Speech by Vice-President Ansip at the stakeholder forum of the Body of European Regulators for Electronic Communications

Ladies and gentlemen

Thank you for inviting me to speak to you today.

This meeting could not have come at a better moment. Trilateral negotiations on the proposed Electronic Communications Code begin next week: a pivotal point of the process to reform European telecoms.

The political choices taken in the next few months will shape our telecoms markets for many years to come. Like you, I believe that we need to produce the best outcome for European consumers and businesses.

The EU has set a high bar of aspiration. We aim to deploy world-leading optical fibre and 5G networks across the EU by 2025 — an objective that EU leaders fully endorsed at the Tallinn Digital Summit.

Your discussions today are both crucial and timely.

Ubiquitous high-speed networks are a precondition for Europe's global competitiveness. Investment and new digital infrastructure will play a vital role in tomorrow's Digital Single Market.

To be among the front-runners for 5G, we will need to coordinate our spectrum policies better. This is essential if the EU is to catch up with leading countries like the United States, South Korea and Japan.

But I am worried. I see a lot of support for 5G development and more coordinated spectrum policies. However, I do not yet see much combined willingness to implement them into legally binding rules.

5G networks can no longer be addressed only at a national level.

The 21st century demands a pan-European context.

In just a few days, ministers will meet in Luxembourg to decide on the follow-up of the Digital Summit, where they will discuss ways to meet the 5G target.

I trust that their discussions will help the trilateral negotiations to reach an agreement allowing our targets to be achieved.

Now that negotiating mandates are in effect, it will be very important to maintain the pace of discussions so that we reach a good and balanced outcome

swiftly.

I indicated earlier that your meeting is timely. I say that particularly because of one topic that you discussed today: investment.

We will need €500 billion in investment to build the infrastructure capable of sustaining high-speed networks.

Seamlessly across Europe. Everywhere, and for everyone.

To start with, investors need stable rules that support their risk-taking.

This is what the Commission's review is designed to provide: the right regulatory conditions for competitive investments.

That applies especially to infrastructure, where we need to address the most persistent bottlenecks holding back its roll-out.

Competition drives investment. It is next to impossible to have one without the other. In Europe's telecoms sector, we clearly need both.

I believe that we can all agree on this. But as ever, the devil lies in the detail.

Up to now, the regulatory environment has been based on the principle that obligations are imposed on operators with significant market power.

This principle is flexible — but it is also predictable and robust.

It has provided legal certainty over the years, and that is essential.

However, that certainty would be compromised if obligations become widely applicable irrespective of the providers' market power — as the Council now proposes.

We would also risk losing legal certainty with the text voted by the European Parliament, if the joint dominance test departs from established case-law.

For me, it is vital to keep a high level of ambition for competitive investments — as well as to keep the right balance.

We need to make sure of that during the trilateral negotiations, as we also do for co-investment. Without certainty, clarity and incentives for all co-investors, the new rules will simply not make any difference.

As I said, the devil is in the detail. But this is not about using new instruments to increase regulatory intervention when it is not necessary. That is not the idea.

Then there is the matter of spectrum.

You know that I mention spectrum quite frequently. So did EU leaders in Tallinn last month. I cannot stress enough how important this is.

Again, it comes down to stability and predictability. What we need to make the 5G vision a reality is to make spectrum available throughout the Digital Single Market.

It must be consistent, coordinated, and with conditions that favour the major investments needed for adequate coverage across Europe.

This is what the proposed Code aims to achieve. That means a sufficiently long minimum duration for spectrum assignments across Europe.

I am pleased that the European Parliament supports ambitious spectrum reform.

In the Council, while countries have so far been unreceptive to a minimum licence duration, they do at least agree on the need for investment certainty.

The entire cycle of spectrum management has to be addressed, urgently: assignment, licence duration and licence renewal.

I hope the negotiations can resolve this in a creative and imaginative way.

When it comes to coordinating approaches to licensing, I think that the Body of European Regulators for Electronic Communications (BEREC) has an important role to play in ensuring consistency by regularly assessing conditions for assigning spectrum. The European Parliament supports our proposal. EU governments also seem to acknowledge that some kind of review of national assignments makes sense. But it will only make sense if all national authorities take part and if the outcome of such assessments is taken into account.

As we enter the age of 5G, nobody has all the answers: every national regulator can learn from other ones.

For spectrum assignment and all other cross-border tasks, we need modern forward-looking institutions to make sure that Europe's new telecoms rules work efficiently and are implemented properly around all EU countries. We need independent national regulators with sufficient responsibilities to deal with their own markets. And we need BEREC to make sure that regulatory decisions taken across the EU are consistent — for the sake of connectivity, 5G and spectrum.

That is why we proposed a significant reform of BEREC. Our idea is to create a stronger regulator on an EU level, an agency like those in similar sectors.

