

Speech by Vice-President Ansip at the ECTA Regulatory Conference

Ladies and gentlemen

Four years ago, when we were planning how to build the Digital Single Market, I often stressed the need for fast and reliable online connections.

Secure and affordable. Quality access, everywhere in Europe, and for everyone.

That focus, that urgency, has not shifted.

People increasingly demand more than just basic connectivity.

They want high-speed and affordable internet connections.

That is especially true for 5G, where we do not want to miss the boat.

It is true for the data economy in general, for emerging technologies.

They are all data-hungry and they all need high-speed reliable connectivity.

I am pleased to say that we are moving closer to meeting these demands. On connectivity, the Digital Economy and Society Index shows a continued 42% rise over 4 years across EU countries.

When you look at mobile broadband, while Japan leads the way, it is closely followed by Denmark, Estonia, Finland and Sweden.

The new telecommunications Code will help us to make more progress.

It will stimulate and attract the investment in high-capacity networks, by allowing everyone operating in the market to invest, compete and innovate on equal terms. Small or large, incumbents or new entrants.

It will promote competition and consumer choice by creating an environment of fair and sustainable competition.

It will boost our competitiveness, improve how public services are provided and underpin the rising volume of data flows.

I know that negotiations were not easy. There were many differences and concerns along the way. It took a good deal of time to reach this point. But, at the end, we got the new regulatory structure that Europe really needed.

I am pleased that ECTA welcomed the final outcome. After all, it is you who are on the front line, the risk-takers who make things happen on the ground.

All of us here know that investing in very high-capacity networks is essential for the future, for education, healthcare, manufacturing, transport – everywhere.

Without these connections in place, the DSM will not realise its full potential.

The new rules will give investors legal certainty and long-term predictability. Europe now has a stable legal environment for its telecoms sector, friendly to both investment and competition.

As I often say, competition is the best way to stimulate innovation and attract investment in high-speed broadband networks.

I know that ECTA members share this view.

The Code contains strong incentives for all investors to create and deploy these networks. We really need these investments to reach the degree of connectivity that can support the huge future demand.

When we set out our connectivity aims, our analysis showed that at least €500 billion in investments would be needed to realise them.

It also showed that if we continued with the old rules, there would be an investment gap of €155 billion.

Thanks to the new Code, I hope that we can now close that gap.

We have the challenge of how to cover less densely populated areas with very high capacity networks. Coverage of next generation access technologies has reached 80% - but this is still under 50% in rural areas.

To deal with this challenge, the Code has provisions for new models such as co-investment or wholesale-only.

We made a particular effort to make sure competitive operators like ECTA's member companies can make use of new investment opportunities.

Everyone in the market should be able to take part, freely and fairly, subject to proper and reasonable regulation.

Fibre is at the heart of what we understand as very high capacity networks. Operators using new innovative models like wholesale-only have already shown their potential in fibre networks.

They will be able to expand their activities and strengthen their market position without fear of over-regulation.

You will be able to enter into co-investment agreements with dominant operators on equal terms. Those who do not co-invest will still have access to networks on fair and non-discriminatory terms.

That is what an open market is all about.

The Code provides for adequate rewarding of risks - and financial commitment – for building these networks where they are needed most, such as in less populated rural areas.

End-users remain at the core of EU telecoms policy.

Our aim has been to create a DSM where individuals and industries can access gigabit connections at competitive prices – everywhere in Europe.

The Code's new provisions on universal service ensure that access to broadband is also affordable in rural areas.

People expect the best services and networks. They expect service quality and security, transparency and end-user protection – which is why we extended protection obligations to OTT providers, where it makes sense.

However, the Code does not cover privacy rules that apply to electronic communications services.

That is why advancing with the proposed e-privacy regulation is so important. I believe it will give ECTA's members many advantages:

- common rules to help companies operating in more than one EU country;
- more opportunities to process metadata;
- equality with OTT providers that offer inter-person communication services.

Faster networks also need a safe environment, and so the Code streamlines end-user protection of electronic communications across the EU. That applies to bundled services, switching of providers and stronger security against hacking.

I mentioned 5G and my strong desire that Europe should not miss the boat. As you know, the EU has targets for early launch in 2020 and full roll-out in 2025.

A few European operators are looking to launch commercial 5G services in spring 2019. But in general, 5G network infrastructure is a long way from being deployed EU-wide.

In the meantime, other countries and regions are moving ahead quickly – such as the United States, South Korea and Japan.

In Europe, a lot of pilots and trials are planned and underway. But as yet, only a few announcements of commercial 5G deployment.

Our main challenge is to deploy quickly and secure “first mover” advantages for Europe. We need to catch up.

More delay will hurt our telecom sector and the whole EU economy.

I would prefer to be optimistic, however. We have the new Code, with predictable long-term rules and a pro-competition approach for spectrum allocation.

That, along with a full commitment by companies to provide widespread coverage, should pave the way for coordinated EU-wide deployment of 5G.

Ladies and gentlemen

Our work is not yet over. It has only started. I know there are concerns about how certain Code provisions will be applied in practice.

That is where the Commission will work closely with BEREC on guidelines for regulators, and with all national authorities to implement the new rules properly.

We also rely on telecom operators – including ECTA members - to adjust quickly to the new rules, so as to draw the maximum benefit.

Modern and efficient telecommunications are the starting point for everything.

They are the foundation for the Digital Single Market.

But this is not only about connections, or improving consumer experience, or avoiding a growing digital gap between regions and between individuals.

While it is all these things as well, naturally, this is also about Europe's competitiveness and ability to innovate. Our digital future. Thank you.