



POSITION PAPER

A Single Market for Telecoms

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In April 2026, the leaders of the European Commission, Council and the Parliament agreed on a new deal “One Europe, One Market Roadmap” to create a stronger, fairer and more integrated Single Market.

We welcome this renewed political commitment to a European Single Market, while acknowledging at the same time that the barriers to further integration of European telecoms markets are deeply rooted and structural, requiring a careful analysis.

With regard to the telecom sector, what Europe needs is an EU-wide high performance, resilient digital infrastructure as the basis to drive EU industrial productivity, which can only be achieved if the ability and incentives for investments and innovation across Europe are strengthened.

A single market for telecoms should be pursued in three areas:

- Achieve business and regulatory predictability across Europe through harmonisation of rules, simplification and deregulation;
- Remove barriers that hinder the operation of (back-end) infrastructure and systems across borders;
- Enable investments and innovation through greater scale.

Goals and Milestones for a Single Market in the Telecom Sector

1. **Ensuring regulatory predictability through harmonised market conditions**

Operators today face a patchwork of differing sectorial rules when rolling out services in national markets, stemming from national gold-plating and a divergent regulatory enforcement. The Digital Networks Act should address this patchwork of rules by further harmonising policies and streamlining implementation practices at national level, for example in the context of:

- **Consumer rules and open internet rules:** fragmented implementation and gold-plating of EU laws (EECC, OIR) lead to differing compliance requirements and contribute to uncertainty and a chilling effect for

innovation. Open Internet rules in particular are subject to differing approaches by national regulators and legal uncertainty, and misaligned with today's fully 5G enabled virtualised networks.

- **Spectrum:** different approaches and conditions for licencing have a direct impact on investment ability and competition in national markets.

Harmonising these points would allow for regulatory predictability which is a precondition to advance the national roll-out of same or similar retail products and services across an operator's footprint. Ultimately, a more harmonised European market would help boost productive competition and generate wealth and prosperity for European citizens.

2. Achieving scale efficiencies through centralizing operations for infrastructure

Telecom infrastructure operations today are largely national, especially because of the local nature of infrastructure investments. Even though today access networks are inherently national or local, operating them need not be. Virtualisation and cloudification of networks open opportunities to advance a European Single Market in defined layers of the digital infrastructure stack such as core networks, systems and platforms, data centres, network and security operations, and specialist support functions.

The main hindrances to a deeper Telecom Single Market stem from cross-border barriers and fragmented national rules and procedures, which complicate or even prevent the consolidation or operation of (backend) infrastructure and systems across borders and represent a significant compliance cost within the EU. The Single Market for Telecom should be enabled by the removal of these national barriers and by an in-depth review of the existing regulatory framework.

The most obvious examples of these barriers can be found in policy areas¹, such as:

- **Data & cyber:** requirements linked to multiple legislative frameworks on cybersecurity (NIS2, DORA), lawful interception, data privacy (GDPR, ePrivacy) and data retention are often nationally determined and fragment telecom operations.
- **Operational & data localization requirements:** national regulations related to maintaining critical network and support functions (e.g. network and security operation centres) and data within national

¹ Arthur D. Little: A Simplification Agenda for European Telecoms, 2025.

borders prevent cross-border integration and operation of networks and systems.

- **Network deployment:** different procedures and rules on permitting, civil engineering and deployment can hamper and slow down network rollout.

3. Enabling investments and innovation through greater scale

In the telecom sector, advancing a Single Market would enhance scale-up and increase investments that translate to a better future connectivity infrastructure and stimulate digital innovation. Therefore, the most important objective of a Single Market for Telecoms should be to enable investment scale to drive a more resilient critical infrastructure and increase overall productivity growth.

Telecom operators' ability to achieve the scale undermines the sector's capacity to continue deploying advanced networks and services adapted to the needs and preferences of citizens and businesses in the EU. In the words of Letta: *"Today, in a European market with more than 100 operators, keeping the focus only on pro-entrant regulation, would be detrimental for a technology switch towards advanced networks that require massive investments²."*

Vision for a Single Market for Telecom

A genuine Single Market for telecom first of all needs to enable capability and enhance incentives for infrastructure investment, allowing for the development of a robust foundation for innovative services for the benefit of consumers and businesses.

