

Steering brief

Scene setter

You are meeting on 29 March 2022 (09:00-10:00 CET) with about 13 telecom CEOs (CVs in attachment), all members of the European Telecommunications Network Operators' Association (ETNO).

This meeting has been organised at the request of the [REDACTED] of the ETNO association, [REDACTED], primarily to discuss on the Joint Statement of 13 telecom CEOs, released on 29 November 2021, which raised several topics, including the matter of scale in the telecom sector as well as the relationship between telecom companies and technology platforms.

This joint statement, addressed to EU policy makers, has been read as a program document highlighting the issues most important for the operators, which have so far been repeated by them in other public statements and meetings with the Commission services.

Objectives of the meeting

- What we want:
 - in relation to the war in Ukraine, to **praise the operators' voluntary efforts** and ensure that the Commission is closely monitoring the situation;
 - convey the message that the Commission is looking into **fair contribution of digital companies to network costs** and is interested to hear views or all stakeholders. We are interested to see data that would support the claims by the electronic communications operators;
 - **convey the message that development of gigabit networks is a policy objective** and is supported by various instruments, from the use of EU funds, to spectrum policy and regulatory instruments such as the ongoing review of the Broadband Cost Reduction Directive;
 - convey the message that **mobile network sharing agreements** can bring **certain network efficiencies** (e.g. reduction of roll-out/maintenance costs, faster 5G roll-out), **they may also negatively affect the level of competition** in the market;
 - indicate the objectives of the digital markets act and **update them on the agreement reached**.
- What the interlocutor wants:
 - The CEOs are expected to **reiterate the arguments raised in the letter** and in particular:
 - call for the Commission's action to make the digital companies that use the networks contribute to their development (**fair contribution issue**);
 - call for political support and **regulatory action** as necessary elements to foster **investment in gigabit networks**;
 - **argue the benefits of network sharing** and express their view that the Commission should endorse these agreements in the context of the going policy work on speeding up the 5G network rollout by reducing the associated cost. In this context, it is also expected they will stress that network sharing is crucial for the deployment of new and greener networks in line with the climate neutrality goals that have been set;

Key messages

On Connectivity for people fleeing from the war in Ukraine

- I warmly welcome the swift efforts European telecom operators have taken in solidarity with Ukraine to reduce the roaming costs, to provide hundreds of thousands of free SIM cards or free calls to Ukraine or free WIFI in border areas or shelters.
- Such voluntary measures are the quickest way to address this challenge and have already made a real difference on the ground providing help to many people fleeing the war in Ukraine.
- I call on European operators to continue these measures for as long as this terrible crisis persists and for more operators to join such actions.

On the request by the European Parliament to regulate intra-EU communications

- The existing measures on intra-EU communications that entered into force in May 2019 have not yet been evaluated and the co-legislators agreed that before changing the rules it is necessary to make a thorough analysis.

On the over-the-top fair share

- The issue of fair share of network costs between operators and users of those networks, notably those digital companies that generate significant network traffic, is worth exploring further but we first need to understand it better.
- It is important to see how markets function with regard to data traffic handling, whether and to what extent there is asymmetry between the parties, what costs and investment needs might have been generated by the intense data traffic, etc.

On the Digital Principles

- The European Declaration for Digital Rights and Principles proposed by the European Commission on 26 January 2022 defines our approach for a human-centred digital transformation.
- It aims to give a central reference point for all Europeans, citizens, policymakers and businesses alike for a secure, inclusive and open digital environment. **It does not directly create new rights.** Most principles in the declaration are based on existing EU rules and can be enforced on this basis.
- It is our aim that the European Parliament, the Council, and the Commission sign the declaration by this summer.

On the Digital Decade

- The Digital Decade promotes a renewed digital ambition for the EU to be digitally sovereign in an open and interconnected world.
- In the Digital Decade Policy Programme, we have set 16 concrete targets around four capital points for fibre, 5G, edge-cloud, quantum and microelectronics (including semi-conductors), e-Government and digital skills.
- The Digital Decade infrastructure targets build on the 2025 ones and continue the focus, in particular, on sustainable and “future proof” 5G and fibre network infrastructures that can accommodate exponential growths in data traffic. We aim to have
 - gigabit connectivity for every office and every household in Europe;
 - 5G mobile coverage of all populated areas in the EU by 2030.

On radio spectrum

- The Commission has invited Member States lagging behind to take all necessary steps to ensure that any further delays are minimised and provide full spectrum availability for 5G deployment. Any national delays shall not affect the timely 5G awards planned in neighbouring Member States.
- Assessing the real cost of the fragmented spectrum market in the EU could help identifying win-win scenarios for all (in particular for the Member States that can play a central role in the – gradual – defragmentation of the spectrum awards market) based on increasing the overall Return on Investment of spectrum in Europe.

On the Broadband Cost Reduction Directive review and the new connectivity infrastructure act

- The new connectivity infrastructure act that will result from the review of the Broadband Cost Reduction Directive (BCRD) is a key instrument for the achievement of 2030 connectivity targets (all EU households have Gigabit connectivity and all populated areas are covered by 5G by 2030).
- One of the key problems that the review of the BCRD addresses is the need for a uniform and coordinated approach to enhancing high speed broadband across the EU to allow for the development of these services, preventing future market failure and allowing EU companies to achieve scale.
- We hope that you will support the proposal resulting from the review of the BCRD and its implementation, as a contribution to the achievement of the Digital Decade 2030 targets and the twin transition.

On network sharing agreements

- The Commission sees network sharing in general as a source of efficiencies - such agreements can facilitate the roll-out of advanced technological solutions by reducing the costs. However, potential anti-competitive effects have to be carefully assessed in order to avoid harm to competition and consumers.
- Regarding the “absolute necessity” of network sharing for the 5G deployment, it is important to mention that the initial deployment of 5G is expected to be largely based on the existing grids used for 4G.
- The EU legislation contains a number of provisions designed to lower costs of deployment whilst maintaining, and indeed increasing, competition, including by promoting where possible co-investment schemes as well as network sharing.

On the digital markets act

- The Digital markets act (DMA), aims to restore and ensure contestability in digital markets by addressing problematic practices by large digital gatekeepers, as well as to tackle unfair practices by gatekeepers.
- This proposal, where the co-legislators have reached a political agreement on 24 March 2022, was the logical evolution of our increased attention towards platform issues such as fairness in online rankings, fair behaviour and market openness.
- The focus on gatekeepers is justified in light of the problems that arise in relation to conduct by large online platforms, as they engage in various anticompetitive conducts and unfair (trading) practices, which have not been effectively tackled by other rules such as competition law.

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