

We are really proud to continue the tradition of providing input to the Brussels debate with quality thinking on digital policies and regulation. For this reason, I am happy that ETNO has tasked Charles River Associates with the challenging objective of producing a report on the implementation of the 2013 Recommendation on costing methodologies and non-discrimination.

As detailed and technical as this subject might seem, we all know that the 2013 Recommendation has been a milestone in the path towards a regulatory environment that favours investment in Europe's competitive markets.

### **The broader context: investment for the sake of investment?**

So, let me take it from here - from the reason why ETNO is a strong advocate for a pro-investment approach to digital regulation.

Investment is not – and cannot be – an objective *per se*. Investment is rather a tool – often the only one – to achieve common objectives. In this case, the objective is to ensure a widespread and swift deployment of faster broadband networks across Europe.

This objective is good, first and foremost, for European citizens and businesses. I don't need to remind to you, digital friends, of the importance of state-of-the-art broadband networks when it comes to the competitiveness of our Continent and to the opportunities unlocked by internet access.

This objective, though, is also good for the digital value chain. Telecom operators want to be able to transition to faster networks, both fixed and mobile, and make the most out of the data opportunity. At the same time, other friends in the ecosystem, like the content and application providers, want us to deploy these networks as fast as we can. The digital value chain is hungry for capacity. And it is capacity that can alleviate some of the most complicated policy puzzles.

This objective is also good for governments. A fibre, 4G or 5G Europe will enable a whole set of new, efficient and smarter public services. But, what is possibly more important, it brings the promise of enabling a re-industrialisation of our Continent via a digitisation of the traditional industries. We all know that connected cars, M2M and telemedicine are anything but distant dreams. They are a reality of today, they are a work in progress, they are happening as we speak. And we need to support all of that

with a strong, reliable and super-fast digital backbone, which is being built – and will be built, by us: Europe’s telecom operators.

Too many times, in the past, we have taken the investment tool for granted: and this is why I believe that the 2013 Recommendation was a first, important step, to bring focus back to the investment challenge. We believe that nobody can be content with the flat line that represents Europe’s investment levels today. If we want to chase the fibre dream, we need this line to curve upwards.

### **The role of the 2013 Recommendation in unlocking fibre roll-out**

This said, some might think that a simple Recommendation might have little to do with such ambitious statements. I think they would be wrong in thinking so.

I think that the achievement of our ambitions should rely on a delicate mix of broader reform projects and short-term, concrete actions.

Maybe it’s because I am an engineer and I cannot resist the charm of technicalities: but I believe that a swift, consistent and proportionate implementation of the 2013 Recommendation can bring tangible results within a short time-frame.

I will be pointing to the Moon later on – and you will see that I am serious when I call for more ambitious reforms and for a deep review of today’s Framework. But while I point at the Moon, I don’t want us to forget that the European Commission has already given Europe a first tool to increase investment in faster broadband. That is the 2013 Recommendation and it needs to be used now, in the appropriate way.

This is the challenge that we gave to Charles River Associates: we asked them to come up with a practical guide laying out concrete recommendations on how to best implement the 2013 Recommendation.

They will present, later on, their findings and their suggestions. But I would like to point to the one aspect which I believe is important when looking at the Recommendation.

In my understanding, the cardinal objective is to support efficient investment in NGA infrastructure, while safeguarding competition.

Let me therefore be controversial, to add some spice to our debate: we need to avoid a regulatory accounting logic when implementing rules. We should rather make sure that implementation always looks to the paramount objective of the Recommendation

itself; which – in my view – is a bold policy objective: we want to support investment and achieve a faster deployment of next generation broadband.

In addition to this, I think that the Charles River report beautifully shows how this objective is far from being in contradiction with competitive markets.

Simply – and this is my thought – as much as investment cannot be an end in itself, neither can competition. Competition needs to reach for our overarching goal, which – in this case – is to get more fibre.

For that to happen, **we need real harmonisation, legal certainty and swift enforcement of the Recommendation.**

#### The way ahead: DSM and beyond

Before I hand over to Anthony Whelan and to our distinguished panel, let me zoom out for a second. I promised you the Moon a few minutes ago, and I will now stick to my promise.

I think I have shown how ETNO is supportive of a swift action around the 2013 Recommendation, as a practical way to make things happen in the markets, without waiting any longer.

But I don't ignore that we are also now at a crucial moment for the future of our sector. The European Commission is working hard to bring to light a new Digital strategy, which will complement the 2010 Digital Agenda for Europe.

ETNO will be supportive of the Commission work in this field, and I can anticipate today that – encouraged by the online platform for the DSM debate – we have decided to do more. Next week, we will release a fully-fledged contribution to the DSM Strategy, in the form of a short Policy Paper that feeds into the discussion around the pillars proposed by the Commission.

ETNO is looking forward to seeing the DSM strategy in May. I heard ambitious speeches by our new digital leaders: Andrus Ansip and Guenther Oettinger. So, I would just like to leave you with our definition of ambition.

First: let me say that we share the view of all those players who are for an urgent and thorough reform of the traditional telecoms regulatory approach. Markets have changed so dramatically that it would be impossible to leave things unchanged, or only

apply minor tweaks to existing legislation. In our view, the status quo cannot be considered a viable option.

Investment in better, faster and more pervasive networks should be put at the heart of the new EU framework. The same applies to harmonised rules on fundamental inputs such as spectrum, which is the lifeblood of the mobile revolution.

At the same time, as much as we are doing today in terms of suggesting a swifter implementation of current rules, we should be thinking of further speedboat initiatives to achieve shorter-term results on broadband deployment.

The second aspect in our definition of ambition: a fair, equitable and levelled playing field among actors delivering the same types of services should also apply. This does not necessarily mean more regulation. It means that we are all challenged to re-think older rules in light of the new market dynamics. The ETNO paper, next week, will contain some initial ideas in this respect.

Third: innovation is crucial. In this field, making the most of the big data revolution will be critical for Europe. So will be the ability of telecom operators to effectively manage networks and to provide a diverse range of services to individuals, public administration as well as small or big companies. And, at the same time, we will need to stimulate take-up of smarter technologies across the private and the public sector.

Finally: none of this will be possible unless we are all able to trust that our data are secure. For this reason, it is important that both citizens and companies feel they are safeguarded no matter who is handling their personal or commercial data.

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As promised, this was my view on that delicate mix of short term and longer term actions that I believe will be crucial for achieving digital success. Today we will start by focusing on the 2013 Recommendation, but I invite you to remain tuned for further ETNO initiatives on all things digital.