

President Barroso

Dear President Barroso,

The economic and social benefits of providing business users with a single market for telecommunications

How will we as business and public sector leaders drive economic growth and innovation throughout the European Union? Amongst other factors, we are convinced that such development and evolution will require that we have the appropriate communication and technological environment to support our ambitions. The most important aspect of this environment is the single market for telecommunications. As Neelie Kroes, Vice-President of the European Commission responsible for the Digital Agenda, quoted from a joint study commissioned by ECTA and INTUG, from WIK Consult: *“The boost from a competitive single market in telecommunications could be 110 billion euros a year. Quality communications for business could be worth 800 billion over 15 years. This is investing in tomorrow’s growth.”*

We are concerned, however, that the needs of our businesses and public entities are not being addressed adequately within the current regulatory and competitive environment. A new regulatory package will be introduced, which is why we are taking this opportunity to raise certain issues. Specifically, we wish to highlight the following considerations that we feel must be addressed in order for us to benefit from that above-mentioned potential. These issues are covered in more depth in the accompanying **INTUG Position - The economic and social benefits of providing business users with a single market for telecommunications**.

We are not only large, international companies: the market of professional users of ICT is diverse.

Whether our organisation is large, medium or small; public or private; international or domestic, we all need a regulatory environment that ensures a competitive market for telecommunications services so we can build efficient and effective ICT strategies.

1. **The business market requires special measures and attention.** Our needs are at variance with the needs of the consumer, and ‘adapting’ consumer-oriented regulations will not fit our – more complex – requirements. Only when our specific requirements are addressed can we as businesses turn the potential of the single market into real and concrete opportunities.
2. **Infrastructure-based competition is no longer sufficient; we need service-based competition.** Service-based competition is more relevant to business, and generates increased innovation, more jobs, greater growth and improved social welfare. Indeed, excessive infrastructure-based competition can be counterproductive, causing wasteful duplication of capital investment, and creating loss of economies of scale through fragmentation.
3. **The fragmented international mobile service market hinders our ability to develop cross-border.** Lack of competition, inconsistent tariff structures, fragmented pricing and service models, the absence of truly ‘international’ providers... The result for us is high costs and inefficiency, which cannot support our ambitions.

4. **Europe should take a leading role in driving initiatives to limit roaming charges on the international level.** These amount to a tax on cross-border trade.
5. **Net neutrality is critical:** Blocking or throttling services is unfair, annoying and impedes innovation. At the same time, however, differentiated service levels need to be accommodated, also for mobile services.
6. **We need more information on and confidence in cloud computing.** While cloud computing offers us interesting possibilities, we still have many questions to answer before we are comfortable using it for our critical applications.
7. **Data retention and privacy laws need to be harmonised and manageable.** Changing and varying laws make cross-border operations risky and add unnecessary legal costs.
8. **Lack of adequate competition inhibits our ability to react; this includes last-mile connectivity, which mostly is in the hands of the local incumbent operators.** Telecom operators must have access to harmonised, business-grade, wholesale last-mile offerings that let them put together the pieces of the puzzle to build a company network for their customers.
9. **Virtual Network Operators (VNOs) can provide value-added services we need.** A VNO market would facilitate innovation, services, productivity and efficiency.
10. **A strong BEREC will support harmonisation and a stronger, healthier business environment** – as long as it pays attention to the needs of the businesses.

We appreciate the European Commission's focus on communications services as a force for enabling economic growth, improving social welfare, creating value, enhancing EU productivity and competitiveness and generating jobs. We also recognise that we - indeed, businesses of all sizes - will play a role in using new technology to make this happen. We want to ensure that the regulatory environment supports us in performing this role. Should you wish to explore these topics further, we are open to discussing the issues raised in this letter and in the accompanying INTUG Position with you.



Danielle Jacobs
Chairman of the Board

About INTUG - International Telecommunications Users Group

INTUG is a global association of business users of communications. With members and contacts in all five continents, we use this reach to actively promote professional customers interests at the international level and to ensure that the voice of the business user is clearly heard. Our long-term focus is to bring down all barriers companies and public institutions face when developing their ICT strategies. For more info see our web site: www.intug.org

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