



## **Liberty Global response to BEREC's public consultation of the draft Report on submarine cables connectivity in Europe (BoR (25) 85)**

### **Introduction**

Liberty Global appreciates the opportunity to provide input on BEREC's draft Report on submarine cables connectivity in Europe (the draft Report) and supports BEREC's commitment to engage with stakeholders and examine relevant topics.

Submarine cables are important to Liberty Global. The primary objective of our networks and services is to provide excellent connectivity services to the customers of our affiliates and joint ventures, and submarine cable infrastructure is key to achieving that objective.

[CONFIDENTIAL]. Our globe-spanning network uses a broad variety of terrestrial and submarine cable infrastructure, third-party sites (colocation providers) and own infrastructure, providing geographical resilience, optionality, and optimal traffic routing.

### **I. State of the submarine cable market today**

As the demand for international connectivity continues to soar, with it, the need for robust and resilient submarine cable infrastructure also grows. In Liberty Global's observation, the market is responding adequately to this demand. The prices for bandwidth on most relevant submarine cable trajectories are generally declining. New capacity is being lit every year, and new cables are being planned, commissioned and deployed.

However, Liberty Global is also aware that several submarine cables are nearing the end of their lifecycle (estimated at approximately 25 years for many contemporaneous cable systems), highlighting the need for further investment.

Nevertheless, Liberty Global considers the current state of the market in Europe to be relatively strong. The many new cables are improving resilience on existing trajectories and increase global resilience through opening new trajectories. Moreover, Liberty Global welcomes the broad recognition amongst public and private stakeholders of the relevance of submarine cable infrastructure and the need for cooperation.

By way of example, Liberty Global supports the European Commission's encouragement of EU member states to develop maintenance and repair capacities for submarine cable infrastructures. Further helpful initiatives at EU-level are undertaken by ENISA and the NIS Cooperation group, through coordinated efforts to improve cable resilience and promote industry growth.<sup>1</sup>

### **II. BEREC's identification of potential challenges and future trends for the sector**

In its draft Report, BEREC identifies the most relevant challenges to Europe's submarine cable market as follows:

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<sup>1</sup> European Commission Recommendation on the security and resilience of submarine cable infrastructures (2024), p. 5.



1. The security reliability and redundancy of connections provided through cables.
2. The replacement of current cable systems which are at the end of their lifecycle.
3. The need for very high investments for cables, especially where the investment is not justified based on future revenues.<sup>2</sup>

In Liberty Global's view these challenges can be addressed through the systematic prioritisation of the following three principles in relevant policy measures and regulatory initiatives:

1. Create a stable regulatory environment, in line with the principles of appropriateness and proportionality.
2. Encourage both public and private practices/measures which improve cables' geographic resilience and security.
3. Ensure the continuity of private investment through the use of public funds in response to genuine market failures only, i.e. where the market is unable to achieve a reasonable level of resilience.

In the below, Liberty Global addresses in greater detail how these principles can be applied in response to the challenges identified in the draft Report.

## **1. Security, reliability and redundancy of the connections**

Liberty Global agrees with the challenge identified in section 6.1 of the draft Report that one of the most relevant topics for the submarine cable market today is ensuring the security, reliability and redundancy of the connections provided through the cables. Liberty Global also consider diversity to be essential for the security of European submarine cables. Diversity, or using different suppliers and technologies, reduces the risk of simultaneous failures from shared vulnerabilities.

However, in view of the need for geographic resilience, Liberty Global believe that it is not just the total amount of capacity which matters. Security of connectivity is best served through numerical diversity and spatial diversity of connected links. It is [CONFIDENTIAL]. In our opinion, this is standard practice amongst Tier 1 networks and other networks using or deploying submarine cable infrastructure at scale. Liberty Global suggests that this standard business practice of ensuring 3-4 options on a trajectory is considered in policy and regulatory initiatives, for example in contemplation of the deployment of public funds.

Submarine cables are already highly resilient today. As a recent study by RAND found, the average repair time of submarine connectivity cables is between 7-24 days following an incident. This is significantly faster than repairs of other types of subsea infrastructure (specifically, electricity cables and oil and gas pipelines).<sup>3</sup> Importantly, the RAND report highlights the important role – and the success of – the private sector in achieving this comparatively good track record. RAND finds that the main reason for the short repair time frame is that the cable owners (often consortia) cooperate to ensure repair vessels are on standby with a view to conducting repairs at short notice.

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<sup>2</sup> BEREC draft Report on submarine cables connectivity in Europe (BoR (25) 85), p. 21.

<sup>3</sup> RAND, *Evolving Threats to Critical Undersea Infrastructure: Implications for European Security and Resilience*, p. 17.



However, this does not mean that there is no room for public intervention in improving cable repair times. In this respect, Liberty Global agrees with the European Commission's 2024 Recommendation that Member States should endeavour to expedite administrative processes relating to the repair of cables (within the boundaries of administrative law).<sup>4</sup> For example, removing administrative barriers via a one-stop-shop for cable consortia may help achieve this outcome.

Liberty Global also considers that various other measures can be taken to improve resilience. Capacity swaps – already a routine practice in the market today – can improve resilience and require no government intervention. Governments could, however, incentivize additional drops where practicable, on existing or planned cables, to help operators diversify routes – enabling effective risk management and shorter routes. This may in turn give market participants greater opportunities to swap capacity.

Additionally, mapping of submarine cables is important for building network resilience, as it supports immediate disaster response and aids in strategic planning for future enhancements in resilience.<sup>5</sup> This is an area where member states should take actions to coordinate their efforts. Liberty Global recommends such mapping will be kept up to date, at minimum on an annual basis. The mapping should include all relevant associated data such as available and potential capacity, technical characteristics, main security features, redundancy and/or peering arrangements, ownership and control information.

