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Committee on the Internal Market and Consumer Protection

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29.5.2012

DRAFT OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans European telecommunications networks and repealing Decision No 1336/97/EC (COM(2011)0657 – C7-0373/2011 – 2011/0299(COD))

Rapporteur: Marielle Gallo

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SHORT JUSTIFICATION

The rapporteur congratulates the Commission which has proposed guidelines for trans-European telecommunications networks, thereby helping to honour the commitments made in the Europe 2020 Strategy and the Digital Strategy for Europe.

This proposal draws up guidelines for trans-European telecommunications networks. In so doing, it proposes objectives and priorities for projects of common interest aimed at eliminating bottlenecks by providing network connectivity and access, including across borders, to digital public service infrastructures.

At this period of austerity measures and low economic growth, your rapporteur hopes that the new tools proposed by the Commission in the interconnection mechanism for Europe will give a fresh market impetus to help achieve the Digital Single Market.

The internet economy and its importance for employment are capital and will be worth more than 800 billion euros in 2016, more than 5% of the GDP of the European Union. The internet has changed our way of life and work, how we access information and how individuals interact, and has considerable potential to change many other aspects of our lives, such as access to knowledge and education. The internet has also transformed the way we compare, sell or buy products and services, or seek or make available information, and manage our payments and our data. E-commerce and more generally digital services are now central to the lives of consumers, businesses and citizens in general.

But a number of obstacles are now blocking the completion of Digital Single Market: a lack of investment in broadband infrastructure, particularly in rural areas of the EU, and the lack of a European strategy for the development of digital cross-border services infrastructure. The cost of this deficit is estimated at at least 4.1% of GDP by 2020, or 500 billion euros or 1 000 euros per citizen¹.

Your rapporteur considers that this situation is particularly problematic for SMEs, which, lacking connection to a network of sufficient quality and speed, are unable to benefit from new technologies like 'cloud computing' which allow an innovative commercial approach and significant economies of scale.

Your rapporteur is also concerned that the lack of access to ultra-fast broadband internet harms the most vulnerable consumers. Without this, they are deprived of access to a whole range of new applications or services, for example comparing prices online, and the most advantageous offers pass them by.

¹ Copenhagen Economics, The Economic Impact of a European Digital Single Market, March 2010.

Your rapporteur therefore wishes to stress the importance of the objective of the Digital Agenda for Europe: securing lasting economic and social benefits through a Single Digital Market based on ultra-fast broadband.

Your rapporteur would like to emphasize the importance of cyber-security in ensuring that consumers are protected. Digital services play an ever-increasing role in our daily lives, and in this connection use a volume of personal or public data that is constantly increasing. A safe and secure online environment is therefore an imperative.

Your rapporteur endorses the Commission's analysis that the failure to complete the Digital Single Market is due to a supply problem, but also to problem of demand. Thus one of the objectives of projects of common interest should be to stimulate demand for fast and ultra-fast broadband, in particular through e-government services.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 **Proposal for a regulation** **Recital 1**

Text proposed by the Commission

(1) Telecommunications networks and services are increasingly becoming internet-based infrastructures, with broadband networks and digital services closely interrelated. The internet is becoming the dominant platform for communication, services, and doing business. Therefore, the trans-European availability of fast Internet access and digital services in the public interest is essential for economic growth and the **Single** Market.

Amendment

(1) Telecommunications networks and services are increasingly becoming internet-based infrastructures, with broadband networks and digital services closely interrelated. The internet is becoming the dominant platform for communication, services, and doing business. Therefore, the trans-European availability of fast Internet access and digital services in the public interest is essential for economic growth and the **Internal** Market.

(This amendment applies throughout the text. Its adoption requires the entire text to be amended accordingly, in particular the term ' Digital Single Market' will be

replaced by 'Digital Internal Market'.)

Or. fr

Amendment 2
Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8 a) The projects of common interest listed in this Regulation should also help to strengthen the economic, social and territorial cohesion of the Union, in accordance with Article 174 of the Treaty on the Functioning of the European Union. In this regard, special attention should be given to rural, remote or sparsely populated areas.

Or. fr

Justification

The European Union must act above all to remedy market failures. In order to strengthen its territorial cohesion, the EU must ensure that even the most sparsely populated or isolated areas have good access to telecommunications infrastructure.

Amendment 3
Proposal for a regulation
Recital 10

Text proposed by the Commission

Amendment

(10) Substantial economic and social benefits, which cannot be captured nor monetised by investors, are associated with higher broadband speeds. Fast and ultra-fast broadband is the key enabling infrastructure for the development and deployment of digital services, which rely on the availability, speed, reliability and resilience of the physical networks. The deployment and take-up of faster networks opens the way for innovative services exploiting higher speeds. Action at Union

(10) Substantial economic and social benefits, which cannot be captured nor monetised by investors, are associated with higher broadband speeds. Fast and ultra-fast broadband is the key enabling infrastructure for the development and deployment of digital services, which rely on the availability, speed, reliability and resilience of the physical networks. The deployment and take-up of faster networks opens the way for innovative services exploiting higher speeds. Action at Union

level is necessary to maximise the synergies and interactions between those two components of digital telecommunications networks.

level is necessary to maximise the synergies and interactions between those two components of digital telecommunications networks *particularly given the increasing number of mobile devices connected to the Internet, such as smart phones and tablets.*

Or. fr

Justification

The use of new devices reinforces the need for effective telecommunications infrastructure.

Amendment 4 Proposal for a regulation Article 2 – point 3

Text proposed by the Commission

(3) stimulate the Europe-wide deployment of fast and ultra-fast broadband networks which, in turn, shall facilitate the development and deployment of trans-European digital services.

Amendment

(3) stimulate the Europe-wide deployment of fast and ultra-fast broadband networks, *focusing particularly on rural and sparsely populated areas*, which, in turn, shall facilitate the development and deployment of trans-European digital services.

Or. fr

Justification

The European Union must act above all to remedy market failures. In order to strengthen its territorial cohesion,, the EU must ensure that even the most sparsely populated or isolated areas have good access to telecommunications infrastructure.

Amendment 5 Proposal for a regulation Article 2 – point 4 a (new)

Text proposed by the Commission

Amendment

(4 a) stimulate demand for services requiring broadband, in particular by developing e-government services, which will help develop the digital internal market;

Or. fr

Justification

Demand which is still insufficient today must be stimulated to create a virtuous circle in which increased demand will encourage the development of new services for consumers.

Amendment 6

Proposal for a regulation

Annexe – section 1 – point a – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

When infrastructure projects are undertaken in the Union on any type of network whatsoever (transport, energy or telecommunications), the mapping of other networks may be carried out at the same time.

Or. fr

Justification

The goal is to create synergies, as mapping is very expensive, and whenever construction work begins with a view to modifying or upgrading a network, it may be useful to take advantage of this work to map other networks.