

7 th December 2015

Dear Andrus Ansip,

Commission Vice-President for the Digital Single Market.

Dear Günther Oettinger,

European Commissioner for the Digital Economy and Society.

Rue de la Loi, 200

B-1049-Brussels,

Belgium

In its last meeting in June 2015, the Telecom Council broadly welcomed the Digital Single Market Strategy and the measures outlined by the European Commission. It is – without any doubt - a cornerstone of Europe's future and an essential step for the sustainable competitiveness of its economy.

Nevertheless, while all the measures proposed in that Strategy are relevant to unleash the potential of Europe's digital transformation, with this letter we would like to highlight the **importance of some of them.**

**One of the most crucial questions of the Strategy is to promote the deployment of seamless and high-speed connections underpinned by a future-proof and technology-neutral telecom regulatory framework.** There will be no digital revolution without connection and no proper connection without balanced and accurate but flexible telecom rules.

We have this year achieved a milestone with the regulation for the end of roaming charges and the measures to ensure an open internet for Europe, but we need to enlarge the scope of our agreement with an efficient **set of rules that enables the European Telecom Market to recover world leadership and to deliver best services to consumers and companies.**

We support the European Commission on the need to inject greater ambition in the reform of the EU Telecom Framework. Europe must bring on board of its regulation the technological developments that emerged after the 2009 review of the telecom framework, and should in particular foster sufficiently the needed private investments in ultra-high speed networks. We need to speedily react to changes to the market structure at local, national and EU-wide level. The reform of the telecom market should be based on **setting the right incentives for a higher investment capacity in next generation networks and to facilitate competition and innovation, ensuring a level-playing field for all players on the same market in the digital ecosystem, strengthening consumer protection through adequate levels of transparency and through data sovereignty and taking into due consideration the subsidiarity principle.**

Europe also needs to double its efforts in the short term to reach the connectivity targets set in the Digital Agenda for Europe. The review of Universal Service Obligations does not provide a sufficient answer to future challenges of the next decade. A **new approach to market reviews** should be considered to incentivize private sector investments in infrastructure locally, nationally and on a European scale and provide more regulatory certainty. Besides this measure, **the EU State Aid broadband guidelines should be reviewed concurrently with the Framework** in order to bridge the digital divide between urban and rural areas. Without boosting private investments and securing smart public supplementary support in case of market failures we will not be able to accelerate NGA and 4G deployment in the forthcoming years, as well as state-of-the-art high-speed wired and wireless networks capable of providing 1 Gbps in the next decade.

Electronic communications have not been immune to the disruptions of digital innovation. Over the top players are already providing widely accepted substitutional services for legacy voice and message services. We should consider the existence of these new players in the reform, but the overhaul of the telecom framework should not stifle innovation. Nevertheless, it should ensure a **coherent approach for the regulation of such equivalent services**, especially regarding consumer rights, interoperability and public service obligations.

The European Institutions should work to reach a quick agreement based on a balanced proposal that embraces the principle of better regulation and accelerates the effective entry into force of the future legal framework. For this purpose, the **common objective of the Institutions should be first identifying which reforms and measures are needed and, secondly, once this has been done, determining the most appropriate level for their implementation and the connected balance of powers between institutions**. The debates held during the negotiation of the Connected Continent Package contain a guidance of each institution's position regarding topics such as spectrum policy or the institutional regulatory framework. We encourage the Commission to put forward a proposal that takes into consideration these opinions.

Finally, the European Commission has included telecommunication services as part of the **free trade agreements** under negotiation, such as TTIP. In the light of such negotiations with our trade partners, the European Commission should ensure the coherence between the Telecom Framework reform and the free trade agreements. Furthermore, **we encourage the European Commission to share with the Telecom Council and the ITRE Committee the European Union proposals** regarding telecom services in order to ensure an early alignment of all the European Institutions within such matters.

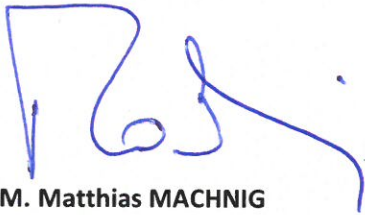
We would like to **reaffirm our commitment of collaboration in the telecom reform**, as well as in the other measures proposed by the European Commission within the Digital Single Market Strategy. The **reform of the Telecom Market should not be an isolated action, as it should be assessed on the view of the needs of the whole digital ecosystem**. It should also be assessed whether some of the necessary reforms are urgent and can be implemented quickly while changes should not lack the appropriate consideration of the best possible solutions. We encourage the European Commission to **reinforce the cooperation with the other European**

**Institutions** in order to speed up the reform and pave the way for its adoption in a timely manner.



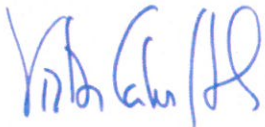
**Mme Axelle LEMAIRE,**

Secrétaire d'Etat chargée du Numérique, auprès du Ministre de l'Economie, de l'Industrie et du Numérique



**M. Matthias MACHNIG**

Staatssekretär für Innovations-, IT- und Kommunikationspolitik im Bundesministerium für Wirtschaft und Energie



**Don Victor CALVO-SOTELO**

Secretario de Estado de Telecomunicaciones y para la Sociedad de la Información