



Sustainable Digital Infrastructure Alliance e.V.
Colonnaden 5, 20354 Hamburg, Germany

17th May 2023

Cloud services team

Ofcom

Riverside House,
2A Southwark Bridge Road,
London SE1 9HA

Dear Cloud services team,

Ofcom Consultation Response - Cloud services market study (interim report)

We welcome your market study (interim report) on the cloud infrastructure and services market and are delighted to submit our commentary as an independent, not-for-profit think tank focused on digital infrastructure. We have long believed that the current trajectory within the cloud infrastructure market is unsustainable and will lead to substandard outcomes for fair competition, which are not in the best interest of customers.

Across Europe, many government bodies and large organisations have turned to the Sustainable Digital Infrastructure Alliance (SDIA) to assist them to developing alternative road maps for a sustainable digital economy – ranging from the government of the Netherlands, Germany, to the European Union. However, we have observed that many lack a comprehensive understanding of the market itself. Therefore, we welcome Ofcom’s well researched market study and thought through recommendations which we wholeheartedly support.

To further support Ofcom’s process of involving other regulatory bodies such as the CMA, as well as other parts of government, we have attached a position paper that explains the market dynamics of cloud infrastructure and services (with the similar conclusions as in your market study) in a single narrative. Our SDIA position paper draws on a comparison to the energy infrastructure market – potentially applying some existing regulatory frameworks and thinking from the liberalisation of the energy system.

Furthermore, we have learned that there is also a significant gap in the use of language and terminology – many people in the policy realm refer to digital infrastructure and the digital economy in different terms, leading to confusion and potentially missed regulatory and policy opportunities.



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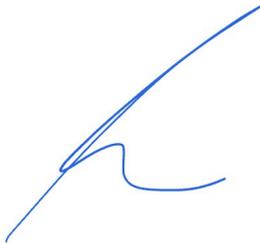
To provide a simplified school of thought, we released a peer-reviewed paper with the Commonwealth in 2022 (Taxonomy Guide on Digital Infrastructure), which we have also attached for your information.

We are eager to support continued effort in the direction you have outlined in your report, do let us know if we can be of assistance.

Attachments to this letter:

- Ofcom response submission
- Additional comments to the report
- Taxonomy Guide on Digital Infrastructure (Figure 1 on page 6 illustrates the taxonomy)
- Our position paper on how and why to regulate Public Cloud Providers
- [Our whitepaper for building a European Cloud](#) (which outlines a vision for a distributed, regional approach to cloud infrastructure)

Yours faithfully,

A handwritten signature in blue ink, consisting of a series of fluid, overlapping strokes that form a stylized 'M' and 'S'.

Max Schulze
Executive Chairman