoting artificial entry conditions that would deter the economic conditions.
- **The attribution of spectrum** – reserve price, licence duration, obligations – remains an area where the lack of harmonization and national practices have been having detrimental consequences on the telecom operators. Orange is also of the view that new political objectives in terms of coverage can't lead to increased obligations for MNOs.

In conclusion, **Orange supports the newly defined targets**, as they reflect its ambitious strategy of investment in digital infrastructures, **but warns that reaching those targets calls for an ambitious review of the way the current regulatory framework is implemented, in particular in the way it appropriately rewards investments.**