



THE EU SINGLE MARKET – BT VIEWS

The Single Market offers significant potential to assist Europe's recovery from the economic crisis, boosting growth and productivity within the EU, and strengthening its competitive position internationally. The Single Market is however far from complete. A rising tide of protectionism and a worrying decline in enthusiasm for open markets in some Member States has been demonstrated in the political debates around inter alia the Services Directive, the Energy Package and the Telecoms Review. It is therefore vitally important to send a signal reminding Member States of the benefits of competitive open markets and a level playing field. The development of the 'Europe 2020' strategy and the 'Single Market Act' provide a major opportunity for a renewed political impulse. We believe some of the key areas for action are as follows.

Digital Agenda – Business Services and Green ICT:

As part of the Digital Agenda an increased focus is needed on the role of business service provision.

The potential benefits are considerable. Services currently account for about 70% of EU employment and value-added but only 20% of intra-EU trade. Against this background, research has estimated that availability of better, cheaper cross-border business communications could boost EU GDP by between 1.6 and 2%. The required actions are:

- Targeted enforcement of access rules, ensuring competition is effective in the provision of high-grade communications services to businesses
- Consistent application of access rules, so businesses can benefit from a genuinely seamless level of service across the EU

ICT products and services are key enablers for a low carbon economy by enhancing energy efficiency in business processes. Beyond addressing its own carbon footprint, the sector can have a disproportionately large effect on those of other sectors eg via smart grid/meters, smart logistics, video-conferencing, cloud computing, smart cities and transport etc. Single market policies facilitating the development of such services and programmes and research initiatives are a vital catalyst. For companies to reduce their own carbon footprint, greater certainty is needed around measuring and reporting carbon emissions. The required action is:

- Creation of common pan-EU and international standards for carbon reporting to ensure companies operate on a level playing field.

International Dimension

Open global markets are the complement to the Internal Market and deepening the Internal Market is also an important stimulus for third countries to open-up their own markets for European businesses. The Commission should encourage the WTO to bolster its monitoring and surveillance activity to ensure that countries meet their telecoms market opening and regulatory reference paper obligations. We fully support the Commission's Global Europe strategy to pursue a successful conclusion of the Doha Round, and for bilateral and regional Free Trade Agreements with Europe's major trading partners.

We also fully support the Trans-Atlantic Economic Council and the role played by the TABD. The TEC should ensure more regulatory alignment between the EU and the US - in particular for new and innovative products and services through the new Innovation Dialogue. The global and regional trade arrangements suffer from not having as effective an implementation monitoring and supervision leg as their trade negotiation and dispute legs. Ensuring fair translation into national law and practice of commitments made in WTO rounds is vitally important.

Public procurement

More open and efficient Public procurement will help deliver public sector savings. EU Member State governments and public contracting authorities purchase 40 percent of all goods and services bought in the EU and, as the largest buyers, are in a position to affect competition through purchasing behaviour.

Current public procurement practices in many EU countries have the effect of excluding suppliers (often from other nations), stifling innovation, and failing to provide optimum value for money. The underlying problem is the practices of the authorities rather than the rules governing public procurement and the misinterpretation and inappropriate application of the rules.

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