European Ministerial Conference
Information Society – Connecting Europe

Ljubljana, 3-4 June 2002

Final Plenary Session: Conference Conclusions
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Introduction

Ladies and Gentlemen,

Let me start by thanking Minister Pavel Gantar and all his staff for the magnificent job they have done in organising this Conference. This city and the location where we are gathering are beautiful. The organisation has been done well, the atmosphere has been great, and it has been a great pleasure to meet so many good colleagues, friends and make new acquaintances.

We are at an important moment in time: the process of accession negotiations for many of the candidate countries is at a decisive moment, and Europe is preparing for the next phase of its unification and history. In this broad historical exercise, the Information Society is an essential, even a core part. Through communication and access to information and knowledge we will enable further social cohesion, and continue to strengthen cultural diversity and economic integration. Economic integration is the key for economic growth. I am very glad that we are now working together and planning our joint actions in this area. In that context, I also welcome the new initiative underway in the South-East European countries. We had the pleasure to meet together today and it was a very important and encouraging moment.

There will be reports later about the three Thematic Sessions from the Rapporteurs.

You have received a copy of the 'Ministerial Conclusions' which were discussed and agreed this morning with the Ministers present at the Conference. These conclusions aim to give some political value to the result of the discussions over the last day and a half.

I do not intend to read them out to you now in detail but I would like to just highlight some of the areas where we must focus our attention in the coming time.

Information Society

A fundamental question and challenge for all of us is how to build an open, inclusive and democratic Information Society, in which all citizens can be integrated, and which contributes to a sense of economic well-being, social justice, A challenge for us is that we must guarantee, at the same time, equality and efficiency. How to reinforce with these efforts European unity, and guarantee personal security which is becoming a more and more important political issue?

It is clear that without an adapted public policy, new technologies can also be a source of exclusion, not a tool of progress. For that reason, we always need a balance. There is a role for the markets there is a role for strong public policy

Experience gained really indicates this kind of integrated policy approach is needed. A strong political leadership and a top-level commitment must support this approach. We need to focus on precisely identified actions and concentrate on what must be done, by whom and by when.

The advantages brought by information technologies are multiplied when they are available for all. Therefore, their take-up has to be supported across society, from the private to the public sector.

The value of a network increases with the square of the number of participants. This famous 'Metcalf law' is not part of any economic theory but makes a lot of common sense. The biggest value will be achieved when everybody is connected and not just a part of the population.

The first prerequisite for the development of an Information Society is widespread access to the network infrastructure. This comes about by creating the necessary conditions for a truly competitive environment, which in turn guarantees affordable prices and facilitates the take-up of new, innovative services. Without competition there is no innovation and we have a lot of evidence to support this. To guarantee competition we need a proper regulatory framework within which the information services can develop.

That is what has been done in Europe, where the key instrument, of course in the EU, and of course outside because we have two parallel programmes where the key instrument for accelerating the development of an Information Society has been the eEurope 2002 Action Plan for the EU, adopted by the EU leaders in 2000. We are taking now the next step with eEurope 2005. The objective is a widespread, more profound and inclusive use of the Internet to raise productivity in the private and public sector. This is key to realising both our economic and social agenda. And I want to make it very clear from the outset that of course all the efforts the EU are doing are open and we want to give everybody a possibility to learn from those and participate in these activities.

Policy and Regulatory Framework

The new EU regulatory framework for electronic communications, which will enter into force in July 2003, will be a more flexible version of the existing one. It will be simpler, lighter and it provides greater regulatory stability and transparency.

It is designed to foster competition and choice in a number of ways:

Firstly, the new framework drastically cuts away the unnecessary red tape that obstructs entry to national markets.

Secondly, we are living in a converged world. Distinctions between transmission infrastructures are artificial and create disincentives for investment. For that reason the new framework will apply to all transmission networks in the same way. This technological neutrality meets the requirements of the Internet-driven convergence between telecoms, computers and the media and gives the EU a pro-competitive regulatory framework that is well ahead of our major trading partners outside Europe.

Thirdly, the new framework is flexible. Once we have fully competitive markets it allows that regulation will be rolled back then we can rely on EU competition rules.

The process of defining markets is also flexible, capable of changing over time and from Member State to Member State, if the market conditions are different. This is in contrast to the existing framework, where markets are pre-defined in law.

The new framework will also regulate only where absolutely necessary.

The fourth important issue is the consistent application of the framework. In many areas, the new framework gives regulators more flexibility than they currently enjoy. Of course, with all this new flexibility it is important to ensure that the EU internal market will not be compromised. If a regulator takes a decision, which has impacts beyond national borders, there must be guarantees that internal market remains homogeneous That is why we have procedures for consultation and transparency across the EU.

The EU Commission has been given the power to require national regulatory authorities to withdraw draft national measures in key areas linked to the functioning of the single market.

Agreement on this package sends an important positive signal to the market, and should boost a sector that has been suffering recently from the lack of confidence on the part of the investor community.

