



Members of the Industry, Research and  
Energy Committee (ITRE)  
European Parliament

17 April 2009

Dear Member of the European Parliament,

**European Parliament's Industry, Research and Energy Committee vote on the Telecoms package**

In view of the 21 April vote of the European Parliament's Committee on Industry, Research and Energy on the Telecoms package, we want to stress the need of an agreement on the review of the rules on electronic communications to boost the competitiveness of European business.

The Telecommunications sector is a key factor for economic growth and competitiveness. It support productivity and innovation in many other sectors. In times of economic crisis, its stimulating effects are needed more than ever.

In 2008 the EU's telecoms sector continued to grow at 1.3% compared to a 1% increase in GDP for the overall economy. The telecoms services market in Europe now represents 52% of the total ICT market, with a value of €357 billion in 2008 or 2.9% of EU GDP.

Since it is an essential driver for job creation and growth of the European economy, decisions on the review should be primarily aimed at enhancing the competitiveness of the telecoms sector both within the Single Market and globally.

Along the lines of the Spring 2009 European Council conclusions, which put the stress on promoting investment in infrastructures whilst ensuring competition, we believe that the new framework must provide greater legal certainty for the telecommunications sector and pave the way for future investments and competition in fixed and mobile broadband.

You will find hereafter our specific comments on the issues at stake. We trust you will take our views into account in the upcoming vote and we encourage the European Parliament to contribute for a successful conclusion of this important debate swiftly.

Yours sincerely,

  
Philippe de Buck

Copy to: Coreper  
European Commission

17 April 2009

## **SPECIFIC COMMENTS ON THE TELECOMS PACKAGE**

### **1. Enhance competitiveness of telecoms sector**

Electronic communications are a keystone of the Single Market, which has proved to be a foundation of Europe's prosperity and is central to creating growth and jobs. We believe the EU must reassert a market-based approach to telecoms by creating the appropriate regulatory environment in which businesses can thrive, allowing competition and market forces to provide the best solutions for consumers while encouraging investment and innovation.

Major challenges such as the provision of high-speed Internet are facing Europe in the near future. The combination of fibre networks and wireless technologies will play a key role in bringing high-speed applications and will demand large investments to assure a timely roll-out of future Next Generation Access networks. Deployment of high-speed Internet will provide fresh impetus for growth and jobs. Broadband development could have an added value of €300 billion and create up to 2 million jobs within 2015.

### **2. Encourage investment and ensure competition**

The spring 2009 European Council underlined the importance of promoting efficient investment and innovation in new infrastructures, taking account of the risks taken by investors, whilst ensuring competition and non-discrimination. Along these lines, BUSINESSEUROPE encourages the European Parliament and the other Trilogue parties to have a balanced approach towards competition and investment in Next Generation Access networks.

Regulators need to facilitate investment and innovation, providing legal certainty for investors and infrastructure competition where feasible.

This must involve recognition of the considerable commercial risk in deploying new networks, and must also ensure that markets remain competitive, as competition, choice and certainty of supply are vital for European citizens and for the competitiveness of businesses using the fibre networks. Other possibilities should be foreseen for sharing investment risk between the investor, access seekers and other players in the value chain, resulting in a dynamic retail market. We note the proposals by the European Parliament in this context and believe mechanisms for sharing risk could be applied, provided that competition is preserved and new entrants and innovators gain fair access to networks.

Further development of wireless technologies is particularly important for a wider provision of broadband. The EU therefore needs a future-proof approach to spectrum policy, which will allow a flexible and efficient use of radio spectrum, based on a service neutral allocation of the digital dividend.

### **3. Provide legal certainty and predictability**

BUSINESSEUROPE believes one of the concepts underpinning the Single Market should be improved efficiency, through, for instance, a broad programme on better regulation, to provide certainty and encourage innovation and investments.

The existing system of market reviews, based on national and EU-level consultation has played a positive role in promoting competition around Europe. At the same time, we support moves to simplify and streamline the market review process and thus reduce bureaucracy within the sector. Removal of unnecessary bureaucratic steps should help lower the regulatory burden and give a positive impulse to regulators and regulated alike. However, the quality of market analysis should not suffer from any streamlined procedure. This is in line with principles of better regulation.

The integration of the Single Market for electronic communications should aim at encouraging innovation and investment in modern and efficient European network industries, and preserve competition. These important objectives should not be jeopardized by trying to achieve other goals, such as counterbalancing intellectual property and other fundamental rights.

These objectives will be achieved most effectively in a Single Market based on efficient and consistent application of rules, with regulation kept to the minimum necessary for competition in accordance with the principles of subsidiarity and proportionality.