



Speaking notes of Lise Fuhr, ETNO Director General 21.3.2016 – LTI Intergroup, European Parliament

Intro: the intergroup & ETNO

- ⤴ Compliments to the Chair of the Working Group, Dominique Riquet, for the organisation of a timely and highly relevant event.
- ⤴ Thank you to all MEPs participating into the intergroup, which stands out for relevance and focus of their activities.
- ⤴ ETNO is looking forward to contributing to the work of the intergroup, as our members are focused on ensuring high-levels of investment in networks across Europe.
- ⤴ Our membership includes the main network owners across Europe. But our members also challenge each other outside their own national market: for example, Telefonica is competing against Deutsche Telekom in German or Orange against Telefonica in the Spanish market.
- ⤴ Network owners but also challengers, this makes it more interesting for me to lead the Association. Our policy positions are a first line of consensus among different interests.

Investment: getting to the pot at the end of the rainbow

- ⤴ For ETNO, investment are not an end in itself.
- ⤴ The end is to provide innovative services and products which will improve the life of European Citizens and boost economic growth.
- ⤴ There are at least 4 things that will improve how we live in the coming years: (1) super-fast broadband connectivity; (2) smart transports, including connected driving; (3) ubiquitous high-quality media; and (4) massive deployment of the Internet of Things.
- ⤴ This is the pot at the end of the rainbow: network investment is the tool to reach it.
- ⤴ The question is: do we have enough investment for the journey?

Sources converge: we need more private investment

- ⤴ I take here the perspective of private investment in networks, not the viewpoint of public funding;
- ⤴ As Director General Viola said last week, “97% of the investment needed to achieve the DSM connectivity vision will need to come from private companies”;
- ⤴ ETNO members, who account for almost 2/3rds of the total network investment in Europe, have invested around 186 billion euros between 2008 and 2014;
- ⤴ Unfortunately, this is not enough, several sources point to an investment gap;



- ⤴ The European Commission last year calculated the gap to achieve the old Digital Agenda targets is 90 billion euros.
- ⤴ The Boston Consulting Group, later in the year, pointed to a similar figure: 106 billion euros.
- ⤴ What if we update the old Digital Agenda targets to the new needs of IoT and 5G?
- ⤴ As executives from Ericsson and Nokia recently said in Barcelona at the Mobile World Congress, the current networks risk to be “maxed-out”.
- ⤴ Let's roll our sleeves and see how we can remove barriers to investment in Europe.

Designing pro-investment regulation

- ⤴ As Europe embraces a reform of its telecom laws, how do we ensure they remove regulatory barriers to broadband investment?
- ⤴ We agree with analysis in the European Commission Staff Working document accompanying the DSM Strategy:
- ⤴ The current framework has delivered on competition for low retail prices. But it has not delivered on competition for super-fast networks.
- ⤴ We want to keep the good prices, but we need to scale-up network deployment.
- ⤴ 5 ways to do it:
 1. the new telecoms framework should focus on users: wherever retails markets are competitive, ex-ante wholesale regulation should be withdrawn or it will hinder investment and become over-regulation;
 2. recognise that infrastructure competition is the best driver of investment in next generation networks;
 3. stay technology-neutral: engineers and market experts are best placed to choose the most efficient technology. If you incentivise only 1 technology to bring broadband, you risk to waste resources and distort markets;
 4. favor commercial agreements over regulated solutions: provided there are regulatory safeguards, market players should be able to use the commercial way first;
 5. Demand policies. For example: let's embrace e-government across Europe, let's make sure that all schools and all public offices are connected to super-fast broadband.