

ETNO Reflection Document on the European Commission's Communication "i2010 - A European Information Society for growth and employment"

EXECUTIVE SUMMARY

ETNO welcomes the new Commission strategy for the sector because it is both an ambitious and comprehensive plan. ETNO feels that the new i2010 initiative is an opportunity to undertake concrete policy initiatives to develop the long-term sustainability of the industry and its contribution to European competitiveness and welfare.

In this regard, a cornerstone for these policies is the improvement and simplification of the regulatory framework for both services and content a) increasing consistency between existing frameworks b) ensuring that the e-communication framework is implemented in a coherent, proportionate and investment-friendly manner, c) achieving a major reduction of the scope of sector-specific intervention in the context of the review of the Commission Recommendation on relevant markets within the e-communications sector, d) reshaping the legal framework in the 2006 Regulatory Review to meet the needs of an evolving market place, and e) avoiding creating legal uncertainty for content-related services at the very moment when the ICT sector is fully engaged in rolling-out new added value broadband services.

ETNO hopes that the actions envisaged under the new initiative firmly place the ICT sector at the top of policy-makers' agendas within the context of the renewed Lisbon Strategy and will help European institutions maintaining the momentum behind these actions over the coming years. There is a clear need to boost the performance of the European ICT sector and to improve its competitive position at global level thereby strengthening those areas where the EU has a competitive advantage thanks to past initiatives and investments.

As far as R&D is concerned, ETNO supports the significant simplification of management and financial rules for the 7th Framework Programme. Moreover, ETNO is in favour of European Technology Platforms (ETPs) as they are the most efficient instrument in order to ensure research results transition to industry.

Finally, ETNO shares concerns about the need to create an inclusive Information Society. ETNO is to some extent reluctant to public sector

intervention in networks deployment if not clear criteria are met, and wants to highlight that public commitment in promoting broadband take-up should not lead to market distortions.

INTRODUCTION

ETNO is the recognised voice of the European Telecommunications network operators with over a decade of experience in shaping EU telecoms policy. The association represents 41 companies from 34 European countries. They account for an aggregate turnover of more than 210 billion Euros within Europe and employ more than one million people. The association is widely recognised for its expertise on various topics including technical and regulatory matters, but also issues such as environmental protection, sustainability and network security.

ETNO members deliver through their own networks a comprehensive and growing range of electronic communication solutions for their customers. They combine services, both traditional such as fixed or mobile voice telephony, as well as innovative data services. ETNO members are ambitious to provide value for customers based on good quality customer service, creativeness and innovation. ETNO members are the only telecom companies that are heavily investing in tomorrow's technologies on a large scale and with a clear long-term commitment to society at large. Our member companies devote a significant amount of their resources to R&D+i (Research, Development and Innovation) and are paving the way for the future.

Against this background, ETNO welcomes the publication of the European Commission's Communication on "i2010 - A European Information Society for growth and employment" and would like to take the opportunity of the launch of the new initiative to outline its expectations and ambitions for the new programme that is due to set the policy framework for the ICT sector in the coming years.

ETNO would like to underline the relevance of this initiative and the need not only to believe in it, but also to assure that these policy initiatives are real and achievable so that they will reach the objectives fixed for i2010 successfully on the expected date.

The European Union cannot allow itself to lose this opportunity and, jointly with the industry, must actively support those areas where Europe is successful but also different from the rest of other geographic areas, in order to increase Europe's competitiveness.

ETNO also welcomes the pragmatic and focused approach of this new action plan and will support it through its member companies' initiatives to further develop electronic communications markets and bring to consumers the benefits of new innovative services. This pragmatic turn shifts the emphasis on demand rather than supply: "Future technology policy must aim to encourage user pull rather than technology push. The adoption of

ICT across Europe reflects the rich landscape of different contexts, approaches, languages and cultures.”¹

ETNO is pleased to see that the major role of the ICT sector as one of the most innovative sectors and a driving force behind productivity, is being acknowledged and furthermore that its constituents are clearly being recognised as the strength of the EU telecom industry: “When looking more specifically at the top 10 telecommunications service firms in the OECD, six² are EU companies, accounting for 50% of the total top 10 revenues in 2003 (38% in 2000) and 56% of the total top 10 employment figures in 2002. ETNO members are fully aware of this role and are committed to acting as enablers of markets as illustrated by the growth of broadband penetration in Europe³.