Finally, Liberty Global supports RAND's recommendation that because so many public and private parties are involved in the protection of undersea infrastructure, information sharing must go both ways. RAND specifically sees room for improvement in the sharing of government information with market participants.<sup>6</sup>

## **2. The replacement of current submarine cable systems which are end of life**

In Section 6.2 of the draft Report, BEREC highlights that at the end of the submarine cable life cycle, it is important to ensure territorial continuity, and these links continue to be maintained. In this respect, BEREC views the renewal of current submarine cable systems and subsequent transfers of capacity by wholesale clients to require regulatory analysis, as the conditions, prices, and other terms and conditions offered by the new submarine cable(s) provider(s) need to be assessed.

Liberty Global would argue that, whilst such analysis may be key to ensure that regulators' decisions are well-founded, there are broad indications that the market is responding well to demands for cable replacement and therefore interventions from national regulators should be limited.

Liberty Global considers that the private sector should remain in the lead where renewal of submarine cable infrastructure is concerned. In planning, commissioning and deploying new infrastructure, it is for the operators to ensure end-to-end resilience and to apply secure by design principles.<sup>7</sup> Liberty Global notes that – as the draft Report also finds – various national regulators have, in recent years, deregulated the submarine cable market. Therefore, our view is that all regulatory interventions into

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<sup>4</sup> 2024 Commission Recommendation on the security and resilience of submarine cable infrastructures, p. 10

<sup>5</sup> OECD, *Enhancing the Resilience of Communication Networks*, p. 27

<sup>6</sup> RAND, p. 25.

<sup>7</sup> RAND, p. 23.



this market should abide by restrictions imposed on jurisdiction and should adhere to the principles of appropriateness and proportionality.<sup>8</sup>

### **3. The need for continued high investments into submarine cables**

In section 6.3 of the draft Report, BEREC highlights the high investments needed for the deployment of submarine connectivity cables. BEREC finds that there are certain areas, specifically small islands or enclaves, where there may not be a business case justifying pure private investment.<sup>9</sup>

Liberty Global agrees with BEREC that public funds should be used where commercial investment is not viable but warns that public funds should not crowd out private investment. As previously noted, the submarine cable market is currently functioning well, driven by private operators responding effectively to demand and investing in infrastructure. Therefore, public intervention should remain limited to clearly defined cases of genuine market failure and should not disrupt the healthy dynamics already at play in the sector.

Finally, in ensuring a stable and predictable environment for private investment, it is key that all equivalent networks and services are treated equally – especially as regards applicable regulatory requirements.

### **III. Conclusion**

Liberty Global recognises the critical role that submarine cables play in ensuring secure, resilient, and high-performing connectivity across Europe and beyond. As a key stakeholder with direct investment in subsea connectivity infrastructure, we support a future-oriented approach which balances the need for regulatory stability, geographic resilience, and strong private-sector leadership.

Whilst Liberty Global agrees with BEREC's identification of key challenges in the submarine cable market—security and redundancy, lifecycle replacement, and investment barriers—we believe these can be effectively addressed by fostering proportional regulation, encouraging both public-private cooperation and private-led innovation, and maintaining a clear focus on long-term resilience through diversity and redundancy.

Submarine cable infrastructure is already demonstrating strong performance and adaptability, and with thoughtful coordination and targeted support, Europe can continue to lead in digital connectivity. Liberty Global stands ready to contribute to this shared objective, working alongside regulators, industry peers, and public institutions to secure Europe's digital future.

### **About Liberty Global**

Liberty Global (NASDAQ: LBTYA, LBTYB and LBTYK) is a world leader in converged broadband, video and mobile communications services. Liberty Telecom delivers next-generation products

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<sup>8</sup> OECD Digital Economy Papers – Enhancing the Resiliency of Communication Networks, p. 5

<sup>9</sup> (BoR (25) 85), p. 23.



through advanced fibre and 5G networks, and currently provides over 80 million\* connections across Europe. Our businesses operate under some of the best-known consumer brands, including Telenet in Belgium, Virgin Media in Ireland, UPC in Slovakia, Virgin Media-O2 in the U.K. and VodafoneZiggo in The Netherlands. Through our substantial scale and commitment to innovation, we are building Tomorrow's Connections Today, investing in the infrastructure and platforms that empower our customers to make the most of the digital revolution, while deploying the advanced technologies that nations and economies need to thrive.

Liberty Global's consolidated businesses generate annual revenue of more than \$4 billion, while the VMO2 JV and the VodafoneZiggo JV generate combined annual revenue of more than \$18 billion.\*\*

Liberty Growth, our global investment arm, has a portfolio of more than 75 companies and funds across the content, technology and infrastructure industries, including stakes in companies like ITV, Televisa Univision, Plume, AtlasEdge and the Formula E racing series.

\* Represents aggregate consolidated and 50% owned non-consolidated fixed and mobile subscribers.

Includes wholesale mobile connections of the VMO2 JV and B2B fixed subscribers of the VodafoneZiggo JV.

\*\* Revenue figures above are provided based on full year 2023 Liberty Global consolidated results and the combined as reported full year 2023 results for the VodafoneZiggo JV and full year 2023 U.S. GAAP results for the VMO2 JV.

Telenet, the VMO2 JV and the VodafoneZiggo JV deliver mobile services as mobile network operators. Virgin Media Ireland delivers mobile services as a mobile virtual network operator through third-party networks. UPC Slovakia delivers mobile services as a reseller of SIM cards.

Liberty Global Ltd. is listed on the Nasdaq Global Select Market under the symbols "LBTYA", "LBTYB" and "LBTYK".