

FT-ETNO SUMMIT 2015

Policies and Regulation for the Digital Age: The New Wave

Speech of the ETNO Chairman at the FT-ETNO 2015

Dear Vice President Ansip, Dear Professor Tirole,

Dear guests and speakers,

The ETNO community is proud to co-host with the Financial Times - the 6th edition of this Summit:

This event has become – over the years – the main forum in Brussels for all those who want to discuss the future of - policies and regulation - in our digital industry;

The meaning of reform

In the past years, many voices have called for reform: commissioners, ministers, internet companies, regulators, big and small telecom operators;

Today, the digital reform *is* happening:

Several consultations were launched by the Commission and all the EU institutions are working on ideas and policy options to address the radical changes that we live in the digital age;

But what do we mean by “reform”?

At ETNO, we believe reform is a synonym of opportunity.

An opportunity that goes far beyond our sector, and embraces the digital re-industrialisation of Europe.

Let me briefly expand about our perspective - on the *how* - and – on the *what* - of this reform.

As to the *how*, the Latin origin of the word explains it all. The Latin verb “réformare” can be translated in various ways:

It means “to restore the original state”, “to improve”, “to transform” or – if we go back to the very origin of the word – it means “to form again”.

At ETNO, we believe that it is time to *form again* our set of policies and regulation.

A minimalist, incremental approach is simply unfit to address the challenges and to maximise the vast opportunities presented by the Digital Age.

The content of this reform

If a reform is not a cosmetic exercise, then we need to define very clearly what it should entail.

Let me take it from the two main objectives we believe Europe should achieve:

The first one is the deployment of faster broadband through sustained levels of investment.

Broadband is the pre-requisite - to developing a digital economy.

The second objective is to generate fresh opportunities from innovation and new business models.

Innovation is the pre-requisite - to growth.

But how do we go about achieving faster broadband deployment?

First we need a *re-think* of access regulation.

We believe that only simpler, market-based and tech-agnostic rules can ensure that we foster the deployment of new networks.

The required shift is clear to us: commercial terms for network access should be the rule. Regulation should be the exception;

A second way to boost investment is to acknowledge that we are in need of building scale:

Scale allows efficiencies, which in turn bring greater investment, better quality, technical progress and innovation.

These are all items which should be on top of - a pro-consumer agenda.

Third, enough spectrum should be allocated to mobile networks and such allocation should take place in a harmonised way and with a long term perspective.

This is why we encourage and support a political agreement between the European Commission and Governments on this crucial point.

In the Boston Consulting Study - which will be presented to you later today - there is a number that explains very well why the 3 points I just mentioned are crucial:

In the current conditions, there is still an investment gap of 106 billion euros to reach the original Digital Agenda targets.

So with our current approach, we will miss them.

And let's keep in mind that some consider those original targets as unambitious today...

But, as I said, broadband deployment alone is not enough.

Ensuring that there is plenty of space for new services and innovation is the only way to maximise the social benefits of network investment.

For this to happen, we need to make sure that we apply consistent and fair rules for all.

In the first place for consumers: They need to know that - there is consistency in the way in which they are treated:

No matter whether they are using a communication service provided by a telecom operator or by an internet company.

But this is also crucial for businesses.

In a tennis game, there is no fair competition if one of the players has one hand tied behind its back.

We need to be honest: there will be areas in which regulation cannot be removed. Also in those areas, we need to level the regulatory playing field.

But let me be clear on this: wherever possible, we should aim at unleashing the telcos' hand from excessive regulation - rather than tying - yet - more - hands.

ETNO, a partner for reform

Addressing all the challenges and making sure that we embrace all the opportunities of growth: This is what the reform needs to look like and that's why we welcome the Commission's work on the Digital Single Market Strategy.

This strategy shows clearly that the Commission is taking a global - horizontal approach to digital policies.

ETNO supports this approach and stands ready to contribute to the debate both with the expertise that we have built throughout our 23-years history and with the input from our partners, such as the Financial Times, Boston Consulting Group and many others.