The package will also be applicable in the candidate countries from the moment of accession. Let me mention three issues to which I would like to draw your attention:

- First of all, and most importantly, the demands put on the regulators will be even greater than they currently are. The regulators will need to be in a position to act autonomously and decisively in this area of complex, economic regulation. You know that we are still concerned about the human and financial resources of many regulators, also about their independence, and their economic knowledge. That is why I would like to urge you to look into this very carefully and the same has also been true in Member States where we have been very active to guarantee that sufficient resources are being given to allow the regulator to do its job properly

- Secondly, the application of the new framework will require that a number of fundamental notions of the current framework are concretely anchored in your law before the new framework is applied. We intend to provide you with the details shortly. Furthermore, there are some concrete transition issues which need to be discussed with us, as the new framework can not be fully applied before accession. This means that your legislation needs to foresee transitional measures.

- Thirdly, of course the question of Universal service provision remains very important and I hope that this issue will also be carefully considered

Infrastructure

Then we also have the challenge of broadband in front of us. Of course, for some, it is already urgent and for some others, this will come a little later. It is very clear that higher speeds will be needed in the development of the Information Society. Broadband will be needed for more sophisticated and important applications and our objective is to make fast connections available as widely as possible at competitive prices.

Widespread access to broadband carries powerful economic and social implications. Broadband will change the use of the Internet by improving its quality, by making users enjoy rich content, applications and services, and by improving their productivity. Most importantly, its benefits will spill over to areas such as **e-commerce, e-learning, e-health, and e-government.**

The design of the Internet enables broadband to run over many types of facilities, technologies and platforms. These fall into two broad categories:

- **existing facilities** built by an incumbent telephone or cable company with the purpose of delivering voice and cable TV services, such as ADSL and cable modem; or

- **new facilities**, such as 3G mobile, fixed wireless, satellite, and fibre optic.

We all wish to witness a faster deployment of broadband infrastructure, but we are aware of the economic problems faced by operators. Whether investment aims at upgrading existing infrastructure or at deploying a new network, the economic decision is taken in the presence of difficult capital markets, and under conditions of uncertainty in terms of demand.

An effectively implemented regulatory framework is in a key position in order to attract this investment. That is why this matter should be taken seriously. In the candidate countries, an immediate step can be undertaken by making sure that there are no barriers to the use of existing cable networks for the provision of broadband services.

eEurope+ Action Plan and the future

The progress made in implementing the eEurope+ Action Plan is noteworthy and I am happy to congratulate you all for what has been achieved. I also congratulate the conference hosts for putting the report into such a nice printed form.

As you know, however, Europe does not stand still and last week the European Commission adopted a proposal for a new eEurope 2005 Action Plan which will be considered by the European Council in Sevilla in a few weeks time.

The eEurope 2005 Action Plan is based on two groups of actions which reinforce each other. The first one concerns services, applications and content, covering both online public services like e-government, e-health e-learning and e-business. The second one concerns the underlying broadband infrastructure and security matters.

We had breakfast with Ministers this morning and I understand that these issues are actually faced by all the countries present at this conference. Security will be a big challenge particularly in the future.

The targets of this action can be summarised in the following way:

By 2005, the target is that Europe has a modern online public services and a dynamic e-business environment. As an enabler of these, the action plan aims to achieve widespread availability of broadband access at competitive prices and a secure information infrastructure.

To meet these targets, actions are proposed in specific areas such as e-government, e-learning, e-health, e-business, secure information infrastructure and broadband.

All these actions will be complemented by the analysis, development and dissemination of best practices. The results you have outline in your eEurope+ Progress Report reinforce the importance of ensuring that benchmarking methodologies and exercises allow for comparison and exchange of information not only amongst the EU-15 but with EU candidate countries and other countries interested in the exercise too.

The conclusions in your eEurope+ Progress Report fit very well with this agenda, namely attention to the implementation of the regulatory framework, extra attention to the area of e-education and e-government, building out public access points and increasing local content, focus on the use of cable networks and alternative access technologies, and addressing the issue of benchmarking and data collection.

I can only urge you to continue to give this the attention and priority which you have done last year. It will be very interesting indeed to see the results achieved in the next progress report, and I can assure you that we, the European Commission, will be of assistance to you.

Conclusions

I want to conclude by saying "get Europe Connected" and continue to make eEurope+ the success it has already shown itself to be. This will require a lot of hard work and determination by all concerned.

The ambitions of the Candidate Countries and the South-East European countries are evidence that you understand what is needed and what can be achieved. We have already come a long way, but of course, that doesn't make the remaining distance any shorter. Technological, economic, and societal changes are moving at a higher pace and we, the politicians, have a responsibility to work with the private sector and civil society to find the best ways forward.

I am looking forward to working with all of you in our joint endeavour and I hope we get together also in the future to discuss progress.

Minister, Ladies and Gentlemen, I thank you very much for your attention and I am eager to listen to the reports of the Thematic Sessions.

Thank you.