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Digital single market proposals need to promote investment, innovation and growth

BRUSSELS, September 11, 2013– Today the European Commission announced a set of proposals to speed up the creation of a European digital single market. Alongside a Regulation aimed at achieving a Connected Continent, the Commission has also adopted a Costing and Non-Discrimination Recommendation and a Communication on the Telecommunications Single Market. ETNO welcomes the Recommendation in particular and believes that it will provide the much needed price stability for copper lines and will support NGA investments through the lifting of price regulation.

In its draft Regulation, the European Commission has rightly recognised that Europe is losing out on a major potential source of growth stemming from the telecoms sector. A change of course is needed as European investments in telecommunications infrastructure have declined by approximately 2% a year over the last 5 years. ETNO welcomes Vice-President Kroes' efforts to raise awareness on the importance of the telecoms sector for the wider economy and agrees with the overall long-term vision reflected in the accompanying Communication. ETNO still believes, however, that the proposals would not overall create the momentum required to achieve the Digital Agenda targets and to contribute to Europe's economic growth.

While some of the proposals may deliver benefits for the sector in the long term, for example, the proposed stronger harmonisation in the field of spectrum releases and auctions, the proposals fall short in other respects. We encourage the Commission not to pursue provisions diverting investment resources from the sector but instead to address the missing elements already outlined in the Communication, in particular the need to allow market restructuring, a move towards a light-touch regulatory approach and addressing the level playing field between the rules that apply to "over-the-top" online services compared to telecom services.

The Boston Consulting Group Report recently commissioned by ETNO [['Reforming Europe's Telecom Regulation'](#)] provides a clear assessment of what is needed. A strategic review of the sector's rules should be centered on a harmonized—and substantially reduced—regulatory framework.

The end goal is clear to all – a fully functioning and effective digital single market that will deliver on consumer choice, competition, growth and investment. ETNO is committed to working with all parties to achieve a regulatory scenario to unleash the industry's investment capabilities and calls on the Commission to set out a roadmap for the vision contained within the Communication.

About ETNO

ETNO has been the voice of Europe's telecommunications network operators since 1992 and has become the principal policy group for European electronic communications network operators. Its 50 members and observers in 35 countries collectively account for a turnover of more than €600 billion and employ over





1.6 million people. ETNO companies are the main drivers of broadband and are committed to its continual growth in Europe. ETNO closely contributes to shaping the best regulatory and commercial environment for its members to continue rolling out innovative and high quality services and platforms for the benefit of European consumers and businesses.

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