

"International crossroad"

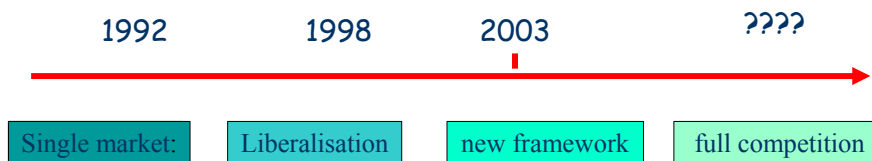
Political agenda for communications from the Commission perspective

Ruprecht Niepold

Directorate General Information Society: "Radio Spectrum Policy" (INFSO B4)

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Where do we stand ?



- Liberalisation largely achieved
- First "integrated" regulatory framework adopted
(but untested)
- Transition towards sector regulated by competition rules started
- Growing reality of market integration in the EU
(incl. new Member States)

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Drivers for the future



From a "technology" towards a "service" culture

New drivers of service demand

Communications services change society

Globalisation of "communications"

Technology as an enabling layer rather than driving force

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The political agenda



Lisbon (2000):

European economy to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion

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How to realise Lisbon ?



Key challenges for administrations:

- implement and "practise" an adequate regulatory environment
- stimulate demand
- support technological evolution
- Europe in the global context

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The New Regulatory package



Key features

- covers all **electronic networks** in the same way: technologically neutral / infrastructure competition, convergence friendly, facilitating innovation
- "**competition rule**" logic: convergence of markets at Community level
- **reducing regulatory burden:**
 - * ex ante regulation only where market failure
 - * general authorisation as a rule
- preserves **public interest** (e.g. universal service)
- **Community coherence:** balances national / Community powers (flexibility / coherence)

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The New Regulatory package



Key challenges:

- **timely implementation** (deadline 23 July 2003) !
- **market definition mechanism:**
 - * flexibility vs. stability / predictability
 - * taking market integration at EU level into account
- **reducing regulation:**
 - * remedies: right choice, proportionality, economic impact
 - * "emerging markets"
- **transition towards competition rules:** timing ? criteria ?
- **Community coherence:** current setting conducive to regulatory consistency ?
- the Regulatory Framework in the **enlarged EU**

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Radio Spectrum Policy



a key issue in the new regulatory environment:

- radio spectrum: an **essential ingredient to Information Society**
- great potential of **reform for spectrum management**
 - * **deregulation in spectrum management** still ahead (100 years tradition...)
 - * **scarcity:** physical reality and/or **self-inflicted ?**
- harmonisation of spectrum:** market synergies in the EU
- spectrum access should primarily be driven by **policy objectives**, while it is conditioned by technical considerations

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Radio Spectrum Policy



- New regulatory package includes **Radio Spectrum Decision**:
 - * a platform for realising a **coherent approach at EU level**
 - * mechanism to ensure **legal certainty** on harmonised allocation and usage conditions
 - * contributing to enhancing **transparency of decision process** related to radio spectrum

- Radio spectrum policy at EU level gradually operational:
 - * **Radio Spectrum Committee RSC**: implementing measures (IMT2000, R-LAN, SRR etc.)
 - * **Radio Spectrum Policy Group RSPG**: political advice to the Commission (sec.trading, switchover/spectrum)
 - * **International negotiations (WRC)**

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Radio Spectrum Policy



Key challenges

- Satisfying **Community policy objectives**
 - * all areas (incl. communications)
 - * horizontal policies (competition, internal market)
- Finding the **right mix of spectrum management approaches** and gaining more experience
- Filling the **regulatory "black hole"**
- Satisfying **contradictory paradigms**:
 - * harmonisation vs. flexibility
 - * national competence on spectrum vs. EU level coherence
- Clarifying relationship:
 - * **standardisation and radio spectrum management**

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Future regulatory tasks



- **Interoperability:**
 - * integration of networks: regulatory playing field, competition aspects
 - * open platforms
 - * evolving standardisation approach
- **Intellectual Property:**
 - * applications: Patentability of software
 - * content: Digital Right Management
- **Application related regulatory issues:**
 - * eCommerce (tax regime, liability, consumer protection)
 - * digital payment (regulatory regime applicable)
 - * communication on technological risks

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Developing the IS at EU level



- **eEurope:** creating a favourable environment for developing Information Society
 - * stimulate the development of services and applications
 - * developing best practices
 - * benchmarking and monitoring
- **eEurope2002:**
 - * part of Lisbon strategy
 - * increase connection rate to Internet
 - * eEurope+: accession countries on board
- **eEurope2005:** demand - supply
 - * **specific actions** in selected sectors
 - * developing **broadband** incl. ensuring a secure infrastructure

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Specific actions (demand)



Areas, where governments can act, societal benefits

- **eGovernment:**
efficient public services, citizen / government interaction
* user friendly access, one-stop-access, interactivity, interoperability
- **eHealth:**
efficient healthcare, providing health information
* electronic health cards, on-line services, health information networks
- **eLearning:**
support learning as a social process, improve interaction of learner with content and teachers / trainers
* pilot projects, virtual campus, content development