GENERAL COMMENTS

- ETNO welcomes the new Commission strategy for the sector because it is both an ambitious (aiming to cover policy aspects for ICT, moving beyond core ‘telco’ policies) and comprehensive plan (addressing multiple aspects of ICT policy: network, content and services regulation, R&D+i and activities aimed at increasing ICT demand). However, ETNO wants to recall that this strategy needs all the support of the EC in order to reach its objectives within the indicated timeframe.
- ETNO feels that the new i2010 initiative is an opportunity to undertake concrete policy initiatives to develop the long-term sustainability of the industry and its contribution to European competitiveness and welfare.
- ETNO hopes that the actions envisaged under the new initiative firmly place the ICT sector at the top of policy-makers’ agendas within the scope of the renewed Lisbon Strategy and will help European institutions maintaining the momentum behind these actions over the coming years.
- ETNO considers that the European electronic communications market has some specificities that could assure Europe’s future success (e.g the high level of mobile penetration within Europe) that needs to be taken into account in the i2010 initiative.

ETNO AND THE I2010 INITIATIVE

In line with the fast developments within the industry and coinciding with the preparation period of the new i2010 initiative, ETNO has also

¹ Main challenges for the next five years.

² France Telecom, Deutsche Telekom, Vodafone, Telecom Italia, BT and Telefónica. Main challenges for the next five years, p.6

³ 85% of the EU15 population has broadband coverage via DSL, the dominant platform in Europe

undertaken a review of its policy priorities which has recently led to outlining its policy focus for the coming years:

- *“an innovation and investment friendly environment allowing ETNO members to invest in new infrastructure and services without being caught up by all encompassing access regulation;*
- *the widespread availability of European high-quality digital content in order to boost the deployment of broadband;*
- *the EU regulatory environment to be adapted to market realities and a progressive move towards a sector primarily driven by market forces.”*

Indeed, ETNO outlined these priorities in its answer⁴ to the Commission consultation on the Challenges for the ICT sector beyond 2005 which in summary highlighted that the prerequisite for a successful achievement of the Information Society in Europe is the need to set up a flexible regulatory environment which stimulates investment for the development of new networks and services, bringing benefits to society as a whole.

Now that the new i2010 strategy has been outlined, ETNO feels that, in addition to the points already made in its reply to the above-mentioned consultation on the Challenges, the following comments should be made on the three priorities outlined by the Commission.

⁴ ETNO Reflection Document on the European Commission Communication on Challenges for the European Information Society beyond 2005 (RD207, 14/1/2005 – see www.etno.be)

Priority 1: The completion of a Single European Information Space that promotes an open and competitive internal market for information society and media services

1.1 Regulatory Framework for electronic communications networks and services

ETNO welcomes that the regulatory framework for electronic communication is recognised in i2010 as a key parameter for the success of the sector and in particular for the development of broadband services, using all the platforms and networks already available in the European electronic communications market.

We encourage the European Commission to use the momentum of the i2010 initiative to pursue a regulatory policy at EU level that truly encourages investments and innovation, in particular in new generation broadband networks and services. ETNO is convinced that ensuring a coherent, transparent and proportionate implementation of the current regulatory framework and creating the right environment for future investments and innovation are key for the growth of the sector and ultimately the success of the i2010 initiative and the revised Lisbon strategy.

