

EUROPEAN COMMISSION

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*Dear Presidents,*

*The Commission would like to thank the Houses of the Oireachtas for their Reasoned Opinion concerning the Proposal for a Regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent {COM(2013) 627 final}.*

*The global economy is evolving towards an Internet economy, and Information and Communication Technology (ICT) should be fully recognised as a source of smart, sustainable and inclusive growth. A single market for electronic communications, where the freedom to provide electronic communications networks and services to every customer in the Union and the right of each end-user to choose the best offer available on the market is ensured and is not hindered by the fragmentation of markets along national borders, should promote competition, investment and innovation in new and enhanced networks and services. The benefits arising from a single market for electronic communications should extend to the wider digital ecosystem.*

*The Commission therefore welcomes the general support of the Houses of the Oireachtas for the Commission's proposal for a 'Connected Continent'.*

*The Commission also has taken good note of the concerns expressed.*

*Firstly, with regard to the consultation process, the Commission acted as early as possible to tackle the key problems identified following the 2013 Spring European Council meeting, which stressed the need for concrete measures to establish the Single Market in ICT. The proposal was prepared with sound analytical underpinning, including an impact assessment. The Commission engaged with external stakeholders in order to assess the state of the market and to determine how to improve conditions for establishing a telecoms single market. In the consultation process, broad public events were combined with more targeted consultation to allow stakeholder inputs, supported by market studies. The Commission organised several*

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*consultative events attended by stakeholders representing all segments of the industry, consumers and civil society. This included a public information meeting in Brussels on 17 June 2013 and a comprehensive discussion as part of the Digital Agenda Assembly 2013 and the Digital Champions' meeting in Dublin on 18-20 June 2013, as well as one on 24 June with the Body of European Regulators for Electronic Communications (BEREC) and national regulatory authorities to discuss the whole range of issues being considered for the Single Market initiative. The Commission received contributions from many stakeholders and their representative organisations on some of the specific measures under consideration.*

*In the preparation of this process, over the course of the past two years, the Commission has also received substantive input on the subject matter of a Single Telecoms Market from a wide range of stakeholder organisations, including those representing established and alternative operators, business and consumer organisations as well as users of telecommunications services, national regulators and governments.*

*In particular, the proposal builds upon the work of the Radio Spectrum Policy Group (RSPG), which underlined the importance of radio spectrum for wireless broadband, the potential benefits of infrastructure sharing and the need for closer cooperation amongst Member States on cross-border coordination issues. In this regard, in June 2013 the RSPG issued a comprehensive opinion on the strategic challenges facing Europe in addressing the growing spectrum demand for wireless broadband.*

*Moreover, the Commission has also undertaken several studies (for example on the impact of traffic off-loading and related technological trends on the demand for wireless broadband spectrum) and conducted public consultations on specific problems over recent years (notably public consultations on a structural solution addressing high roaming charges, on spectrum policy coordination and shared use, on Wireless Broadband, on the possible reduction of costs for infrastructure roll-out, on the consistent application of ex-ante remedies imposed on dominant/Significant Market Power operators by national regulators, on a revision of the list of relevant markets susceptible to ex ante regulation, on specific aspects of transparency, traffic management and switching to an Open Internet and on the functioning of the market for Internet access and provision from a consumer perspective).*

*Finally, the work undertaken by the BEREC, such as work on net neutrality and the obstacles to cross-border provision of services, has been instrumental in preparing the initiative.*

*The preparations and all the discussions have shown a large degree of consensus on the urgent need to overcome the remaining fragmentation of the Single Telecoms Market, acknowledging the benefits that would flow from this in terms of additional growth.*

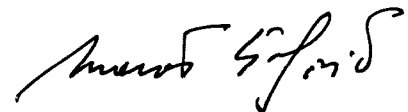
*Secondly, on spectrum, the Commission would like to stress that the proposal is not seeking a transfer of spectrum responsibilities from the national to the European level. Nevertheless, with regard to concerns of the Houses of the Oireachtas on the proposed spectrum coordination, the Commission stresses that delays in granting spectrum licenses have already led to an important fragmentation of the European mobile market. This situation has a negative impact on mobile equipment manufacturers operating in the EU market and has reduced the offer of new generation terminals for European consumers. A new approach on the coordination of licenses across Europe is therefore absolutely necessary. Moreover, the notification on licensing conditions proposed by the Commission, to be exercised together with the other national competent authorities and taking into account any opinion issued by the RSPG, is intended to be based on a peer-review mechanism, that will allow comments on the draft assignment process to ensure that it will not lead to a breach of common principles and that no barrier is created to the internal market, but will not limit the responsibilities of Member States for authorisations of rights of use of spectrum.*

*Thirdly, on the chosen instrument of a Regulation, the proposal builds on the 2009 regulatory framework for electronic communications since its fundamental principles remain valid. The Commission proposed a Regulation as it ensures the removal of single market barriers by complementing the existing regulatory framework. This includes specific, directly-applicable rights and obligations for providers and end users; it also includes coordinating mechanisms regarding certain inputs at European level to facilitate the provision of electronic communications services across borders. A Regulation is important, for example, in a field such as open Internet and traffic management, where a truly common approach is necessary to avoid from the outset the current tendency towards divergent national solutions and to enable both integrated network management and the development of online content, applications and services which can be made available in a common way throughout the Union. In addition, the proposal provides for full harmonisation of consumers' rights that can be directly applicable in the relationships with the providers. It is exactly for those reasons that Ireland should not be marginalised but instead benefit from breaking down market fragmentation along national borders and by removing obstacles to cross-border provision and acquiring electronic communications.*

*In conclusion, the current regulatory framework has not been able to fully deliver its objective to establish a single market for electronic communications, with markets still fragmented along national borders and obstacles to cross-border provision. In accordance with the subsidiarity principle, measures at EU level have therefore been designed to remove specified internal market barriers, but limited to what is necessary to achieve the objectives identified.*

*The Commission hopes that these clarifications address the concerns raised by the Houses of the Oireachtas and looks forward to continuing this political dialogue in the future.*

*Yours faithfully,*



*Maroš Šefčovič*  
Vice-President