

## Vantage Towers' response to the consultation on BEREC's work programme for 2023

As one of Europe's largest and most geographically diversified tower companies (TowerCos), Vantage Towers would like to thank the Body of European Regulators for Electronic Communications for the opportunity to answer the public consultation on its Work Programme for 2023.

We welcome BEREC's defined priority areas for next year – especially BEREC's activities to support initiatives for ubiquitous and secure 5G as well as the promotion of sustainability in the telecom sector. We hope that the following comments can serve as a constructive contribution.

### 1.2. BEREC study on the evolution of the competition dynamics of tower and access infrastructure companies not directly providing retail services

We are glad to see BEREC's timely efforts to study new dynamics in the connectivity infrastructure market as referred to in Point 1.2.

In recent years, the telecom sector has witnessed the positive impact that emerging specialised companies can have on the market. Indeed, companies focused on the management of mobile network infrastructure such as TowerCos have not only facilitated large-scale and quicker rollout of 5G network infrastructure, but also improved competition, attracted much-needed capital, and fostered an increasingly-sustainable model of growth with a lesser environmental footprint. Vantage Towers in particular is at the forefront of enabling 5G in Europe. For example, over the next three years, we plan to upgrade 5G equipment across over 1,500 of our sites located in Spain<sup>1</sup>. And only over the past 15 months until June 2022 we added more than 650 new macro sites to our grid<sup>2</sup>.

TowerCos thus deliver a number of benefits that foster both thriving competition and the fulfilment of other strategic objectives identified in the European Electronic Communications Code. We strongly believe these positive externalities should be considered while studying the evolution of competition dynamics in TowerCos' market, as highlighted below.

- **Eased roll-out of mobile networks, including in rural areas**

As a TowerCo, our activities are centered around infrastructure-sharing according to a so-called neutral host model. We build and operate passive infrastructure and we rent out the capacities on our towers to various mobile network operators and other relevant actors, which can then install their active equipment (4G/5G) or sensors. This model, focused on sharing the passive infrastructure with as many tenants as possible, lowers the investment requirements for mobile operators, it enables savings which can in turn be reinjected in more network deployments, helping to speed up the pace of deployment.

The cost reduction and efficacy gains from infrastructure-sharing will be essential for the improvement of connectivity and 5G deployment in rural and underdeveloped areas. The potential of this business

<sup>1</sup> Vantage Towers AG: FY 22 Preliminary Results, May 2022.

<sup>2</sup> Vantage Towers AG: FY 22 F Results, May 2022

model is especially striking in light of the additional EUR 42 billion of investment per year that Member States still need to attract to achieve the digital transition<sup>3</sup> by 2030.

In fact, TowerCos actively contribute to reducing this funding gap. For instance, Vantage Towers is planning to invest up to EUR 1 billion across all our markets until March 2026.

- **Enhanced energy efficiency and sustainability**

With their specific business model, TowerCos avoid duplications of parallel infrastructures and contribute to sustainability. Vantage Towers supports ongoing efforts in achieving the Green transition notably by seeking to limit its environmental footprint by providing a network 100% powered by renewable energy<sup>4</sup>. More broadly, this model allows for lower electricity consumption per 5G mobile antenna, and lower CO2 produced per kWh. Vantage Towers is also pioneering the wooden structured towers, which is a more environmentally friendly and aesthetic alternative to the current steel and concrete masts. We would therefore encourage BEREC to provide a collection and analysis of the best practices from the entire value chain on those matters, which can be linked to **BEREC's Sustainability Working Group and its crucial work**<sup>5</sup>.

- **Fostered competition**

TowerCos bring the benefits of a neutral host model, for instance by improving access to scarce infrastructures such as rooftops. The paramount rule of carrier neutrality is to ensure equality of access and quality of service between operators. Furthermore, TowerCos limit the cost of entry for new players and minimise uncertainty around the viability of network investments. **In fact, the International Finance Corporation stated in its 2021 report that countries with TowerCos have less concentrated mobile markets than those without them, with a market concentration index reaching 13 percentage points less**<sup>6</sup>.

## CONCLUSION

As stated above, the TowerCos model helps avoiding duplication of parallel physical sites -which would be both expensive and environmentally unsustainable- whilst at the same time increasing the pace of coverage. Moreover, TowerCos are making a significant contribution to better connectivity and Europe's sustainable digital transformation, helping to ensure that all populated areas have access to 5G and Gigabit speeds by 2030.

**Therefore we suggest the upcoming BEREC study on "the evolution of the competition dynamics of tower and access infrastructure companies not directly providing retail services" to also consider TowerCos' contribution to network investment and positive impact on the environment. We believe the completeness of the study would benefit from taking into account these aspects.**

In light of these observations, we are also looking forward to participating and sharing our market experience and data in the upcoming dedicated workshop with relevant stakeholders.

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<sup>3</sup> Communication from the European Commission: Towards a green, digital and resilient economy, March 2022, includes both fixed and mobile.

<sup>4</sup> See press release available [here](#)

<sup>5</sup> Point 2.4. of BEREC's 2023 draft Work Programme: Potential ad-hoc work on ICTs sustainability in the frame of the European Green Deal implementation.

<sup>6</sup> IFC, Encompass: Enabling a competitive mobile sector in emerging markets through the development of tower companies.

Finally, we would like to highlight that the success of TowerCos depends on the regulatory environment. It is currently burdened by unnecessarily lengthy and expensive administrative procedures, which can be alleviated with a comprehensive and ambitious revision of the regulatory requirements including **the Access Recommendations and the Broadband Cost Reduction Directive (BCRD)**.

Importantly, Vantage Towers supports the review of the BCRD as we believe it is a unique opportunity to remove some of the biggest administrative obstacles and bottlenecks in the process of rolling out 5G networks and fostering the implementation of the Digital Decade. To this end, we would welcome BEREC's support in helping to speed up 5G deployment in Europe through faster permitting, streamlining permitting procedures and securing the rights of tower companies to access physical infrastructure and apply for permits/ rights of way.

Once again, we thank BEREC for the opportunity to comment on the Draft Work Programme for 2023 and look forward to working together on ensuring Europe's leadership in the field of connectivity.

### **About Vantage Towers**

Vantage Towers is a leading tower company in Europe with around 83,000 sites in ten countries, connecting people, businesses and devices in cities and rural areas.

The company was founded in 2020 and is headquartered in Düsseldorf. Vantage Towers has been listed on the Deutsche Börse's Prime Standard in Frankfurt since 18 March 2021. The shares are included in the MDAX, TecDAX, STOXX Europe 600 and FTSE Global Midcap Indices.

Vantage Towers' portfolio includes towers, masts, rooftop sites, distributed antenna systems (DAS) and small cells. By building, operating and leasing this infrastructure to MNOs or other network providers such as IoT companies or utilities, Vantage Towers is making a significant contribution to a better-connected Europe.

While already 100% of the electricity that Vantage Towers uses to operate its infrastructure is obtained from renewable energy sources, green energy is increasingly being generated directly on site with the help of solar panels, micro wind turbines and in future also hydrogen solutions. This fits well into the overall strategy of the company to drive a sustainable digitalisation in Europe and to support partners through technological innovation in decarbonisation and achieving their climate goals.

For more information, please visit our website at [www.vantagetowers.com](http://www.vantagetowers.com), follow us on Twitter at @VantageTowers or connect with us on LinkedIn at [www.linkedin.com/company/vantagetowers](https://www.linkedin.com/company/vantagetowers).