The Commission's action should concentrate on three core elements in order to improve the regulatory framework conditions and at the same time reduce the overall level of regulation:

- a) Ensuring that the EU regulatory framework is implemented in a coherent, proportionate and investment-friendly manner,
- b) Achieving a major reduction of the scope of sector-specific intervention in the context of the review of the Commission Recommendation on relevant markets⁵,
- c) Reshaping the legal framework on the occasion of the 2006 Regulatory Review to meet the needs of an evolving market place.

a) Ensuring a coherent, proportionate and investment friendly implementation of the EU Regulatory framework

ETNO would like to recall the initial objectives of the EU New Regulatory Framework (NRF) which came into force in 2003: lowering the administrative burden, strengthening of the internal market and allowing the progressive roll-back of sector specific regulation wherever possible to

⁵ COM(2003)497, Commission Recommendation on relevant product and service markets within the electronic communications sector susceptible to ex-ante regulation in accordance with Directive 2002/21/EC

evolve towards a sector driven by market forces and monitored by means of general competition law.

The way the framework is currently applied by NRAs does not achieve these aims and has so far lead to more, not less regulation. ETNO has examined some preliminary trends of implementation of the regulatory framework visible throughout the EU in a specific task force. Next to a lack of consistency and timeliness in implementation, two main trends are visible from the results reported by ETNO members:

- The regulatory framework has not brought substantial deregulation to electronic communications markets. In particular for leased lines, wholesale broadband access and mobile markets the level of regulation has even increased. It appears that in many cases, the NRF is applied in a mechanical way and regulators intervene in the market without sufficiently taking longer-term trends into account, such as competitive pressures on fixed operators by mobile offers or increased establishment of alternative infrastructure in the broadband market. Given the rapid technological evolution, market analyses should take a forward-looking perspective on how markets and technologies will evolve.
- The imposition of regulatory obligations (“remedies”) by NRAs does not reflect the broad consensus underlying the i2010 Communication that only infrastructure-based competition leads to sustainable competition and innovation. A recent publication by the European Regulators Group (ERG) even recommends the imposition of price-regulated access obligations across the value-chain – an approach which in ETNO’s view does not encourage infrastructure investment, neither by new entrants nor by incumbents.

Against this background, ETNO encourages the Commission to increase its efforts to achieve the original goals of the framework. This could include a closer scrutiny of the proportionality of regulatory remedies and, in the coming months, guidance on a deregulatory approach to next generation networks and high-speed fibre access networks. ETNO acknowledges that interconnecting operators will continue to require access products, but understands that this might very well be achieved on commercial grounds; mandatory access, if any, should reflect an adequate balance between the needs of interconnecting operators and incentives to invest.

Special attention needs to be given to the regulatory treatment of new networks and services. It is today that operators are deciding on the scope and pace of new investments. Huge investments in the next generation of electronic communications networks including high-speed access networks to the home are needed to underpin new convergent services and applications and thereby make convergence a reality for EU citizens. The way the current regulatory framework affects these new investments will have a huge impact on progress made towards the EU’s objective of providing more and more citizens with access to high-speed broadband access networks and services.

The move to next generation networks (NGNs) is a major technological shift for network operators, involving new architectures, new protocols and new types of access. Consumer demand for new packages of services such as multimedia value-added and content-based services is still largely uncertain.

Traditional ex-ante access regulation, originally developed for the opening up of former fixed monopoly networks, would generally be an ill-suited and potentially dangerous tool to address the complex interaction within this new set of networks, services and applications. Business models in the NGN environment emerge based on innovation and successful service creation, not based on intervention by regulators.

b) Reducing the scope of sector-specific intervention in the forthcoming review of the Recommendation on relevant markets

The forthcoming review of the Commission's Recommendation of relevant markets can become a cornerstone for a successful i2010 agenda.

A radical shortening of the 'list of relevant markets' on which sector-specific regulation may apply would bring a significant reduction of the administrative burden for all market players and regulators associated with the periodical market reviews of currently 18 markets. At the same time, it would lift ex-ante restrictions for operators operating on highly dynamic and risky markets, allowing them to sell new and innovative services without the threat of all-encompassing regulation. A radical overhaul of the list could therefore significantly contribute to lifting the full growth potential of the sector to the benefit of all EU citizens.

The revision should also effectively limit the scope for regulatory intervention in an NGN-environment, *inter alia* by not extending the list of relevant markets to new markets.

