



Brussels, 25 May 2017

Open Letter of leading telecom CEOs ahead of the Telecommunications Council (9/6/2017)

Dear Minister,

Our companies are the main investors in connectivity networks and the main European providers of digital services. We write to express our concern regarding the current direction of the debate on the Electronic Communications Code and on the ePrivacy Regulation. The initial strategic focus on investment and innovation appears lost and current developments risk hampering the ability of companies to deliver for European citizens and businesses. We believe that growth, employment, investment and contribution to taxation are at stake.

Digital reform is more than just a telecoms challenge. It is about the future of European manufacturing, connected driving, Internet of Things (IoT), healthcare and the future of citizenship at large. The challenges are historic and strategic for Europe as a whole: we need to launch 5G, to push fibre deeper into networks and to develop a wealth of new services and applications to serve European consumers.

As CEOs of Europe's leading communications companies, we share the ambition of creating a European Gigabit Society and of unleashing the power of the Digital Single Market. Our companies proudly serve hundreds of millions of Europeans every day and we deploy €30bn/year in mobile and fixed networks as well as digital platforms. We are responsible for over 70% of the total fixed investment in the EU, we employ 80% of the telecoms workforce and we are proud to be a major contributor to public budgets through taxation.

If we look at the EU as a whole, all the efforts listed above will not be enough to meet the Gigabit Society targets and achieve a single market for digital. Already today, investors estimate that, thanks to a better regulatory environment, other regions of the world are out-investing Europe 2 to 1 in digital networks. The same applies to digital services, with a flat growth rate of our digital ecosystem as opposed to strongly positive trends in Asia and North America. This should be a reason for alarm and action, especially in the context of global competition and fast-paced technological change.

We therefore urge EU ministers to realign digital reforms with their initial objectives and to ensure that we can boost consumer choice and enable European businesses with new, powerful networks and innovative services. To this end, we call for Member States to:

- **Ensure all measures are investment-conducive.** The EU should focus on the strategic objective of achieving ubiquitous superfast connectivity and ensuring that nobody is left behind. This will require up to €660bn and it is incompatible with any rules extracting value from the sector. Measures expanding micro-regulation of telecom companies – such as those unconventionally issued and promoted by BEREC in recent times – will reduce investment incentives by allowing more arbitrary and less predictable regulatory intervention. Europe's network deployment effort requires simplification of access regulation as well as pro-investment measures that support all operators and all investment models and favour commercial cooperation.
- **Save the 5G project.** 5G will be more than just the next mobile network. It will be a new standard for human and IoT communications, empowering fresh streams of societal benefit and growth. This is why spectrum reform is the essential enabler of Europe's connected future. It should ensure predictability for long-term investments through longer license duration as well as fair and predictable license conditions.
- **Take decisive action on consumer choice and innovation.** For the data economy to succeed in Europe, fair and equal rules should empower European companies to broaden consumer choice in the field of digital services. We should prevent over-regulation of services and privacy, level the playing field among different market players and ensure – more specifically – that there are no overlaps with general data and



consumer protection rules. Consumers deserve both a clear and meaningful rulebook, and a digital marketplace that allows more innovation and competition.

Our companies will continue working with the whole digital ecosystem to make sure we deliver the Gigabit Society and Digital Single Market vision. We call on EU governments to support Europe's digital economy with ambitious measures, based on unequivocally pro-innovation and pro-investment measures. This will benefit European consumers and it will constitute a major enabler of global competitiveness and economic growth.

Signed by:

Eelco Blok

Chairman and CEO, KPN

Sigve Brekke

President and CEO, Telenor Group

Edmond Brincat

Acting CEO, Go Malta

Johan Dannelind

President and CEO, Telia Company

Paul (Boulos H.B.) Doany

CEO, Türk Telekom

Atanas Dobrev

CEO, Bulgarian Telecommunications Company

Timotheus Höttges

CEO, Deutsche Telekom

Dominique Leroy

CEO, Proximus

José María Álvarez Pallete

Chairman and CEO, Telefónica

Gavin Patterson

CEO, BT Group

Alejandro Plater

CEO, Telekom Austria Group

Stéphane Richard

Chairman and CEO, Orange

Giuseppe Recchi,

Executive Chairman, Telecom Italia

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