

EU telcos: the EECC cannot fail the 5G, fibre and digital services objective

Brussels, 31 Jan. 2018 – As the global race to 5G and AI picks up, European telecom investment is the first step to digitally empower citizens and secure the Continent's competitiveness. However, the Electronic Communications Code (EECC) negotiations might fail the objective and result in a worsened climate for digital growth. Senior representatives from Europe's leading telecom operators meet today in Brussels to call for improvements to the EECC, or maintain the current set of rules. This comes as the EU institutions move to a crucial phase of discussions on the EECC negotiations and ePrivacy Regulation – which will reshape Europe's telecoms laws and set the tone for the investment environment.

2018 to bring 5G, new services and more fibre

ETNO companies will lead the way in telecoms innovation in 2018, with 5G services becoming reality in several cities, increased FTTH and FTTC roll-out and the launch of new digital services.

As the work on making 5G happen continues across the Continent, Stockholm, Tallinn and Helsinki are expected to see 5G services rolled-out already this year, in a major test for the EU's 5G readiness. In parallel, fibre deployment efforts based on different technologies are increasing with ETNO companies counting for 56% of the FTTH deployed in Europe.

ETNO companies are also bringing fresh competition and innovation to the digital services space, with several members launching financial services, AI-based apps and strategic IoT initiatives.

EECC must deliver for consumers and investors

The transition to 5G and fibre networks is a historic transition that will re-define the competitive position of the EU globally and empower hundreds million consumers across the Continent. The pace of such transition is crucial, at a time in which other geographies are largely out-investing Europe. Regulatory certainty is paramount to deliver the required magnitude of investment and to ensure that the pace of roll-out increases. More in specific:

- **The status quo is preferable to a bad reform.** We have been the first advocate of digital reform and we support the original spirit of the EECC. However, we believe that this reform needs to result into concrete improvements of network roll-out and regulatory consistency, which is not in line with current developments. Unless negotiations address threats to consumer choice and investment, the status quo is to be favoured.
- **Spectrum reform must be bold and credible.** Investors have been disillusioned by several failed attempts of reform. Concrete results on licence duration, renewal and fees are now a pre-requisite to pan-European 5G roll-out. The credibility of the spectrum rules will also depend on a strong compromise on peer review.
- **Access rules must lead to more investment.** No matter whether small or big, incumbent or alternative, all operators who invest should be strongly incentivised. Granting regulatory certainty to investors that make a commercial access offer prevents a wait-and-see approach and promotes a positive investment climate.
- **Regulation should embrace innovative consumer services.** From the EECC to the ePrivacy regulation, European telcos should be allowed to increase competition in the digital service space. Fair and consistent rules on privacy and service regulation are necessary to deliver more consumer choice.

Telco leaders call for action

Phillip Malloch, Chairman of ETNO, said: *“Legislative negotiations should focus on consumer needs, industry digitisation and the Continent's competitiveness. For the next 10 years, the EECC is Europe's opportunity to deliver a better investment environment for digital networks and services. If reform isn't 5G and fibre-investment proof, even the status quo with the existing EU Directives would deliver more predictability and certainty than the proposed new Code”.*

Wolfgang Kopf, Senior Vice President Public and Regulatory Affairs at Deutsche Telekom, commented: *“Europe must move from talk to action on improving investment conditions for fibre and 5G. Access to*

fibre deployments should be based on commercial terms, and not be subject to legacy regulation. The new Code must help closing the investment gap to other world regions.”

Gera Van Duijvenvoorde, Competition Counsel at KPN, said: *“Telecom markets are competitive and the dynamics of the market are changing with the entry of new competitive powers (like OTT, content, platforms). That calls for appropriate market-based and tailor-made regulation that match these changing dynamics and foster innovation while ensuring a level playing field.*

Marc Lebourges, Director of European Regulation at Orange, said: *“5G is a unique opportunity for Europe to regain global digital leadership. 5G means unprecedented infrastructure competition, much more resources for the open internet as well as much more innovative dedicated services, a holistic data protection approach and robust co-opetition within and across industries”.*

Enrique Medina, Chief Policy Officer at Telefonica, said: *“Full alignment between GDPR and ePrivacy is absolutely in order not to jeopardize the telecoms opportunity to develop innovative Big Data and Data-Driven Services”.*