It should be recalled that the special sector-specific regime of ex-ante obligations which applies to the markets listed in the Recommendation is a unique feature of the electronic communications industry as compared to other dynamic growth sectors with, at least, comparable economic characteristics such as the IT or media industry.

c) Reshaping the legal framework in the context of the 2006 review to meet the needs of the evolving market place

ETNO is pleased to see that to boost growth and create more and better jobs, the European Commission has included two important ICT related topics within the recently tabled⁶ comprehensive plan of eight **key actions**: the support of knowledge and innovation in Europe, and the improvement and

⁶ COM(2005) 330 final, Common Actions for Growth and Employment: The Community Lisbon Program

simplification of the regulatory framework in which business operates (with special reference to the e-communication framework as an essential tool to stimulate digital convergence and drive powerful market developments with a significant impact on competitiveness and job creation).

Indeed, in ETNO's view, European Institutions should take advantage of the opportunity of the 2006 Regulatory Framework Review to make further progress towards the required de-regulation and give clear positive signals to the market, avoiding the threat that the Commission's policy of seemingly perpetual regulation of the sector is extended, which would jeopardise much needed investments. The focus of regulatory policy should shift further to the creation of an enabling, light-touch framework that favours sustainable competition and should move away from artificially sustaining business models based on regulatory arbitrage. Competition concerns that may arise in the new world of NGN should be addressed within the framework of general competition law. At the same time, standardisation work by the competent bodies is becoming increasingly important as highlighted in the Commission's 2010 Communication.

ETNO strongly believes that a thorough review and probably a significant reform of the framework is needed, and is looking forward to co-operating with the European Institutions to provide Europe with an enabling framework that best suits the sector so that it may contribute to achieving the Lisbon goals.

Universal Service Obligation

A first step and important element of the review of the legal framework will be the review of the Universal Service regime. ETNO believes that investment, innovation and rapid technological progress in the electronic communications sector deliver unrivalled choice, quality and value for money for the consumer of electronic communications services almost everywhere in the EU. Against this background, the necessity for any future universal service obligations should be critically assessed and existing obligations reduced in the longer term to reflect market and societal developments.

In this context, ETNO supports a move to a tax-based funding of any remaining Universal Service obligations. Financing of Universal Service inside the sector inevitably creates market distortions and cross-subsidization between different groups of consumers. In a fully liberalised market environment, social policy objectives should be pursued and financed by the public, not by individual groups of consumers

Spectrum policy

As far the spectrum management is concerned, ETNO understands that the current regulatory framework for radio spectrum management enabled pan-European development of high quality radio communication services in

terms of service availability, network interoperability, free equipment circulation and economies of scale for the benefit of all parties involved, i.e. manufacturers, network operators, service and content providers, and last but not least the customers.

Technology evolutions and increasing convergence of services call for changes in radio spectrum management as regards to faster spectrum access and greater flexibility in spectrum usage. However, any significant modification of the current regulatory framework should be carefully considered and highly motivated before action is taken.

Seamless availability of radio communications services in the single European market requires large investments in infrastructure by network operators. These investments are based on the confidence in a fair and stable competition framework facilitating a return on investment.

ETNO calls for a gradual approach to achieve a smooth transition from the current regime to a more flexible one, in harmony with short, medium and long term market needs, based on experience with concrete cases.

In particular, concerning the foreseen Digital Switchover, ETNO⁷ considers that due to the higher spectrum efficiency of digital technology, the transition from analogue to digital broadcasting is assumed to release spectrum in some countries for a variety of other purposes. Therefore ETNO considers that digital switchover plans should be developed in a way that any released spectrum - the so called "digital dividend" - resulting from the transition from analogue to digital terrestrial TV broadcasting, leaves flexibility and opportunity for innovative services and applications, not only of conventional broadcasting, but also for new electronic communications services. ETNO members favour a harmonised and effective use of the radio spectrum since it can be beneficial both for end-users and industry by encouraging economies of scale.

