

## COUNCIL OF THE EUROPEAN UNION

Brussels, 27 May 2013

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NOTE	
from:	Presidency
to:	Delegations
Subject:	Digital Agenda for Europe - The role of the Telecommunications and ICT Sectors - Policy debate

The TTE Council last December held a policy debate based on the Annual Growth Survey 2013 and on the mid-term review of the Digital Agenda for Europe (DAE), several components of which are priorities under the Single Market Act I and II to further the Digital Single Market and have been singled out by the European Council.

The debate called on delegations to provide their assessment of the progress made on the DAE and to highlight where more intensive efforts are needed in order to address challenges in the ICT sector and the Digital Single Market, to be completed by 2015 as called for by the European Council.

In introducing the debate, Vice-President Kroes pointed out the good progress for most of the actions set out in the DAE and towards the targets for broadband deployment and access while noting that more needs to be done to reduce gaps and inconsistencies (e.g. regarding enforcement and role of regulators) among Member States and exploit the full growth potential of the ICT sector. In order to refocus the DAE she outlined seven transformative actions on the Digital Single Market for content and services (modernising the EU copyright framework), speeding up public sector innovation (linked to interoperability of ICT and better use of information), high speed broadband connections (linked to the proposal on TEN guidelines on telecom infrastructure and a proposal on e-Identification and the strategy on cyber-security), digital jobs and skills, and an industrial agenda for key enabling technologies. By and large, the new actions outlined by the Commission were supported by delegations.

Building on the above orientations Europe's capacity to become a leader in the global transformation to a digital economy will be a key factor for stimulating economic growth and creating new jobs. Progress has been achieved but there is still much to be done before we can reap all the benefits of a fully integrated market for ICT. One essential factor in harnessing the digital economy is to complete the Digital Single Market, including to the benefit of its most active segment, that of mobile communications, which are playing an increasing role in supporting smart technologies e.g. in the Energy and Transport sectors. In this respect improved spectrum management is important. The progress towards an EU single market has triggered more competition and increased consumer choice, and it has helped businesses to innovate and invest. It is time to spread those benefits further by bringing down the remaining barriers and by combating fragmentation in the digital arena. Currently, Europe's ability to compete in the digital economy is hampered not least by its fragmented telecoms market: Europe will need to utilise better its innovation capabilities and the size of its internal market efficiently to regain its competitive edge on a global level. It is therefore for good reasons that, regarding the October European Council on Innovation and Digital, the March 2013 European Council<sup>1</sup> noted "the Commission's intention to report well before October on the state of play and the remaining obstacles to be tackled so as to ensure the completion of a fully functioning Digital Single Market (DSM) by 2015, as well as concrete measures to establish the single market in Information and Communication Technology as early as possible".

<sup>&</sup>lt;sup>1</sup> EUCO 23/13.

In light of the above the Presidency suggests to focus the debate of the June TTE Council on ascertaining Member States' views on the state of play and remaining obstacles to be tackled to ensure a fully functioning DSM, with particular emphasis on how the DSM could be further developed and integrated and how we might best give effect to the European Council's conclusions from last March on the single telecoms market. By way of input to the European Council in October, the Presidency will seek to sum up the discussion among Ministers in a letter to the President of the European Council.

The Presidency proposes to structure the debate at <u>Council</u> on the basis of the following questions <sup>2</sup>:

What are Member States' views on what might be the main characteristics of an EU Single Telecoms market?

and,

In view of the commitment contained in the Radio Spectrum Policy Programme for the Commission to report to Parliament and Council before 1 January 2015 what are Member States' views on the effectiveness or otherwise of spectrum harmonisation to-date and how best should we proceed in the future?

<sup>&</sup>lt;sup>2</sup> As customary Member States are invited to submit written replies to these questions, preferably before the Council policy debate. This will allow Member States representatives to focus on key issues during the debate.