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Broadband initiative (supply)



- **upgrading existing and roll-out of new infrastructure:**
* market players' task
* regulatory environment supporting alternative access platforms (substitutability / complementarity)
* facilitating broadband access of public institutions (administrations, schools/universities, hospitals)
* covering remote and rural areas (prevent digital exclusion)
- **mobile and broadcasting networks part of the broadband strategy !** (hence: spectrum = broadband infrastructure)
- **Awareness action and stimulation through best practices**
* Broadband Day (Jan 03); broadband and content (Jul 03)
* Informal Telecoms Minister Meeting (Viterbo, Sep 03)

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Internet (supply)



- **ICANN reform**
 - * a global approach to internet
 - * GAC

- **domain names**
 - * equitable access to resources
 - * .eu domain name
 - * domain name protection

- **Internet governance**
 - * preventing spamming

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A secure environment



- broadband increases service quality, but increases vulnerability; **network security is key to build up trust with users**

- **European Network and Information Security Agency:**
 - * cross-border cooperation on network and information security
 - * center of expertise; identifying standardisation needs

- **Regulatory environment for**
 - * electronic signature (secure transactions)
 - * cybercrime handling at EU level

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Evolving technology



Technology continues to evolve at a fast pace in communications

- **Convergence** technically facilitated by "all IP" networks
- **Wireless technologies:**
 - * fast access networks ("beyond 3G")
 - * diversified access platforms ("seamless environment")
 - * ultra-wide band technologies
 - * software defined radio
- **Distributed computing** and databases

Integral approach technology / regulation

- technology triggers regulatory action
- regulation stimulates technological development

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Evolving technology



- **Community R&D activities:**
 - * Sixth Framework Programme
 - * IST Programme (>4bn €)
- **Key activities** under IST relating to communications
 - * R&D on wireless
 - * broadband technologies
 - * IPv6 initiative
 - * distributed computing: GRID
- **exploiting cross-synergies:**
 - * R&D / standardisation
 - * IST activities / radio spectrum policies
 - * fostering the European Research Area
 - * opening IST to international co-operation (US, China, Japan)

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Global aspects



- **Europe: the largest economic area**
 - * preserving competitiveness, ensuring growth, improving productivity to position itself in the global environment
 - * global responsibility: presence in policy initiative, technology lead, regulatory model
- **Information and knowledge as drivers for wealth creation**
 - * Reap the benefits of global communications: international trade, free exchange of goods and services, access to synergy of distributed knowledge, world-wide stable and secure communications infrastructure
- **Challenges of a global environment:**
 - * sustainable growth, social cohesion / digital divide, citizens / consumer rights, greying societies

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Global aspects



- **Community international dialogue:**
 - * multilateral initiatives (e.g. WTO)
 - * bilateral dialogue with main trading partners (on regulatory aspects, R&D cooperation, IS development initiatives, market access issues, etc.)
 - * development aid
- **World Summit for Information Society (WSIS)**
 - * Community coordination
- **Reform of ICANN**
 - * role of and presence in GAC
- **Global initiatives on security and internet governance**
 - * privacy regulatory approach
 - * "opt" in model

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Conclusion

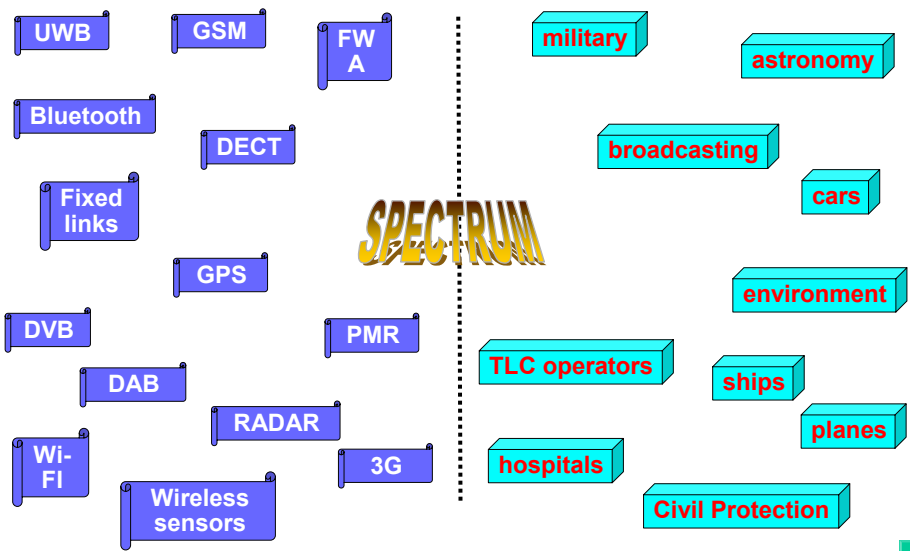


- **Communications a key driver for economic development** and as an enabler for many societal activities
- **Communications is a key element to EU policies:**
The Lisbon goal remains high on the agenda and requires a deep engagement of all players.
- **At EU level, three pillars of action:**
 - * implementing and adapting the **regulatory environment**
 - * **stimulating demand and supply** (infrastructure, applications and content)
 - * continued support to **R&D**
- **Globalisation of communications calls for global coordination and concertation of action. Europe has an important role to play**