1.2 Regulatory Framework for content-related services

ETNO is concerned about the legal uncertainty that may arise as a result of the review of the TV without Frontiers Directive, at the very moment when the ICT sector is fully engaged in rolling-out new added value broadband services, which are key to the future of electronic communication markets. Indeed, extraordinary investments are being made by telecommunications operators to promote the emergence of an appealing market of broadband content, and broadband services, but returns on such investments may be negated by an inappropriate horizontal regulation of content.

The current review of the Directive of TV without Frontiers should facilitate and not put at risk the availability of content to all new media, by

⁷ See ETNO Reflection Document on the development of the "ALL-DIGITAL FREQUENCY PLAN" for terrestrial TV broadcasting

eliminating threats and barriers to its delivery over all delivery channels in a technologically neutral way. Therefore, regulation of the different but converging markets, which by their mere existence increase choice and diversity, should tend to deregulation instead of extending obligations from one market to another⁸.

On the other hand, protection of Copyright is fundamental to create a fair environment for the availability and distribution of content. In this framework, open, interoperable and voluntary DRMs systems should be preferred over mandatory legal instruments for the enforcement of exclusive rights: policy makers and industries could jointly establish the conditions which favour open business models, enable competition and safeguard consumer choice while ensuring a significant depth of interoperability at as many layers of the value chain as possible (content, service, aggregation, software, network, device providers, and vendors)⁹.

1.3 Other Issues

ETNO members are also involved in other areas covered by the i2010 initiative such as e-business, e-payments, standardisation, trust and security, and ETNO has already made some contributions in these fields. ETNO would certainly welcome more consistency between the different EU approaches and better co-ordination amongst the Directorates in charge of these topics in order to obtain a well-balanced approach between the different stakeholders. The balanced approach taken, for instance when defining the liability of intermediaries for illegal on-line content, might be considered as an example to follow. A first opportunity for these principles to be applied is the review of the Electronic Money directive that should not jeopardize new business opportunities in the telecommunications sector such as truly pan-European electronic payments (mobile payments, micro-payments and those over the Internet). In this regard, ETNO members welcome the Commission's attempts to clarify and update the existing framework and develop an efficient market for payments services in the EU that fully takes into account new technologies.

Finally, ETNO believes that both governments and industry have a responsibility to ensure, as far as possible, that communication networks are secured. To this end, individual users, industry and governments need to co-operate to promote network and information security (e.g.: via more industry representation on ENISA). Network Information Security is a global issue; to succeed at a European level, steps should be taken to ensure the appropriate international coordination between the EU and third countries, such as the USA.

⁸ See ETNO Reflection Document RD217 on the Revision of the Television without Frontiers Directive

⁹ See ETNO Reflection Document RD193 on the European Commission Communication on the Management of Copyright and Related Rights in the Internal Market

Priority 2. Strengthens Innovation and Investment in ICT research to promote growth and more and better employment

European telecom network operators, as technological leaders, are the drivers of this growth due to their innovation capacity. It is key for Europe to maintain its leadership in this field. The inclusion of ICT R&D+i within the scope of the i2010 strategy underlines the integrated nature of the new initiative, although it still remains to be seen to what extent DG Infosoc will be to steer the policy and funding priorities on an issue where there is shared responsibility with other DGs (DG RTD, DG Regio, etc.).

The separation of objectives within FP7 between Cooperation (the most important and driver behind the others), Ideas, People and Capacities is considered positive. In terms of budget, resource allocation to IST in FP7 should be in line with these objectives, and tend towards 25 % of the Framework Programme. In addition, ETNO finds that European Technology Programmes may need additional funds, such as Structural Funds to fully achieve their goals in terms of interoperability and deployment.

ETNO supports the significant simplification of management and financial rules for FP7. In particular, a company rather than a project based approach is much more efficient.

