

Digital Europe 2.0

Paving the Digital Road with Gigabits

Adopted by the EPP Political Assembly on 24 January 2017



Digital innovations and technologies are reshaping our society, industry and economy. They are changing the way we communicate, drive cars, manufacture goods and get medical treatment, how we do business and play sport. The boundaries of the physical and virtual worlds are becoming blurred in ways, and at a pace, never seen before. Mobile and cloud technologies, big data and the Internet of Things offer unimaginable opportunities for Europe to drive growth and jobs, and to improve the lives of citizens.

The European Commission's Digital Economy & Society Index (DESI) shows that broadband is available to 71% of European homes — but to only 28% in rural areas; and that mobile broadband, such as 4G, reaches 86% of European homes — but only 36% in rural areas. The EU cannot afford to deepen this digital divide and miss opportunities to connect rural areas to e-Agriculture, e-Farming (or smart farming), e-commerce and e-working. Moreover, the DESI also shows a gender gap in digital practice and experience. Within the European Union, 18,2% of all women and 14,5% of all men (16-74) had, as late as 2015, never used the internet. To reach common goals of gender equality, this digital gender gap must be eliminated.

The divide between citizens from different educational background is even larger. As late as 2015, 35.9% of individuals with no or little formal education, compared to 12,5% of those with a intermediate level of formal education, had never used the internet. With digital development moving at such a rapid pace, measures should be taken to reduce this gap, preventing citizens with little formal education from falling behind on areas of development which require basic knowledge and the regular use of digital devices and services.

Without modern digital networks and infrastructure providing high-quality connectivity and speed, the EU is in danger of lagging behind other regions in terms of attracting investments and retaining knowledge, resulting in lost competitive advantage. Equally important as infrastructure to the digital economy is data flow, and concerns over data location, access and ownership must be properly addressed.

It is therefore of the utmost importance to the EU to have the right regulatory environment in place for making sure the Internet is accessible everywhere, made cost-effective and developed based on the criteria of tomorrow, in order to foster innovation and support the demands of next-generation technologies and on the terms of the market. The European People's Party, therefore, makes the following resolutions:

- Emphasizes the need to **raise awareness of the benefits of the Internet for citizens and for businesses; to craft specific programmes** to increase the availability of high-speed connectivity in public facilities, such as schools, libraries, parks or squares, and in e-government services; and to **promote the use of the Internet** in sectors such as e-learning, e-health, and e-farming;

- Draws attention to the **connectivity gap between rural and metropolitan areas** and between European citizens with digital skills and those who lack technological education; these gaps often also appear between genders and between citizens having different levels of formal education. Therefore, in order to mitigate the **digital divide**, connectivity in rural areas should be addressed by promoting shared basic infrastructure and its deployment via public-private partnerships – considering that mandatory network-sharing and the promotion of co-investments by several operators should be included in any agreements where public funding is involved. Furthermore, the EPP invites the European Commission to explore the cost-efficient use of satellite broadband and Low Earth Orbit Satellites in bringing connectivity to remote areas;
- Calls for the swift implementation of the Radio Spectrum Decision. By **developing an efficient and comprehensive spectrum policy**, we ensure adequate connectivity for EU citizens cross-border. Moreover, by having a coordinated spectrum assignment, we increase certainty for investors and facilitate the development of new business models. We should also continue to explore the idea of a single EU regulator for pan-European licenses, with flexible implementation at the national level to ensure legal certainty and accountability;
- Encourages the European Institutions and Member States to focus on creating a sustainable and balanced **Telecom Single Market** – by including measures to regulate intra-EU phone calls and SMS, which originate in the country of mobile subscription and terminate in another Member State. Abusive fees on cross-border, intra-EU phone calls lead to excessive prices, ultimately creating a paradox situation whereby calls made while abroad can actually be cheaper than calls made at home. Additionally, the EPP encourages all actors involved to deliver **Roam Like at Home (RLAH) on time** by including measures to prevent domestic prices' going up as a means of covering the potential losses telecom operators may incur on roaming services. The **ongoing review of wholesale retail roaming** charges should not hamper investments on expanding digital networks; nor should it distort competition among incumbent and entrance operators either within or between Member States. But it should, nevertheless, foster more competition – among EU wide operators – and new and innovative services and business models able to cope with future demands, especially regarding the data economy;
- Calls on the European Commission to urgently **promote investment** in developing and in deploying next-generation technologies. European structural funds and public funding for broadband and Trans-European Telecommunication Networks must be flexible, technologically neutral and based on the criteria of tomorrow; broadband competition that allows consumers to easily change providers in the context of appropriate regulatory oversight will best protect consumers' interests;
- Requests that the European Commission, using the Horizon 2020 research funding programmes, **accelerate investment in research and innovation** via Public-Private Partnerships in order to implement **5th generation wireless systems and technologies (5G)**.

