



European Telecom Sector Welcomes Landmark Progress on Digital Service Regulation

Brussels, 25 November 2021 – The European telecommunications industry applauds EU legislators for making progress this week on two key regulatory initiatives that have the potential to reshape the socioeconomic dynamics of digital platform ecosystems.

The recent European Parliament's vote on the Digital Markets Act (DMA) and today, the Council's General Approach, pave the way for inter-institutional discussions and final approval of this major piece of legislation, throughout next year.

<u>ETNO</u> and <u>GSMA</u> welcome both positions of the co-legislators, which offer solid foundations towards a final regulation that will effectively tackle anti-competitive behaviours of large online gatekeepers, and remedy imbalances in the digital platform economy.

It is now crucial that the Parliament, Member States, and the European Commission seize the momentum to swiftly agree on a DMA regulation that couples robust obligations for digital gatekeepers, with a governance system that allows for effective implementation of the new rules.

In a time when essential digital ecosystems largely depend on a few global tech giants, the DMA must ensure that European users – citizens and enterprises alike – are treated fairly. Likewise, the DMA should boost the contestability of digital markets by creating new opportunities for market entrants to compete on an equal footing with benefits for innovation and consumer choice.

In addition, the new framework will support the EU's digital leadership ambitions in strategic areas like cloud computing in the years to come.

ETNO and GSMA praise Member States for achieving a General Approach on the Digital Services Act (DSA) in today's Competitiveness Council. Online platforms – including content sharing services and social media – have driven worldwide e-commerce, and powered the borderless exchange of content, communications, culture, and ideas. But at a cost: they have amplified and enabled the spread of illegal material, disinformation, and the erosion of trust in institutions.

That is why it is a priority to deliver a new regulatory framework that meets the challenges of today's digital services, with sensible checks and balances on the way products and content are traded online.

We welcome the approach taken by the Commission and endorsed by the Council, which recognises the major changes in the digital ecosystem since the eCommerce Directive was adopted in 2000; new business models and technology require an updated approach, based on the established principles.

At the same time, with Parliament's remaining discussions ahead of their vote in the coming weeks, we call for a higher degree of proportionality in the regulation of intermediaries lower in the internet stack, especially those service providers acting as mere conduits, e.g. Internet Access Providers. A fair allocation of responsibility to different intermediaries, according to their role along the digital value chain and their technical capabilities to act against illegal material in targeted manner, is critical to ensure that the fight to keep the internet safe does not impinge on fundamental rights.

ETNO and GSMA remain ready to support EU institutions as they step closer to adopting the DMA and DSA regulations. As with the General Data Protection Regulation (GDPR), the move will strengthen Europe's leadership as the global standard-setter of principles and values in the digital economy.