



## Telecoms: the backbone of the Digital Single Market

Brussels, 24 March 2015

*Speech by Vice-President Ansip at European Voice event "Creating Europe's digital highways"*

Ladies and gentlemen,

It's a pleasure to be with you today.

This is a very important week for European digital affairs, so the timing of this event is particularly appropriate.

Tomorrow, the College of Commissioners will hold an important debate on the Digital Single Market, as we work towards finalising our long-term vision to present in May.

And yesterday, after months of waiting, the EU's Member States started negotiations with the European Parliament on the Telecom Single Market.

There is a clear and direct link between the two. We cannot have a Digital Single Market without the necessary backbone of telecommunications.

Access to world-class networks and communication services. Fast and reliable, secure and affordable – everywhere, and for everyone.

They are the basis for all online activities and digital services across Europe.

While that may make everything sound simple, it is not at all.

To start with, we do not yet have a genuine single market for electronic communications. Instead, we have a series of national telecom markets with different supply and demand conditions.

Regulatory differences prevent us from making the most of a pan-European telecoms market where consumers could obtain services from operators present in the EU – regardless of borders – and operators could offer services across different EU countries.

Much of this could be solved with the Telecom Single Market proposals.

I am happy to see that negotiations between EU Member States and the European Parliament have finally started.

But I also have to say that their starting point is far less than I would have liked.

There is a lack of ambition, certainly less than the Commission had originally planned for.

The Commission's position is clear.

We need to abolish roaming charges as soon as possible.

We need strong net neutrality rules and more coordination on spectrum.

As you may have noticed, spectrum is still on our agenda – but not on that of EU Member States. This is despite the significance, ambition and urgency that EU heads of state gave to the single telecoms market back in October 2013.

On roaming, I cannot support the very limited basic allowance of Council's current reply to people's call for the complete abolition of roaming charges.

It is a joke.

We must definitely go further. We should remember our ultimate aim: the full and swift abolition of roaming surcharges – and not only their reduction.

On net neutrality, there are three elements we should address:

Firstly, we need to make sure that the internet is not splintered apart by different rules. This is why we need common rules for net neutrality.

Then, we need an open internet for consumers. No blocking or throttling.

And we want an internet that allows European industry to innovate and provide better services for

consumers.

To return to the missing element in the Council proposal: spectrum.

This is the oxygen for the internet. It is the basis for a digitally enabled society. The more divided it is, the less efficient.

We need spectrum for our digital economy to grow with the Internet of Things and the advent of 5G.

Ladies and gentlemen,

As an industrial sector, telecoms is one of the world's fastest moving.

It is a national, regional and global market – all at the same time. It needs constant investment, innovation and imagination.

Those three 'I's are closely linked. Together, they are the way forward: for Europe to keep up in the digital age and provide the best, most affordable, accessible online services to people and business.

But first, you need to have the right conditions for a thriving competitive market. That is linked directly with consumers being able to switch service provider and to have proper choice in a vibrant open market.

Competition is the driving force for innovation and investment. Investors are attracted to a market that is going somewhere. That also applies to infrastructure.

Today's EU telecoms rules have succeeded in stimulating competition.

But only up to a point.

Europe's telecoms market is still quite splintered. That does not make it easy for investors to put their money into the type of broadband networks that will probably be needed in the future, especially in less densely populated areas.

Rural areas, as you know, pose a particular connectivity problem – under 20% of them have access to high-speed broadband, against 62% in urban centres.

It must also be said that it is new market entrants that have driven broadband uptake, rather than national incumbents.

So much for the supply side.

There are other problems to fix on the demand side.

Our strategy for building the Digital Single Market will involve removing barriers that prevent people and business from deriving the full benefits of the internet revolution.

That means bringing down barriers to the free movement of goods and services.

This is not a problem for just a few people.

It goes much wider. It is a pan-European problem.

In a public consultation on copyright held a year ago, 95% of people complained that they had been geo-blocked. We also know these figures:

- one in five Europeans sitting at home wants to access content from other EU countries;
- more than a quarter want to access content from their own country when they are abroad.

Cross-border e-commerce should be as seamless and easy as national.

But it is still underdeveloped: last year, for example, only 15 % of consumers bought cross-border compared with 44% shopping nationally.

When we put an end to geo-blocking and other barriers to e-commerce like the high cost of cross-border parcel delivery, digital demand will inevitably rise.

It will lead to more traffic – and Europe's telecommunications systems, networks and industry need to be ready to cope.

Ladies and gentlemen,

Everybody seems to support building the Digital Single Market.

But it will not be easy. The forces that resist any change are strong. If we are not brave, we may waste a unique opportunity.

We cannot stay locked into outdated practices that only benefit a few.

Building a Digital Single Market is about making the EU's existing single market fully digital, making it fit for the digital age.

Telecommunications are its backbone. We cannot build a DSM without a properly functioning single market for telecoms.

It is why our telecoms proposals are so important.

The principles that underpin the Digital and Telecoms Markets are the same.

They are based on providing and securing the freedoms of the EU single market:

- gradually removing national barriers to cross-border competition;
- creating a market environment that is more consistent, competitive, stable, legally certain;
- making sure that consumers are guaranteed enough choice;
- attracting investment, stimulating innovation, making Europe a world leader.

This is about giving people and businesses the freedom and a fair chance to take advantage of the great opportunities offered by the internet.

In the 21st century, our single market needs to go properly online – for Europe's people and companies to get the most, and best, from the digital age.

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