

SPEAKING POINTS -- IMCO

IMCO – STRUCTURED DIALOGUE – 26 MAY 2011

- Mr Chairman, Ladies and Gentlemen. I am very pleased to be here today. I always enjoy coming to Parliament. Chairman, you have asked me to talk about a long list of topics.
- This is a very important moment for the future of telecommunications in Europe, as the revised rules have now come into force.
- I am particularly grateful to this Committee for having helped shape an improved regulatory framework that seeks to ensure continuity of the principles on which it is founded, as well as laying down new provisions to meet the many challenges of the future.

- Our task is now to monitor the **transposition** of the revised telecom framework by Member States, and this will be the focus of this year's **Report on the Progress of the telecoms market**. Following the adoption of the Digital Agenda, the Commission decided to adjust its traditional reporting structure for the forthcoming 16th Progress report and to issue a "**Digital Agenda Scoreboard**." These two linked documents will be published at the end of this month.
- So far, only three Member States have completed all the steps towards full implementation of the framework (EE, DK, FI).
- Most Member States are close to finalising, but several are delayed (PT, FR, IT, SI).
- I've said before and say again, we will not hesitate to launch **infringement proceedings** for non-compliance if the framework is not swiftly transposed.
- As you will be aware, we recently published our Communication on **Net Neutrality**, whose findings were shaped by a public consultation and a Parliament-Commission summit in which this committee played an important role.

- The Commission will be vigilant to ensure that new EU telecoms rules on transparency, quality of service and the ability to switch operator, are applied in a way that ensures that these open and neutral internet principles are respected.
- The Commission has asked the Body of European Regulators, BEREC, to undertake a rigorous fact-finding exercise on issues crucial to ensuring an open and neutral internet, including barriers to changing operators, blocking or throttling internet traffic (e.g. voice over internet services), transparency and quality of service.
- The Commission will publish, by the end of the year, evidence from BEREC's investigation, including any instances of blocking or throttling certain types of traffic.
- Again, we will act to enforce the rules, and not shy away from issuing further guidance or legislative initiatives, if necessary.
- **Universal service**, in the context of broadband, was also the subject of a public consultation last year. This is another important issue and on which we need to strike a careful balance between different important public interests.

- I believe that the draft IMCO Report on Universal Service and 112, on which you voted yesterday [*subject to clearance*], has achieved this balance very well.
- Later this year, I intend to report to Parliament and Council on the outcome of the public consultation and to set out how the Commission sees the EU rules on universal service applying in the broadband environment.
- Turning briefly now to **112**, let me recall that the revised regulatory framework has significantly reinforced obligations on 112 emergency services. Obligations on caller location information have been strengthened. Disabled citizens must enjoy a level of access to emergency services which is equivalent to all other users.
- Yet above all, I have to stress that technical progress will be severely limited if people simply do not know that the service exists. Today, only one out of four EU citizens are aware that they can access 112 for any case of emergency and in any EU country. That has to change; we cannot play with people's lives.
- Likewise, I should also briefly mention **eCall**.

- The introduction of an EU-wide interoperable eCall service in Europe, based on the 112 emergency number, is considered to be one of the most efficient short-term measures for reducing road fatalities and severity of injuries.
- Therefore it is a high priority of the Commission. We will shortly adopt a Recommendation to the Member States on the handling of eCalls. This will be the first of three legislative measures aiming to have eCall implemented in all new type-approved vehicles from 2015.
- A topic which I am sure will be of great interest to this committee is **roaming**. Roaming matters: it matters to business people, to tourists, and above all, to people looking to the European Union to act decisively in the common interest.
- The current rules have protected consumers for the period covered, but they have not tackled the core problem and the delivered the competition and downward momentum in retail prices that are needed – especially for data.

- We now have to solve the underlying competition concerns given that the market has failed in this task. I can be clear with you that I am thinking about a hybrid approach. It would have structural elements that promote market entry and enhance the range of consumer choice for roaming services and should be stable over time. It would also have safeguards for the period needed for the structural remedies to become fully effective.
- I hope to have this proposal ready for adoption by the summer.
- I would like also to thank this Committee and the Chair for your supportive opinion for the ITRE committee report on the Commission's **broadband strategy** which is to be voted today [*CHECK*]. I agree that the interest of European consumers should be at the centre of our efforts.

- Getting there means creating more incentives for investment, such as the "Project bonds initiative" presented on 28 February, intended to test market potential for financial instruments. Also, a new legal basis by co-decision for networks of the future (in transport, energy and ICT, including broadband) is now being considered. In order to be effective, we estimate that financial instruments would require an EU contribution of €1 billion per annum. This budget is expected to leverage up to 100 billion of additional funding, in other words a third of the broadband financing gap until 2020.
- The roll-out of broadband in Europe is critical to the development of innovative ICT services and their take-up by citizens. The benefits of this are self-multiplying.
- Nowhere is this more striking than for **eGovernment** services, which have the potential to create considerable efficiencies at the same time as empowering our citizens and businesses. This is why our Action plan for 2011-2015, designed to make the European public sector more agile and less burdensome on business, as well as strengthening the Single Market, is so important.

