Europe's Digital Agenda: boosting access & breaking barriers

Davide Morisi, with the European Commission's Communication Directorate points out that encouraging the digital single market in Europe is not just about infrastructure, but also about harmonizing regulation and much more.

In March 2010 the European Commission launched the "Europe 2020 Strategy", a wide and comprehensive plan for fostering sustainable and inclusive growth within the European area. One of the main flagship of this ambitious plan is the so called Digital Agenda, which aims at delivering "sustainable economic and social benefits from a digital single market based on fast and ultra fast internet and interoperable applications". However, Europe's strategy is not just about improving access to infrastructure or applying digital technologies to public services. It also means breaking down cross-country regulatory barriers and adopting harmonization measures among national regulators.

Recently, a €9.2 billion investment was proposed by the EU Commission to boost Digital Agenda's goals in improving internet access.. This funding – which now waits for both the European Parliament and the EU's Council of Ministers' approval – should sustain pan-European public and private projects to improve internet infrastructures. In addition it will support investements in areas where delivering broadband is less attractive, such as countrysides or little densely populated areas. The EU Commission considers that this intervention could leverage a significant amount of public and private investements, which would account for a total of between 50 and 100 billion euros.

This funding clearly represents a step forward towards one of the principal "social" Digital Agenda's goals, that is providing all households with broadband access at a speed of at least 30 megabits per second (Mbps), with at least 50% of households browsing the internet at a speed above 100 Mbps. The Commission view is thatdelivering high-speed internet also brings significant economic benefits in terms of fostering the ICT sector and creating a digital single market. According to a study by Copenhagen Economics, Europe could gain 4 percent GDP – an amount close to €500 billion – by stimulating fast development of a digital single market by 2020.

However, in order to reach these goals, Digital Agenda must also remove a series of barriers –for example, the lack of digital skills, the lack of interoperability, or the lack of research and innovation – in addition to harmonize different ICT regulation among European countries. In this sense, the Commission recently intervened to approximate different countries' regulation on mobile termination rates, a specific aspect of the mobile phone market, which increasingly includes broadband and can be particularly useful in getting broadband to remote areas.

Mobile termination rates are the wholesale charges that mobile operators make to other operators to connect calls to their networks. While in the UK Ofcom has managed to lower these rates, now both Polish and Italian regulations are under scrutiny by the European Commission.On 7 November, the Commission wrote to the Polish telecoms regulator (UKE) to criticize UKE's proposed regulation of mobile termination rates. The Commission questioned the fact that UKE does not legally bind mobile operators to reduce mobile termination rates, thus giving operators the possibility to gain additional profits. A similar case concerns the Italian situation, where the Commission has not intervened yet, but is putting pressure on Agcom – the Italian telecoms regulator – to remove the differences among mobile termination rates applied by the main telephone operators.

The Commission’s engagement on mobile termination rates in these countries is just one example of how the Digital Agenda in Europe is necessarily about more than just infrastructure investment. Harmonizing regulation, ensuring interoperability and supporting improvements in digital skills, among others are all part of the picture.

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