

One single telecom market for Europe!

From smart cities to cloud computing, eHealth to eGovernment, new digital services transform lives, strengthen society, and boost competitiveness.

But they all depend on fast broadband networks. On a telecoms sector that is strong, healthy and innovative. On a dynamic market able to look to the opportunities of the future, not the cash cows of the past.

So I am asking the question: what sort of market do we have in Europe? Where are we heading? What obstacles do we need to remove to make the sector stronger, and the economy more competitive?

We all know today's gloomy outlook for telecoms in Europe. Revenues down, investments weak, expansion unattractive. You face many barriers, and can't reach the scale to compete globally. While ordinary users just see poor connectivity, a narrow range of choices, and continued reminders of national borders.

But telecommunications underpin competitiveness.

We need to invest in their future.

We are preparing a public private partnership on 5G mobile technology, to which I hope the Commission will be committing hundreds of millions of euros. And I hope to see ETNO members fully engaged too.

But we also need telecoms the EU's jewel: the single market boost.

I'm sure you have all seen the proposals in our package for a connected continent.

Many of you have already commented.

And it's perhaps inevitable that each stakeholder is deciding which elements they find sweet, and which they find sour.

Well, this is a package. You can't take it apart.

Bringing down barriers is ultimately good for the sector. But you can't do that without removing roaming surcharges, without removing the arbitrary high charges for calling across borders, without consistent net neutrality rules in each country. Not credibly.

And the different elements in the package support each other. I want to stimulate new mobile innovations. A more coordinated assignment of spectrum can help that. But don't think for a moment that connected cars are going to pay roaming surcharges.

That's why I say: you can't pick which bits you want from the menu. This isn't a restaurant.

I'll be honest. I think the telecoms sector will ultimately benefit from this package. But that's not why I'm doing it. I'm doing it for European growth and European jobs: the 1% of GDP we could gain with a true telecoms single market. I'm doing it for every business in every sector that depends on connectivity for its competitiveness. I'm doing it for every citizen glued to their smartphone and in love with online innovation.

But let's look at our package. And see which bits really are sweet and sour for you.

Because I want this debate to be about — not which processes and procedures to follow. But about facts and outcomes.

So let's look at the measures one by one. What they mean for you, and for Europe.

This package is about a more consistent regulatory framework. That's a positive for the sector, helping you to operate at scale with fewer barriers, fewer bureaucracies and coherent rules. A particular boost for smaller operators, for whom that bureaucracy can pose a significant burden.

It's about harmonised access products for fixed networks. Also a positive for the sector. Enabling cross border networks, so you can operate at scale and offer new pan-European quality services.

It's about better and more consistent spectrum rules, so you can plan and bid across borders, with more 4G for more citizens, with harmonised conditions and fairer prices.

It's about having more WiFi available, so you can offer a whole new wireless market to your customers.

It's about permitting new innovative services – as long, of course, as they do not impact the regular internet.

It is about promoting the roll out of new broadband — by limiting price regulation of high-speed networks to where strictly necessary.

Those are all things you wanted and asked for. They are all in our package.

I know there's other parts you say are sour for you. Elements you are lobbying against.

So let me address those too. And let me ask you some questions.

Which of you in this audience thinks that you can sustain a business model which consists of charging over the odds for intra-European calls and texts, beyond 2016? Even within a single market, where communications run over internet networks, and where consumers have other, over-the-top options?

Which of you thinks it's sustainable for our economy to maintain scarcity, and frustrate the economy's need for connectivity? To be seen not as with your customers, but against them?

Which of you thinks your customers would long tolerate an internet service where you decide what they can or can't access?

And which of you honestly thinks that roaming surcharges within Europe will still be around in 3 years? I know most analysts don't; they discounted those revenues long ago. So again, let me ask: given they will be phased out, would you rather that be via compulsion, and endless price regulation? Or via voluntary, market-based incentives?

I want those incentives to work. And we have listened to industry concerns, so that pan-European deals can come onto the market, sustainably, available for all as soon as possible.

But ultimately roaming is on its way out one way or the other. It's time to surrender the unsustainable – and face the great opportunities of the future.

Today, many industries are declining, as they feel the pressure of changing technology or globalisation.

But telecoms definitely should not be one of them. This is the industry that will support the future – not suffer from it. Connectivity networks

underpin a digital economy; you are in control of them. So take this chance!

Your sector will need to change: but emphatically it doesn't need to decline.