- The development of a vibrant Digital Single Market is of course key to boosting internal demand and making our economy more competitive. A fully integrated market for **electronic commerce** is at the heart of this vision. That is why I must thank you for the contribution received from the IMCO working group on e-commerce. I have studied the report that led to the Resolution of 21 September 2010, which I believe is perfectly in line with the ambition of the Digital Agenda for Europe. I will take this contribution as a valuable input for the mid-term review of the Digital Agenda, due at the end of 2012.

- One of the ICT initiatives closest to my heart is **e-health**. It is of direct interest to citizens, harnesses the synergies of the single market and brings alive the benefits of ICT. By way of example, I am intending to propose measures in 2012 on a **minimum common set of patient data for interoperability of patient records**. This should help medical personnel to obtain essential data on patients from another country involved in an accident or otherwise requiring treatment outside their home countries. I am also piloting a project on **active and healthy ageing** which proposes use of technology to improve the quality of life of older people and their carers, increase sustainability of care systems and create new growth and opportunities for Europe. This may include such things as monitoring **devices for chronic diseases, prevention and assistive technologies**. These are just some of the health-related ICT projects I am very excited about.
- Nevertheless, there is still a fair way to go to encourage use of online services. Citizens must feel safe enough to use them and authorities and businesses must be able to identify those users. And like the internet itself, those services must operate effectively across borders.

- To this end, both the public and private sectors are today requesting **electronic identification** to ensure secure access to their online services. Yet these services collapse at the border – when they should work across Europe. We therefore intend to propose a legal basis for Member States to accept e-IDs from other Member States. This would complement the **review of the Directive on Electronic Signatures** in 2012 outlined in the Single Market Act II communication. We have received 450 responses to our consultation on this, and will continue follow up at the Digital Agenda Assembly in June. Indeed I hope that many of you will join us for this event, the first annual milestone in the delivery of the Digital Agenda. Many Parliamentarians are already actively engaged in what will be a major event to mobilise resources and ideas for our long list of actions.
- As well as **stimulating supply and demand for new services**, we have also understood the importance of **web accessibility**. The Commission will make proposals, based on a review of options, that will ensure that public sector **websites** (and websites providing basic services to citizens) are **fully accessible** by 2015.

- In this context we are carrying out an Impact Assessment for determining the best policy option, including possible legislation, which could bring about effective and harmonised implementation of **web accessibility** across the EU.
- This follows many years of Commission efforts prioritising e-accessibility, across several areas of legislation (Growth & Employment, and Social Cohesion & Quality of Life), together with our eGovernment plans, to build momentum and respect the United Nations Convention on the Rights of Persons with Disabilities.
- Admittedly – the Internet is not accessible to all as it should be – but we are putting in place the right sort of measures to correct this.

- I know that all of us are concerned with the threats to **cybersecurity**. We are taking action on this, both at European level and beyond. Urgent action is imperative to complete the legislative proposal on **ENISA**, the European Network and Information Security Agency, as this will increase its capacities and improve its operation. We are also working closely with the Member States to move up a gear in the implementation of our Action Plan of Critical Information Infrastructure Protection. We have also established a closer cooperation with our US partners, as part of a Working Group dedicated to cyber security and cyber crime.
- Underpinning the range of ICT products, services and applications of at a technical level is **standardization**.
- A number of very important standards, used today in any device which is connected to the Internet, are not European standards. By that I mean, they are not issued by a European Standardization Organisation. I am speaking about the so called "fora and consortia standards", which are developed by global and worldwide recognised organisations. We must guarantee that these standards can be easily used in Europe, for example in public procurement, but also in policy and legislative activities.

- Not all the fora and consortia in the world are relevant for the ICT market, and not all of them work in a transparent way. This is why the standardization reform includes a consultative platform, which will be managed by the European Commission, and will guarantee that standards selected for use in European public procurement, policy and legislation, satisfy a set of strict rules. The proposal for the reform of the standardization legislation is currently in inter-service consultation, and is due for approval in 2011.
- These will be the standards, developed through an open and transparent process, that make the backbone of today's Internet and define what the Internet will be tomorrow
- So let me finish with a look into the future at the ICT of tomorrow.
- The next generation of ICT, in particular through the **Internet of Things** and **Cloud Computing**, will multiply drastically the possibilities for data collection, exchange and processing, and systems will even be endowed with the capacity of making automated decisions. The use of data and systems can be used to bring us a greener, better society, but not if citizens think we are creating an Orwellian nightmare.

- But given their increasing complexity and interconnectedness, regulation and policy may not always be sufficient to safeguard privacy and related concerns.
- For this reason, we must build **privacy directly into design**. Funding research to help bring this about is the responsible course of action. In particular I would like to see the development of a software solution that enables citizens to disconnect themselves temporarily or permanently from their networked environment; for example this would allow deactivating of **RFID** tags once a product has been purchased from a large store.
- This idea and many others are now being debated by the members of the **expert group on the Internet of Things**, which I set up last year.
- Thank you for your attention and I now look forward to receiving your input on this very broad-based set of initiatives and programmes within my portfolio.

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