Importantly, adding new layers of policy and regulation in the name of a Single Market risks creating further complexity and distorting the markets – especially if such measures were to affect markets that have been highly competitive from the outset, such as mobile. The EC's DNA proposal introduces new regulatory tools such as harmonised access products under the notion of strengthening the Single Market for telecoms. In fact, they risk having the opposite effect by further undercutting investment ability and incentives of network operators. While the proposals in the DNA are not fully defined, they are unlikely to resolve the deeper structural fragmentation that operators face at operational level or simplify the regulatory burden.

² Enrico Letta, Much More than a Market, 2024.

Why focusing on the service layer instead of network infrastructure would worsen the investment trajectory

Assessing the Single Market only through the availability of cross-border retail offers would be a short-sighted approach; its core must rely on operators that can efficiently organise network functions, platforms, expertise, security operations and investments across borders. Service-layer harmonisation cannot substitute the removal of the deeper operational barriers that keep telecom markets fragmented along national lines. With stronger investment capacity and fewer operational barriers, operators and their customers would be better placed to benefit from the opportunities offered by the Single Market, including the cross-border nature of both the supply and demand sides in certain areas of connectivity such as IoT and other digital services within the EU.

Given the highly competitive markets and increasing complexity in the connectivity value chain, enabling policies and measures to promote the Single Market must not distort national markets. Any additional layer of regulation on permanent roaming and mobile wholesale access would further hamper investments in development and roll-out of new telecom infrastructures such as 5G standalone and 6G, critical for European competitiveness in digital and hence go against the objectives of the Single Market to boost economic growth and prosperity.

European mobile markets are highly competitive. In most national markets, 3 to 4 MNOs are investing permanently in their own infrastructure, and multiple service providers enjoy excellent commercial offers, thereby fiercely competing to deliver high quality and attractive offer. The Draghi report has shown that Europe counts 351 non-investment-based virtual operators (MVNOs), compared with 70 in the US and 16 in China, benefitting from commercial agreements which give them access to MNO infrastructure. The very high level of those MVNOs demonstrates by itself how dynamic and competition driven the telecom market is.

There is no justification, neither from a competition nor from a Single Market standpoint, to impose regulation on competitive mobile markets. It would also carry far reaching consequences for Europe's ambitions on technological sovereignty, as it would pave the way for non-EU tech companies to gain easy access to European networks at regulated conditions, shifting revenues from European network providers to global tech giants.

European consumers, businesses and public administration will continue to enjoy the benefits of high-quality and reliable connectivity services only if

investment and innovation incentives are supported. Cross-border services will become materially more feasible once the infrastructure and operational layers of the single market are enabled.

Economics of the Single Market for Telecom

Telecommunications is an infrastructure business relying on economies of scale, density and scope. Economics of access networks depend strongly on customer density within a geographic area. This is especially relevant for mobile networks, where fixed costs to cover a given area are very high compared with incremental costs of adding capacity to serve additional customers. At the same time, many fixed costs associated to software, platforms, cybersecurity, procurement, product development and regulatory compliance can be spread across larger customer bases and several national operations. Although cross-border operational integration can generate some material efficiencies, it cannot compensate for unsustainable national market structures.

In smaller markets, some scale economies may remain difficult to realise. Cross-border operational synergies can therefore be relevant, although they complement rather than replace the need for viable national market structures.

Examples of potential cross-border synergies in a genuine single market environment could include:

- Sharing core network functions, systems and platforms across markets to reduce duplication in infrastructure, operations, software integration and vendor management.
- Using a single EU-wide compliance setup to simplify compliance processes, to reduce operational overhead and enable common tooling and governance structures.
- Planning networks and spectrum more efficiently to improve investment predictability and create efficiencies in procurement and deployment strategies.
- Offering more standardised retail products and contracts to reduce country-specific product adaptations, legal assessments and customer processes, and therefore time to market and costs.
- Consolidating procurement and software development to increase purchasing power and reduce integration and support costs.

With the increasing virtualisation and cloudification of networks, it will be easier to adapt network capabilities to the changing needs of citizens and industry to operate across borders. While virtualised networks will create a platform for service provision, underlying local access infrastructures will

remain the foundational layer for performant and resilient connectivity. Properly governed cross-border arrangements can strengthen resilience by enabling geographic redundancy, shared specialist capacity and pre-arranged support between neighbouring markets, while preserving clear national accountability and control.

Leaner and More Harmonised Rules to Strengthen the European Connectivity Ecosystem

A genuine Single Market will not be achieved through additional regulation or by forcing operators into cross-border services, but by creating an investment-friendly policy environment that will help strengthen the entire European connectivity ecosystem for the benefit of consumers, businesses and public administrations.

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