

**SPEECH GIVEN BY STEPHEN TIMMS, MINISTER FOR COMPETITIVENESS,  
EU FRAMEWORK REVIEW STAKEHOLDERS' MEETING, MONDAY 19  
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Today we live, work and think in a networked world. Telephones, computers and the links which bind them are taken for granted by the average citizen. Like electricity or running water they are assumed to be always available. And the expectation is that it will be increasingly cheaper and easier to access them over the coming years.

The contribution that electronic communications networks and services make to the UK economy is significant, in both financial and social terms. Since this current framework was implemented in 2003, broadband penetration has increased beyond many people's expectations, including my own. Seven Member States, including the UK, have higher broadband penetration rates than the US.

In the UK we have seen a significant increase in infrastructure investment following the functional separation settlement between BT and Ofcom in 2005. Wholesale access to new products has also moved on, enabling more companies to offer more services and their customers to benefit from ever-increasing innovation and choice.

Mobile service competition remains buoyant and I am amazed at the range of new and innovative services that we now have at our fingertips. VoIP technology is an accepted alternative to traditional services in many Member States.

BEUC, the European Bureau for Consumer Organisations has stated, in relation to the new Commission proposals on the Framework that:

“the ultimate goal of this package should be to ensure to all consumers safe, affordable and fair access to all telecom services.”

This is a statement that I am sure we could all support. The UK has long championed effective, open and competitive markets across the EU. We believe that this is the best way to bring benefits to both businesses and

consumers. The UK was placed 1<sup>st</sup> on the 2006 Regulatory Scorecard of ECTA (The European Competitive Telecommunications Association); these Scorecards are studies of the effectiveness of regulation and recognise the link between effective regulation and investment.

In the UK, by driving pro-competitive reforms, we have seen a plethora of telecoms product and service offerings appear, together with growth and investment in the sector and some of the lowest retail prices in Europe. So consumers benefit from greater choice and better prices, whilst businesses have the opportunity to innovate and increase their profits.

For this reason, we welcome the fact that the Commission in its proposals for the review of the EU Electronic Communications Framework shares our aims. The proposals offer the EU an opportunity to demonstrate to its citizens and businesses that it listens to their concerns and it is right that the needs of consumers and markets should be the driving force behind any reforms.

Consumers have been presented as the main beneficiary of the proposed changes in the early press releases from the Commission. While it is true that there are changes to the Directives which are specific to users' rights, such as price and service level transparency and improvements to number portability, most of the core benefits will probably come from the effects of greater competition, e.g. more services to choose from, better service and lower prices.

I think it is right to look at the Commission's approach and to think about what changes might be needed to the institutional framework, building upon the good work that has already been done in many Member States to create more open and innovative markets. We need to consider changes in mindset and in technological and regulatory infrastructures, which do not happen overnight, not if they are to persist and deliver real value to consumers and business. And persistence is the key.

Picking up a telephone in the knowledge that you can call your friends or business associates on the other side of Europe, quickly, easily and at a reasonable cost. Using your computer to access the crucial information

**you need to run your business in the knowledge that the data will download, at a reasonable speed and with its integrity intact. These activities and many more which form a part of our everyday landscape, depend upon a regulatory framework that provides reassurance to the consumer whilst allowing creativity and a return on investment to the industry. Balance is the keyword of our approach, and striking the right balance is something we can only get right with input from our stakeholders, the people who will be most affected by the proposed changes.**

**This is only the beginning of a complex process, one which I hope we can work on together. As Tim has already mentioned, our formal consultation on the proposals begins early next year. However, if you wish to talk through your views with my team before then, they would be very happy to see you. It is important that we get the best possible outcome from these proposals and we need your views and expert knowledge in order to do so.**