

Lisbon eyes undersea cable investment to bolster EU tech infrastructure  
Portugal's push comes amid growing concerns about EU digital sovereignty and the need to protect critical kit.



The installation of an electric and optical fiber cable between Quiberon and the island of Belle-Ile-en-mer in western France | Jean-Sebastien Evrard/AFP via Getty Images

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Portugal is pushing for a pan-European investment plan to roll out a network of undersea cables and upgrade the Continent's digital infrastructure.

Lisbon plans to present a strategy to shore up and secure Europe's submarine cable network when it takes over the presidency of the Council of the European Union next month. Portugal has gotten political backing from countries across the bloc for its draft strategy, which would amount to an ambitious, EU-wide industrial plan to increase submarine data connections across Europe and to other continents.

Calling it "the missing pillar" of Europe's digital strategy, the Portuguese government said in a non-binding document seen by POLITICO that the Commission's digital policies "largely overlooks the external dimension."

“Europe’s potential to become a global data manager and digital services provider to the rest of the world risks remaining largely untapped,” it added.

The European Union in the past year presented a series of proposals to turbocharge European companies’ use of data through so-called data spaces. Germany and France have led the charge to develop Europe’s cloud infrastructure via its flagship Gaia-X project to better compete with U.S. giants like Amazon.

But when it comes to undersea connections, it’s often unclear who owns, uses and oversees which lines and how these are subject to control by outside players. World powers like the U.S., China and Russia have clashed over control of these cables. Legacy networks are owned through public and private investments but increasingly, U.S. internet giants Google and Facebook have poured investments into this “backbone” of the internet.

The lack of understanding and control is what’s worrying European lawmakers: “Neither the European Commission, nor us, nor other member states have any idea of how much data flows through these cables,” said a Portuguese diplomat involved in the drafting.

Lisbon is now working to turn its paper into a joint declaration with support from other EU countries, which it wants to unveil in March, officials involved in the work said.

It would call on EU lawmakers to write a “European Data-Gateway Platforms Strategy” that includes: mapping out how data is flowing in and out of Europe through submarine cables; listing cable systems that need replacement in the coming decade; and proposing a strategy to deal with security and dependency risks, including through a “toolbox” document, much like the one on 5G security that sought to decrease Europe’s reliance on foreign suppliers.

Data flowing in and out of Europe still runs through connections that can fall outside of European jurisdiction, but often is simply unknown, officials warned. “The current overall picture” of submarine cables in Europe “is still a patchy one,” the Portuguese paper said.

“Global submarine cables infrastructures have so far been heavily concentrated in the northern hemisphere. To attain European digital leadership, it will be decisive to ensure new, secure, and resilient submarine cable routes linking the EU also to countries in the southern hemisphere,” it said.

The EU has already invested in laying cables connecting the Continent to Latin America. Lisbon is planning to inaugurate its EllaLink cable connection from Sines, Portugal to Fortaleza, Brazil in the first half of 2021.

The strategy document called for new “data gateways” in the Mediterranean and the North Sea.

One issue that’s speeding up the work on the strategy: Brexit.

Data flowing in and out of Europe is often coming from the U.S. across the Atlantic — and landing in the United Kingdom first. The end of the U.K.’s transition period this year could see European data flows become subject to another layer of legal and data protection concerns.

Connections to East Africa and Asia also rely almost exclusively on cables crossing Egypt over land and connecting undersea cables from the Mediterranean and Red Sea. The so-called TE Transit Corridor is operated by fixed network operator Telecom Egypt, giving it significant leverage on global data traffic.

The plan could mean a boon to Europe’s telecom industry — especially if it comes with EU investments to roll out new connections across the bloc.

“Laying new submarine cables becomes a concrete way to empower businesses and citizens” and “carries positive geopolitical and industrial significance,” European telecom industry association ETNO said in a statement Thursday.

#### Abundance of threats

Underwater data cables have been at the center of intelligence and security work — and spy tales surrounding it — for a long time.

But recent developments have piqued the interest of European officials again. At a meeting in October, NATO countries’ defense ministers discussed how to protect the networks, in part in response to fears that Russia could target these cables for interference.

“It is important to understand that most of these cables are privately owned and it’s publicly known where they are. And that makes them potentially vulnerable,” Secretary General Jens Stoltenberg told reporters afterwards.

In the U.S., the State Department under Mike Pompeo added undersea cables to its list of technology items that could be vulnerable to Chinese interference.

Keeping Chinese technology out of Western networks would decrease espionage risk and also allow the West to keep control of the global market for this technology, Pompeo said when presenting the U.S. government's Clean Network strategy in August, adding: "We will also work with foreign partners to ensure that undersea cables around the world aren't similarly subject to compromise."

In Europe, lawmakers are working to shore up critical industries like 5G technology, cloud and supercomputing to compete with foreign players — part of the EU's efforts to strengthen "technological sovereignty."

"It is of critical importance that European security and prosperity is not undermined by high-risk owners or suppliers," Portugal's strategy document said, echoing a similar concern about China's dominance in 5G technology.

But for European officials there's another concern to keep in mind: the growing footprint of U.S. tech giants — already in EU regulators' cross hairs for privacy and competition issues — in owning and investing in undersea cables.

"Google, Facebook, Amazon and Microsoft owned or leased more than half of the undersea bandwidth in 2018," the non-profit Mozilla Foundation wrote in its Internet Health Report last year, adding "we can and should demand that the public has a say in the regulation of this critical infrastructure."