

DIGITALEUROPE comments on trialogue agreement on the European Electronic Communications Code

Brussels, 6 June 2018

DIGITALEUROPE welcomes the agreement reached last night among the co-legislators on the Electronic Communications Code. From the start of the legislative process, it was clear that finding the right balance between all positions would be challenging. The final Code achieves positive results in some areas, while in others it finds compromises that cast doubts on the rules' ability to incentivise much-needed infrastructure investment and single market opportunities to the benefit of European consumers and businesses.

"Connectivity is a key enabler of Europe's future and the cornerstone of the Digital Single Market. If regulation doesn't spur the deployment of 5G and world-class digital infrastructure, Europe will be behind in the next wave of innovation. With last night's agreement on the Code, we are a step closer – but there's still a long way to go", said Cecilia Bonefeld-Dahl, Director General of DIGITALEUROPE.

"As clear from the latest DESI index, Europe remains a fragmented market, with connectivity and network uptake showing huge gaps between regions. DIGITALEUROPE hopes and believes the Code can help bridge these gaps, even if we would have liked to see stronger ambition in this regard," she added.

<u>On spectrum</u>

Considerable progress has been made. Clear promises on the release of 5G spectrum were coupled with forward-looking rules on the harmonised deployment of small cells. This will make it easier to build wireless infrastructure and achieve a faster deployment of 5G networks, including for verticals.

On co-investment

Rules on co-investment in the new framework were a strong point of the proposal and have the ability to encourage deployments that wouldn't otherwise happen. However, while the rules originally put forth by the Commission were straightforward and unambiguous, DIGITALEUROPE regrets that the final text may be too complex, leaving operators with great uncertainty about the regulatory treatment, ultimately undermining the ability to build an investment case. We therefore urge regulators to work positively with industry to allow for more investment to happen and be rewarded in the market.

On services

DIGITALEUROPE is pleased to see a partially more targeted approach towards regulation of online voice, video and messaging services, with the exclusion of number-independent services from the general authorisation regime. The Code is nonetheless a missed opportunity to create a genuine single market governance regime for all digital communication services and to harmonise security and end-user rights. For years, tech innovation has brought down barriers and reduced cost and time to market. A much more streamlined, proportionate fully harmonised approach would have created a much more conducive ecosystem for all players to innovate in new digital services.

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ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE's members include in total over 25,000 ICT Companies in Europe represented by over 60 Corporate Members and 38 National Trade Associations from across Europe. Our website provides further information on our recent news and activities: <u>http://www.digitaleurope.org</u>

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