

Electronic Communications Code: ETNO calls for urgent realignment with original objectives

Brussels, 2 October 2017 – ETNO, the Association representing Europe’s leading providers of digital networks and services, expresses extreme concern as to the on-going legislative process on the European Electronic Communications Code (“the Code”).

ETNO recognises the efforts and role of the Rapporteur Pilar Del Castillo in advocating for a high level of ambition. However, we believe that the result of today’s vote in the Industry Committee risks to seriously undermine the integrity of the Code and to miss the results expected by EU citizens and businesses, who ask for widespread very high-capacity connectivity in all European countries.

Back in September 2016, the European Commission put forward a proposal aimed at addressing Europe’s network investment challenge. Filling the investment gap and accelerating the deployment of superfast networks is vital to including all Europeans in the Gigabit Society and to securing Europe’s global competitiveness for all industries. This was also recognised in the European Parliament [Report](#) on the “European gigabit society and 5G” (May 2017) as well as in the Tallinn [Declaration](#) on 5G (July 2017).

However, today, all the main investment-conducive measures in the Code appear under threat and some investment-distracting proposals have been introduced in the legislative debate. Unless this departure from the original objectives is swiftly addressed, we risk sending a negative signal to the investment community, in a major regulatory about-face. More in specific:

- **Investment-conducive measures need to be restored and strengthened.** All investment models for very high capacity networks should be provided with clear regulatory incentives. In particular, we regret the weakening of the Commission proposals to grant incentives to co-investment and that such incentives were not extended to other collaboration models.
- **The duration of spectrum licenses needs to remain 25 years or longer.** An interim review of the license conditions would result into a major setback for investment in mobile connectivity and in 5G specifically. Long-term legal certainty is required in view of the long pay-back periods for 5G networks.
- **All unjustified regulatory proposals should be rejected.** Economic regulation beyond the concept of single or joint dominance would not be legally consistent with the architecture of Europe’s telecoms laws. Similarly, additional retail price regulation is unjustified, with markets for intra-EU calls being competitive and customers being able to choose among multiple free alternatives.
- **Service regulation should boost consumer choice.** Regulatory simplification should allow telecom operators to innovate as much as internet players, in order to provide increased choice for European consumers. At the same time, harmful regulation of bundles should be avoided. This would take away successful offers that are currently taken up by 7 in 10 European consumers ([Ipsos, 2017](#)).

Lise Fuhr, ETNO Director General, commented: *“For the Gigabit Society vision to be credible, the Code needs to stick to its original objectives. Without investment incentives and spectrum reform, European citizens and businesses risk being stripped of superfast networks and innovative services”.*