BEREC is — and will continue to be — vitally important whenever we need to reconcile the interests of pan-European coordination with local flexibility.

Last, but definitely not least: the consumer aspect.

This is the focus of everything we are trying to achieve.

There must be a high level of consumer protection in order to have trust in the marketplace. For that, Europe needs common rules — not the situation we

have today, where the degree of protection depends on the type of communication service without consumers even being aware of it.

The same level of consumer protection should apply for communication services that consumers see as substitutable. The co-legislators are now discussing the idea of aligning consumer rules in the EU.

While there are still concerns that common rules would reduce protection, I am confident we can formulate them in such a way that would benefit consumers.

Ladies and gentlemen

Our heads of state have made it clear that the Digital Single Market should be completed by 2018. I fully agree with their aim.

Completing the Digital Single Market will make the EU stronger and more competitive.

People and businesses, our society and economy: everyone gains, in all sectors.

It is important to turn the vision of the Digital Single Market that we presented in May 2015 into a reality, to turn Europe's existing physical single market into a digital one too. As quickly as we can — but it is more important to do it in the right way.

This is what we plan to achieve. We rely on your support to make it happen. Thank you.

For More Information

Proposal for a new European Electronic Communications Code

Joint Statement following the Tripartite Social Summit

Joint statement by President of the European Commission Jean-Claude Juncker, President of the European Council Donald Tusk, Prime Minister of Estonia Jüri Ratas, President of BusinessEurope Emma Marcegaglia and General-Secretary of the European Trade Union Confederation Luca Visentini

This Autumn Social Summit was devoted to "Shaping Europe's future: strengthening resilience and promoting economic and social progress for all". Three sub-themes fed into this discussion: The social dimension of Europe; The involvement of the social partners in policies and reforms at national level — progress made and ways to improve; and Investing in learning in a digital economy and society.

The President of the European Commission, Jean-Claude **Juncker** underlined: "A fair and more social Europe is key in shaping our Union's future. This is what citizens rightly expect. I want the EU to stand up for the rights of its citizens in a fast-changing world. This is what the European Pillar of Social Rights is all about. I trust that we will be able to proclaim it at the Social Summit in Gothenburg on 17 November."

In his statement, the President of the European Council, Donald **Tusk**, said that: "It is our common task now to ensure that the benefits of economic growth are shared as widely as possible. And this is why in our meeting today we discussed, in very concrete terms, how the social partners can be better involved in national policy-making. I remain convinced that only by taking the views of social partners into account can we make real progress. This is especially important in today's digital age, where citizens, young and old, need to be equipped with the right skills to prosper. Because in the digital age, the quickest way to go backward is to stand still. This is what I discussed not only with the social partners today but also with the European leaders at the Digital Summit in Tallinn. And at the meeting of the European Council tomorrow, the spirit of Tallinn will drive our political decisions."

Ratas, said that "Less than three weeks ago I had the honour to host the first ever European Union Digital Summit in Tallinn. One of the topics was the future of the economy and society. EU leaders realise that a major shift is under way in society and that the social partners have an important role to play in this context. Indeed, their support for maintaining well-functioning EU labour market and welfare systems is vital. We already live in a digital society and we have to adapt rapidly in order to seize the economic opportunities that digitalisation presents, without leaving anybody behind. We have to provide the right skills as well as social protection to all people, whether they work in traditional companies or have cutting-edge jobs in the digital economy. The social partners have looked at these issues in depth. We are all committed to reviewing EU and national laws and policies in order to make sure they are fit for the digital age".

BusinessEurope's President, Emma Marcegaglia, representing employers (BusinessEurope, CEEP, UEAPME) said "Europe is one of the best places to live, work, and do business in the world. The European project made this possible. We should take full advantage of the current momentum — with unity backing the European project and an improved economic situation — to ensure that EU and national reforms necessary to modernise European economies and societies are put in place. The renewed focus on industrial policy is an important step. We now need to feed the strategy through a structured way forward. The EU needs to become more attractive for investment and to maintain a fair and ambitious trade agenda opening new markets and creating sustainable growth and new business opportunities for enterprises of all sizes. As regards the social dimension of Europe, the key challenge is to set in motion a partnership for reforms for improved employment outcomes. The EU should act where there is a shared understanding of its added value, respecting subsidiarity and social partner autonomy."

"The European trade unions want to convince the EU member states to adopt,

and the European Commission to follow up vigorously to fully implement, an ambitious and strong European Pillar of Social Rights" said Luca Visentini, General Secretary of the European Trade Union Confederation (ETUC). "We need more concrete measures to make a real difference in the lives of working people. Many working people are yet to feel any recovery, and need hard evidence that the EU is committed to social justice and social progress. The EU needs to make up for the lost years of crisis, and also to manage the changes that decarbonisation and digitalisation will bring so no worker is left behind."

<u>Speech by Valdis Dombrovskis - ESMA</u> Conference 2017

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