

## Consultation response

# White Paper 'How to master Europe's digital infrastructure needs?'



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## Executive summary

Achieving the Digital Decade targets by 2030 is a crucial milestone to foster innovation across industries and improve the well-being of European citizens. As the recent Letta report and our [Agenda for Action 2024](#) point out, the Single Market must aim to make European industrial capacity compatible with the transformation of our economy. By reducing regulatory burden, establishing the right framework for innovation and promoting the green and digital transitions, the EU can ensure it remains fit for today's (and tomorrow's) economy.

The future of the connectivity sector, as outlined in the recent White Paper 'How to master Europe's digital infrastructure needs?', is a vital step towards these goals. Harmonising telecoms policies across Member States, deregulating to achieve stability and predictability, applying a science-based approach to policymaking, as well as investing in the sector and its workforce, must all be priorities for EU policymakers.

## Introduction

The connectivity sector is vital for Europe's goals to a green and digital transitions. The digital transition presents opportunities to ensure Europe can improve its investment case and become a hub for innovative technologies and services at global level. Reaching the Digital Decade targets of 2030 (and investing beyond) is fundamental and will be a game-changer for the digital economy. If considered holistically, these targets can maximise the benefits of digital transformation, from encouraging the uptake of emerging technologies such as AI, edge computing, cloud and quantum, to supporting digital skills building and the digitalisation of public sector. 5G and gigabit networks will also provide opportunities for every industry in the EU as well as all European citizens, fostering innovation and enabling new services. Additional technologies, such as Low Earth Orbit (LEO) satellite broadband can also play a part in bridging the digital divide in a timely manner.

## Recommendations

### 1. Common solutions to common challenges

As we previously stated in our paper 'Europe's Digital Decade Targets'<sup>1</sup> Europe will need to build strong international digital partnerships. Europe's starting point is an open digital economy based on the flow of investment and innovation. The EU should **strengthen partnerships** with like-minded global partners such as the United States, as openness and collaboration are key drivers of prosperity. The EU should **adopt an open innovation approach and prioritise collaboration** within the European telecommunications sector with trusted international partners in emerging technologies, particularly in the realm of edge computing and quantum computing. Such collaboration will guarantee that European businesses gain access to cutting-edge technologies, thereby fostering competitiveness and innovation in the region. The European Commission highlights the importance of strengthening

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<sup>1</sup> [Digital Compass AmCham EU position paper](#)

Europe's digital infrastructure and securing communication through quantum-safe cryptography. The EU should **actively engage in broader forums for cooperation** to ensure that standards on Post-Quantum Cryptography align with those of strategic allies, particularly the US, in the realm of cybersecurity.

Transatlantic cooperation, as we have seen under the Trade and Technology Council (TTC) dialogues, can reinforce Europe's ambitions in a geopolitically uncertain world. This is why Europe should **actively pursue alliances with like-minded partners** to enable common standards. If we focus instead on EU-centric solutions in the digital space by discriminating against partners based on the location of their headquarters rather than their commitment to developing trusted technologies based on EU values, it may have an adverse effect.

The EU's drive for creating global alliances with trusted partners to feed the digital economy and boost business partners in Europe, is crucial.<sup>2</sup> Both public and private transatlantic partnerships can provide momentum to reach shared policy goals, such as the creation of technical standards for secure and interoperable telecommunications equipment and services.<sup>3</sup> Such partnerships would also prevent fragmentation, and would underpin the creation of consensus-based international standards, paving the way for broad industry adoption; and the widest possible benefits to our respective industries and consumers.<sup>4</sup>

Further cooperation under the TTC, as well as other fora, should be encouraged. The TTC in particular has played a pivotal role in driving dialogue and expediting coordination and quick responses to trade and technology related developments.<sup>5</sup>

Europe is an attractive partner for collaboration. It is a world leader in tools and research centres and educates the most master- and PhD-level graduates in science, technology, engineering and mathematics. Although Europe has its gaps like any region, it appeals to non-EU players and is a valuable partner.<sup>6</sup>