ETNO supports European Technology Platforms (ETPs) as they are the most efficient instruments in order to ensure research transition to industry. They must therefore be both strengthened and amply used in order to orientate Community policies when both expertise and relevance of prospective choices are needed. The already established ETPs: Mobile & Wireless Communications, (eMobility), Networked & Electronic Media (NEM) Embedded Systems (Artemis), Space, Software, Systems & Services (Seaside) and some others that may arise soon (e.g. Security), should be strongly supported by the Commission in order to gain the expected benefits. During the FP7 building process, ETPs should lead on work programmes and key topics definition, objectives definition and project proposal evaluation.

In terms of FP7 instruments, ETNO believes that where ETPs exist, Integrated Projects (IPs) enable the synergy of different players from the ICT sector and should remain the main vehicle for research. In such cases, at least 75 % of the budget should be dedicated to Integrated Projects.

Networks of excellence (NOEs) in their current form are only attractive to university participants, who need the funding in order to network. For industry, the administrative load of participation is too heavy compared to the benefits. Industry, both large and small companies, should be allowed to participate on a self-funding basis across a range of NOEs of their choice

without formal contractual obligations. This would improve cross-fertilisation within the European research area.

In terms of the evaluation of FP7 projects, in order to achieve rapid technological transfers and produce the greatest driving effect in economic terms and at the national market scale, evaluation criteria should also take into consideration the industrial relevance of the proposals and their alignment with the European industry needs. To ensure that evaluations are made with a deep understanding of the economic implications and down streaming of the project results, it is important to increase the number of industry experts in the evaluation teams.

With regards to the content of the FP7 proposal, the selection of themes is good, in the sense that possibly most of the promising new areas for development are properly covered. However, there is no clear distinction between areas that are already significant for building European future and those areas which are only promising avenues. For example "Knowledge, cognitive and learning systems" or "Simulation, visualisation, interaction and mixed realities" even taking into account their importance, cannot be considered to be on an equal footing with "Ubiquitous and unlimited capacity communication networks". The latter constitute, at present, one of the most important pillars of European industry and where existing leadership has to be assured and promoted.

It is expected this distinction will be clearly made when the actual program is proposed.

ETNO wants to emphasise the following key technologies and areas which are of high importance in maintaining leadership for the European ICT industry:

- network migration to the New Generation network (NGN),
- the "Beyond 3G" channel for mobility,
- software technologies,
- home services.

Finally, networks and service security is the cornerstone of Community programmes. This domain is essential to preserve the European Union's goal of reaching the i2010 objectives and its capability of evolution towards a knowledge economy. The Commission proposal in COM(2005)119 does not adequately provide an objective to enable trusted network supported transactions. E-government and E-payment are poorly represented. All these fields require next generation integrated identity and privacy mechanisms to ensure trust in network services.

Priority 3. Develops an Inclusive European Information Society that promotes growth and jobs in a manner that is consistent with sustainable development and that prioritises better public services and quality of life.

The aim to create an inclusive Information Society is a useful policy objective, under which a host of actions can be included such as raising ICT knowledge and ICT usage, with the ultimate aim of promoting increased employment, competitiveness and welfare improvements.

A high level of competition and market development will guarantee a wide number of attractive offerings with constantly decreasing prices for end users, making broadband services available to more and more customers. As the ICT sector is growing there is still a significant gap between more developed countries and regions and less-developed ones. ICT products and services can bring even more positive effects in the latter regions. Therefore making ICT services more accessible should be based on economic, social, ethical and political imperatives, as mentioned in the i2010 Communication.

For ETNO companies it is essential to distinguish between the various types of public sector interventions in network deployment (supply side), and public investments that stimulate and drive demand for broadband. Public policy approaches to addressing the digital gap among regions must start from understanding the root cause of this divide in demand for broadband services.

3.1 Public sector commitment in networks deployment

Substantial investments into the rollout of broadband have already been undertaken by private entities. Private investors consider at least two factors, on the basis of which they decide how to allocate financial resources: the risk of investment and the level of profit expected. In general, operators – both incumbents and new entrants – will only invest in a market if they can earn a reasonable rate of return on their investments and if their profitability is not decreased or questioned by regulatory interventions.

