



## **ETNO believes the Electronic Communications Code is a missed opportunity**

Brussels, 6 June 2018 – ETNO, the Association representing Europe’s leading telecom operators, believes that the Electronic Communications Code (the Code) represented a once in a decade chance to simplify and improve the EU rules for the sector in the interest of European citizens and businesses. This opportunity has been missed. The Code will not ignite the much needed rush to invest in 5G and fibre networks and it will add complexity to an already burdensome system.

The main aim of the original proposal by the European Commission was to significantly improve the investment climate for rolling out new networks and to empower users of all communication services. We believe the Code missed this target by some margin, which will in turn affect Europe’s ability to achieve the Gigabit Society objectives and position as a global leader in digital networks and services.

### **Missed targets, additional complexity**

The agreed law foresees only limited progress on spectrum policy,, a complex and watered down compromise on incentivising fibre investment, uncertain triggers for imposing regulatory remedies and no fair playing field for digital services users and providers.

What is more, the unfortunate decision to regulate intra-EU calls only offers a political smokescreen for lack of significant progress in the other parts of the Code. The legal threshold for regulating retail prices in competitive markets has been significantly lowered. This type of unjustified price regulation sets a highly dangerous precedent for all other European industries hence creating legal uncertainty, while offering no tangible consumer benefit that can offset the lack of simplified and future-proof rules across the board.

### **Looking ahead: pro-investment and pro-innovation implementation is a must**

The Code, in our view, is an unfortunate example of Europe lacking a strong and coherent industrial policy, especially for the digital sector. It is now for national authorities to try to match this need.

For this reason, a strong pro-investment spirit should permeate the upcoming steps. More specifically, we call on the Commission, BEREC and governments to ensure regulatory simplicity, certainty and consistency in implementation process and refrain from generating further burden and hurdles for those who want to invest.

**Phillip Malloch, ETNO Executive Board Chair**, said: *“The new Code was a once in a decade opportunity to take the policy decisions required for Europe to become a catalyst to investment. This is fundamental to keep pace in the shifting global economy. It was an opportunity that has been missed. It’s a huge shame that the major investors in infrastructure will face additional and unnecessary headwind in building a true gigabit society”.*