## 2. Integration of the Single Market

Major investment in digital skills and literacy is vital to ensuring the workforce is prepared for the future of work and is one of the four pillars of the Digital Decade targets. Europe **should implement digital skills initiatives into various educational activities**, disciplines and across all levels. Improving the digital skills of Europe's workforce is vital to improving the EU's competitiveness and capacity for innovation. Everyone should have access to and be encouraged to learn digital skills in an inclusive

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<sup>2</sup> [Digital Compass AmCham EU position paper](#)

<sup>3</sup> [U.S-EU Joint Statement of the Trade and Technology Council | The White House](#)

<sup>4</sup> [Joint industry statement on the need for a swift adoption of the EU Cybersecurity Certification Scheme for Cloud Services without sovereignty requirements](#)

<sup>5</sup> [U.S-EU Joint Statement of the Trade and Technology Council | The White House](#)

<sup>6</sup> [AmCham Position Paper on EU Chips Act](#)

and accessible manner. Companies also have the responsibility to support upskilling and reskilling, which can be facilitated through training programmes targeted towards underrepresented groups.<sup>7</sup>

It is essential that the EU **establishes telecoms policy that is both technology neutral and consistent** in order to benefit consumers, competition and drive innovation. The harmonisation of spectrum auctions, deployment and operations is integral to ensuring that 5G is successfully rolled out. Furthermore, this harmonisation ensures that deployment and operation conditions are reasonable, transparent, and predictable.

Europe must continue to **stimulate investment, innovation, and entrepreneurship** to ensure that new technologies scale up as we work towards improving the resilience and sustainability of the economy. These innovative technologies have immense economic and social potential and will likely shape the products and services of the future. In order to ensure that Europe is at the forefront of driving this potential, Europe must take steps towards enabling entrepreneurs and start-ups to scale up.

### 3. Regulatory burden

Europe must **aim for regulatory simplification, proportionality and improved legislative harmonisation** across Member States. In addition, legal coherence and certainty should be a top priority.<sup>8</sup> Specifically with regards to the European Electronic Communications Code<sup>9</sup>, implementation has been late in several Member States and has led to different interpretations (or additional burdens) at national level.

Collective resources should be focused on **enforcing, implementing and reviewing the effectiveness of existing legislation**, including at national level, rather than creating new frameworks.<sup>10</sup> New initiatives should only be created and prioritised if they strengthen Europe's competitiveness, and are based on transparent, science- and fact-based consultation processes and impact assessments.<sup>11</sup> The Commission should focus on further implementing existing regulation in a sector where innovation is a risk by the many EU regulations throughout the past Commission term (eg NIS 2 Directive, AI Act, Data Act, Digital Services Act, Digital Markets Act and Cyber Resilience Act).

The White Paper also rightly identifies the growing importance of cybersecurity and resilience given the increasingly unstable geopolitical context. As highlighted by the 6 May Council conclusions on the future of cybersecurity<sup>12</sup>, the EU can already rely on a large number of existing cybersecurity rules both horizontal and sector specific. The last Transport, Telecommunications and Energy Council (TTE) conclusions on the future of cybersecurity<sup>13</sup> from 21st May also called for a mapping of rules to identify

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<sup>7</sup> [Digital Compass AmCham EU position paper](#)

<sup>8</sup> [Agenda for Action 2024](#)

<sup>9</sup> [European Electronic Communications Code](#)

<sup>10</sup> [Agenda for Action 2024](#)

<sup>11</sup> [Agenda for Action 2024](#)

<sup>12</sup> [Council conclusions on the future of cybersecurity May 6<sup>th</sup> 2024](#)

<sup>13</sup> [Council Conclusions on the Future of Cybersecurity May 24<sup>th</sup> 2024](#)

duplication and overlaps, and focus on the implementation and enforcement of existing rules before issuing new ones. Currently, there are 24 legislations covering cybersecurity alone. The EU should **ensure these legislations work coherently together and do not add uncertainty** to the ecosystem by adding new undefined concepts and new burdensome and disproportionate obligations without proper assessment.

#### 4. Cross-border business carriers

The creation of a true EU Single Market for electronic communication services requires concrete regulatory measures on the supply side which lower the financial burdens on carriers that seek to provide such services on a cross-border basis. It is important to note that significant differences exist between the business models of carriers that service a full spectrum of end users, and so-called 'B2B' carriers that do not serve individual consumers or SMEs but cater solely to multinational business customers.