And we can't afford to wait. Technology is moving on, our global partners are moving on, our economy is weak.

We need this urgently, let's start the ball rolling now. We cannot sacrifice that by waiting years. The world is racing ahead. Would you really prefer to endlessly discuss and dream of a perfect solution that may never come?

No one can run away from their responsibility to provide this huge digital boost to our economy. No politician; and no telecoms operator either.

Consumers today are demanding and sophisticated. In every field, from cars to coffee, they expect quality, diversity and decent prices. A range of options to choose to suit their lifestyle needs, from Citroens to Seats, from frappuccinos to "flat whites".

Well, like coffee, connectivity today is also a lifestyle product. It's time to wake up, smell that coffee, and give our economy the stimulant it needs.

The EU isn't going to fix that problem for you, or decide what you offer: the innovation is for you to make. And this package promotes it. So respond to that demand and respond to that opportunity. Innovate. Tailor different services to different needs. Compete, expand, and grow.

This won't be achieved by a sector that looks backwards – to old services, dated business models, declining revenue streams.

Ultimately that can only lead to stagnation and decline.

This vision can only be met by a telecoms sector that is healthy, vigorous, and dynamic. With strong European players that can think big, to compete globally, the backbone for growth across the economy. A sector that doesn't face barriers. Competition law will still apply, of course, ensuring quality and choice for consumers even in the most remote areas, and ensuring operators of all shapes and sizes can compete on equal terms.

But indeed, a true, healthy single market is one where strong European operators operate alongside smaller, more local companies. The former offer the scale to compete globally; the latter the space to do what they do best, and innovate and adapt to local needs and features.

A single market where smaller companies find partners, in order to gain network effects to provide real efficiencies in areas like roaming. A single market where successful models in some of our Member States, based on strong competition, efficient network investment and low unit costs which are passed on to consumers, and which drive market demand and revenue growth – across Europe!

A market where healthy competition, including from over-the-top services, means less need for sector-specific regulation, and where ISPs and network operators are better able to rival over the top service providers because of their healthy competitive situation.

But let me point out one thing: if we want to look at other models, at the longer term development of our regulatory framework to deal with convergence and to deal with over-the-top-services, then we first have to get the Telco sector right.

We do have to look at taxation across the wider sector, and getting a level playing field, but that comes afterwards. And that shouldn't involve more regulation in the sector, but lifting regulation in competitive markets so that EU Internet providers can offer the services and connectivity Europe needs.

Only a healthy sector can provide high quality connectivity. And without that, the discussions about new regulatory models make little sense: Europe would simply be a follower in the global digital economy.

A market where efficient networks, plentiful broadband capacity, and innovative services give consumers something they value and are prepared to pay for – boosting their experience; and your bottom line.

This is a big step forward for a strong sector. Investors agree, and they have welcomed the package. According to one major investment bank, in fact, 82% of Europe's major investors expect this package to mean greater investment in new networks. That backing already means a lot. My proposals are about making the pie bigger. So let's not fight over crumbs.

And let me address another two challenges that have been made. Some claimed, even before the proposal came out, that it would take away revenues needed for short term investment.

What investment? Have you been investing your roaming profits so far? And where would that investment come from in a few years, after roaming revenues anyway start to disappear? – given that investors already discounted roaming revenues some time ago.

In fact, the artificial revenues from roaming would not give you the capital needed for next generation investment. That comes from the financial sector, from the investment community. And that community also confirms that my proposals create a predictable environment for investment. For the first time in years.

So I have put on the table a proposal that would treat the sickness of the sector – a predictable investment environment and incentives to shift to sustainable business models – just as they are already doing in the Scandinavia and the Baltics.

I know there are those who say the sector is not sick, that everything is fine. But that is not supported by analysis of the sector. That is not supported by any comparison with our main global competitors.

Our proposals are medicine targeted to make your sector fit enough to compete. Vitamins to boost innovation and competitiveness. So that when you get onto the playing field – a level playing field - you will be as strong as the others.

You already know the telecoms sector is transforming. So let's head in the right direction. Transform your business and thereby the sector so it can transform our economy. And give it the single market boost.

This conference is titled: "one single telecom market for Europe?"

I love the title. But I'd just change one thing. It shouldn't be a question mark at the end; it should be an exclamation mark.

Because this is worth having.

Getting this package agreed very soon is a challenge. But it would be a great step forward for Europe. That is what I hope the October European Council will call for. And I hope the most progressive and forward looking telecoms companies will be calling for it too.

Thank you.