As mentioned, it is of major importance to create a transparent and stable environment based on competition rules, as any inappropriate regulatory intervention may have detrimental impact on the rollout of services. As ETNO represents key players and investors in this field, it is essential for us that the extensive deployment of broadband infrastructure takes place in a market-driven and sustainable environment that meets the requirements of end-users and service providers alike. So far, efforts to develop Europe's market have been successful and investments have created high levels of broadband availability throughout the Union.

Nonetheless, ETNO recognises that there are less developed rural areas where infrastructure rollout is not viable for private investors from an economic point of view due to the low density of households to be connected. This situation is aggravated due to the fact that in most cases in these areas there is little demand for use of ICT services and broadband. Therefore, ETNO supports the idea to take public funding into consideration for the development of underserved rural areas where there are no viable business cases foreseeable.

However, while ETNO supports the use of public funding as a means to increase the development of electronic communication infrastructures and services, especially in rural areas, such funding should not be applied to the roll-out of overlay networks in areas where a commercial offer already exists. When developing such initiatives it is of utmost importance to safeguard competition-based broadband development and avoid market distortion. Public funds should only be used to bridge the digital divide in well-defined cases, based on clear criteria and applied under fair, transparent and competitively-neutral conditions.

3.2 Public intervention to foster broadband demand

In many EU member countries, the actual coverage rates by far exceed the actual take-up rates for broadband services. In this respect, ETNO members consider that public authorities might play a role in addressing the low take-up of broadband services, e. g. through financial and fiscal incentives, allocation of public funding to IT skills training, encouraging different schemes for PC purchase programs etc. Therefore we would like to stress some possibilities and areas where Public Authorities should make strong effort to promote ICT services:

- promote on-line public services, interoperability of applications and co-operation between public authorities
- promote development of new projects and services for citizens where central government must take leadership in co-ordinating all administrative levels and in general as well as playing a co-ordinating role in the different actions between the various actors - such as business associations and chambers of commerce
- promote the training and digital alphabetisation of all stakeholders in the Information Society,
- promote the exchange of best practices between the various levels of public authorities.
- promote the development of a secure and reliable environment
- continue to increase the number of public access points to the Internet, so that those people who do not have sufficient resources to be able to afford a connection at home can do so easily from public spaces such as libraries, IT centres, schools
- to give a big push in the field of skills for all in addition to continuing to place emphasis on the ability to access services.. It is also fundamental that the advantages of the Information Society be properly diffused in

order to kick-start peoples' motivation to participate in the training processes that aim to provide ICT skills for all.

- public authorities should allocate financial and fiscal incentives in order to foster the acquisition of ICT equipment.

OPEN ISSUES CONCERNING THE I2010 INITIATIVE

Despite the exhaustive timetable outlined by the Commission in its i2010 Communication and the accompanying Extended Impact Assessment, ETNO believes there are several issues about which it would like to see more details in the near future. Some of these include:

- Monitoring and assessment of the initiative: In order for the initiative to be successful, clear and continuous monitoring of its main outputs at both the EU and national level should be implemented. The results of such a monitoring exercise should be measured against relevant pre-established targets in order to decide on potential additional/amended measures.
- Governance and ownership: ETNO understands the intrinsic difficulty of co-ordinating various i-2010 policies within the Commission. However ETNO urges the Commission to take full collective responsibility of such an important initiative that we consider to be a cornerstone for the Lisbon strategy. ETNO urges more consistency amongst the various EU approaches and Directorates (in particular within the DG Infosoc (Art.7 TF) and between DG Comp, DG Regio, i2010 Committee) which is crucial for the success and thus credibility of the whole i2010 initiative. Likewise, we should not lose momentum with Member States as occurred with eEurope where Members States were showing some 'eEurope fatigue' as stated by the Commission¹⁰.
- Stakeholder participation: In order for i-2010 to be a success, involvement of all the relevant stakeholders is needed. ETNO would be keen to participate in the development and monitoring of the different policies. Development of an effective private sector participation procedure is lacking in the initiative.

¹⁰ Main challenges for the next five years