

Note of Conference Call between EVP Vestager and ETNO CEOs, 29 March 2022

Participants

ETNO: [redacted] Telefonica, [redacted] Telenor, [redacted]
 [redacted] Telekom Austria Group; [redacted] TIM Telecom Italia Group;
 KPN; [redacted] Proximus; [redacted] ETNO;
 [redacted] ETNO, [redacted] Telia Company;
 [redacted] Orange

Commission: EVP Vestager; Christiane Canenbley, [redacted] (Cab EVP Vestager); [redacted]
 [redacted] (SG D1)

The meeting discussed the crisis in Ukraine and the efforts by telecommunications companies to provide assistance to those affected. Actions included the issuing of free SIM cards and free roaming offers for refugees, helping to meet the connectivity needs of refugee centres and charitable organisations, and offers of employment to displaced Ukrainian citizens. ETNO members stressed both the economic and social importance of telecommunications networks in these situations.

ETNO members presented their views on the evolving trends in the markets impacting on their businesses. These included the following aspects:

- (i) the ever growing volumes of data traffic generated by a handful of very large digital platforms (hyperscalers), whose content represented the vast majority of traffic passing over their networks;
- (ii) the imbalance in bargaining power between network operators and those platforms, in which the asymmetrical application of *ex ante* regulatory obligations on network operators played a role;
- (iii) the opportunities and challenges arising from the new 5G ecosystem, resulting in market entry by new players not only at the level of services but in all parts of the value chain, including fibre;
- (iv) the requirement for increased investment in the underlying networks needed to meet these challenges;
- (v) the weakening market valuations of European telecom network operators compared to their US counterparts;
- (vi) the perceived difficulties in achieving scale in national European markets, and the role of competition policy in this area.

In the light of the above, ETNO members saw a need for a review of the regulatory approach to network operators, including the definition of relevant markets applied for those purposes, as well as the need to ensure a fairer contribution from the large digital platforms to the cost of investment in network infrastructure. ETNO were working with a consultant on a study that would look into these matters, including the costs and socio-economic impact of the market developments, and possible solutions to address the issues in a fair way.

EVP Vestager welcomed the efforts made by the network operators to assist those suffering from the war in Ukraine. She looked forward to receiving further input from ETNO on its vision for the future role of its members in the evolving digital markets and on how to achieve a level playing field, once the results of the study were available.