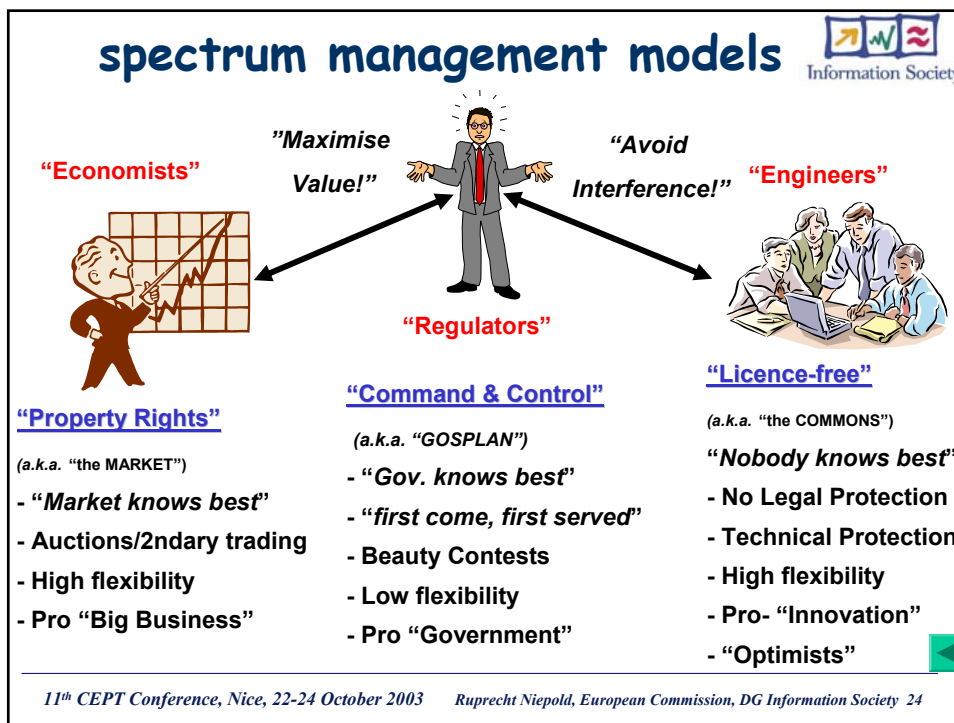
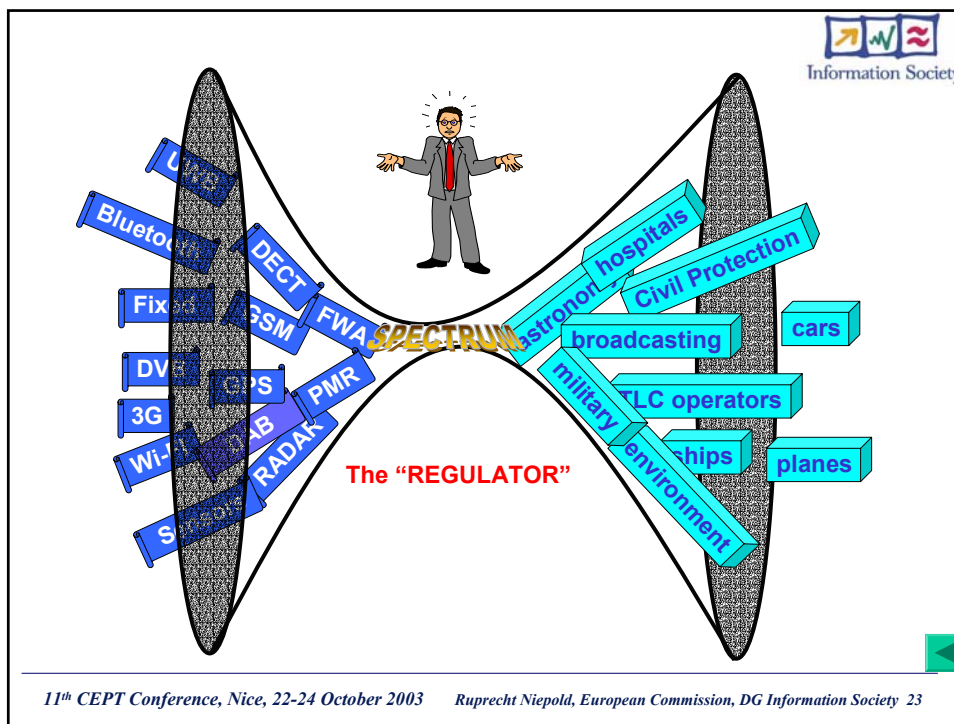
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an essential infrastructure



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"Spectrum policy black hole"