A strong focus should be placed on **virtualisation techniques** — to make deploying new services using cloud-based servers faster, easier and cheaper; on energy efficiency — to cope with the increasing number of small, power-hungry and sophisticated devices (sensors) deployed in all vertical sectors, such as health, education, agriculture, manufacturing, the automotive industry and so forth; and on **IP-based data packet transmission**, which will boost innovative services and applications independently from the underlying network infrastructure.

- Encourages the European Commission to tirelessly **seek international cooperation with other regions of the globe** in order to **review the 700 MHz frequency band at the World Radiocommunication Conference in 2023** and to **develop harmonised global standards for 5G**: this will help to avoid fragmentation, promote cross-border usage and achieve economies of scale. Companies should be involved in defining targets and technologies at early stages of standards development in order to arrive at swift consensus;
- Recognises the new environment of IP convergence and urges the European Commission and Member States to **create a level playing field between electronic communication services (ECS) and non-ECS for comparable services** in order to promote innovation while avoiding unfair, anti-competitive practices. To this end, we should privilege horizontal rules reflecting consumers' perceptions, include self- and/or co-regulatory measures, and consider deregulating or reducing the scope of some rules and regulations, respectively; nevertheless, both ECS and non-ECS should guarantee the same level of consumer protection, such as in protecting against illegal and harmful content, for example, but also with regards to the requirements of confidentiality, information security, interoperability, transparency and quality of service.
- Encourages telecom providers and online service providers to **embrace the opportunities and values being created through digitization**: this will help in creating the new business models of tomorrow, driven by fast and intelligent networks, and in providing customers a new range of services with the best user experience available anywhere;
- Considers that digital services should be **cross-border by design, entailing cross-border data flows** needed to secure the potential of big data, cloud services and Internet of things technologies, ultimately in order to boost our competitiveness and economic growth;
- Calls on the European Commission to **remove unjustified restrictions or limitations to the free flow of data** in order to stimulate innovation and competitiveness, ensuring proper liability, interoperability and portability. The initiative on the free flow of data should enshrine a general principle of free movement of data (not personal data), remove existing barriers on data location and bring legal certainty to the issue of data ownership, in order to enable new data-driven technologies and to spur innovation with the positive use of data.

- Draws attention to the importance of having open and non-discriminatory access to the Internet (**net neutrality**) without introducing obstacles to innovation and investments. With the adoption of the Telecoms Single Market (TSM) Regulation by the Council and the European Parliament, Internet Service Providers (ISPs) are under an obligation of non-discrimination: this is to ensure equal treatment in all internet traffic, though limitations and exceptions on implementation rules by Member States – such as traffic management, specialised services, zero rating and data caps – must be properly, and clearly, elaborated following the Body of European Regulators for Electronic Communications (BEREC) Guidelines in order to uphold the **network neutrality principles** of the TSM Regulation;
- Further recommends that the European Commission **increase its initiatives in the ongoing global debate on Internet governance by fostering digital diplomacy in cyber policy**, in order to reaffirm the fundamental EU values and standards granting citizens the same rights whether online or offline. The EU should be a proactive and trusted partner in moving to an inclusive and transparent Internet governance model based on a multi-stakeholder approach. It is important that this new governance model encompass inclusiveness, legitimacy, accountability and global public interest, and that a move towards more independent digital data flows across the Atlantic be swiftly achieved.
- Further requests Member States to maintain a **high degree of ambition on the Digital Single Market strategy**. Commitment to swiftly agree on the proposals already tabled by the European Commission will be an important step further to break down the existing barriers and road blocks to open the digital road to a gigabit society.

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