These cross-border business carriers are the operators most directly impacted by many of the regulatory challenges the White Paper identifies as impeding the development of a real cross-border telecommunications market. These carriers are the most impacted by the different interpretations of EU-level regulations at national level.

A small number of measures, individually or in combination, would significantly improve the situation without detriment to consumers:

- (1) **Tailor regulatory requirements for business carriers regarding consumer protection concerns.** Contracts with non-SME business users should be excluded from the requirements of consumer protection legislation. There is already evidence that at least some Member States could be willing to lighten regulatory burdens on authorised operators based on the nature of their customer base (eg in December 2023, Italy's AGCOM issued *Resolution 307/23/CONS* clarifying that its Resolution on end users' protection does not apply to large enterprise customers).<sup>14</sup>
- (2) **Practical simplification of notification procedures.** Notification requirements should be minimised and streamlined wherever possible. Failing this, a common and consistent format should be developed for notifications. All National Regulatory Authorities (NRAs) should accept notifications online. NRAs should be strongly encouraged to publish information about notification regimes and to accept notifications in other EU official languages, primarily English. Common forms and approaches should be developed for the reporting of financial, statistical data, service category and other market information by services providers.
- (3) **Avoid duplicating regulation.** While a re-calibration of the relationship between GDPR, e-privacy and cybersecurity obligations at EU and Member State level would undoubtedly raise fundamental questions, it would provide a very material boost to the creation of a Single

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<sup>14</sup> See <https://www.agcom.it/documents/10179/32817146/Delibera+307-23-CONS/d6cd3dce-962f-4ae9-b866-02c1cea005a7?version=1.0>, retrieved 15 May 2024.

Market for electronic communications services for business customers. Such a change would drive significant supply-side improvements in terms of compliance and operational costs.

## 5. Sustainability

The technology sector plays a crucial role in promoting global sustainability efforts and improving the environmental, energy and performance characteristics of products, services and infrastructure that increasingly rely on digitisation. Technology can be the greatest catalyst for economic and social progress, solving complex problems and creating vast opportunities. The International Telecommunication Union (ITU) and the United Nations Development Program (UNDP) have estimated that 70% of the UN targets for Sustainable Development Goals (SDGs) could benefit directly from digital technologies such as digital infrastructure, artificial intelligence and cybersecurity.

While telecommunications have mainly been perceived as an energy-intensive sector, with the total carbon footprint of sector estimated to account for around 2.1 – 3.9% of global greenhouse gas emissions, they are also critical enablers. Without the network and connectivity at large, there can be no green transformation of industry verticals. EU initiatives that highlight the opportunities that technology and connectivity can bring to the green and digital transitions, such as the objectives set by the 2030 Digital Decade targets and NextGenerationEU, are highly beneficial. The EU **should encourage and incentivise innovation and sustainability** without prescribing exact technical solutions, so that market dynamics can unfold with those goals in mind while remaining flexible.

Technology and connectivity are already enabling energy efficiencies and having positive impacts. This is illustrated by the use of IoT connected devices to manage energy consumption, the use of digital twins and AI models to predict and manage network energy consumption and optimisation of services, and the use of 5G and wireless technologies, such as LEO broadband, to provide seamless communication for automation and applications in industrial areas. These use cases demonstrate the enormous potential that technology and connectivity can have for enabling sustainable solutions now and in the future.

## Conclusion

The connectivity sector is vital for Europe's ambitions to reach a green and digital future. To make these goals a reality, the region's industrial capacity must align with reduced regulatory burden, higher innovation, as well as the digital and green transformation. For this, policymakers must focus on fostering global partnerships, investing in digital skills, harmonising 5G policies, supporting entrepreneurs, simplifying regulation across Member States and encouraging innovation and sustainability without over-prescribing technical solutions. These goals will be key to allow market dynamics to drive progress by maximising the connectivity sector's potential. Only by implementing these strategies, Europe can build a resilient, innovative, and sustainable economy that is fit for the future.