JOINT INDUSTRY STATEMENT
ENABLING EUROPE TO BE THE FUTURE LEADER IN IOT AND INNOVATION

10 MAY 2017

Europe has a unique opportunity to be a global leader in the Internet of Things (IoT). According to a European Commission study[1] the market value of the IoT in the EU is expected to exceed one trillion euros in 2020. The stated aim of the Digital Single Market is to accelerate these developments, avoid fragmentation and foster interoperability to enable IoT to reach its potential.

In this context, we believe that the proposed European Electronic Communications Code potentially holds back Europe's opportunity to lead in IoT. To achieve a fit for purpose and future proof regulatory framework, we recommend the following four changes and clarifications:

(1) Sector specific end-user protections should be restricted to internet access services and to interpersonal communications services

Many IoT services will in the future be available to consumers, from connected fridges to pet trackers, burglar alarms to connected cars. These may involve the conveyance of signals without being either an internet access service or interpersonal communications services.

Regulations which are designed for internet access services/interpersonal communications services would be overly restrictive and disproportionate when applied to IoT services and would hold back innovation. Examples include requirements to be part of comparison tools and requirements to deliver public interest information amongst others. Services and products which are not interpersonal communications services or internet access services, but include some element of connectivity should instead be governed by horizontal consumer regulation which is better suited for the diversity of different products and services which will emerge.

Sector specific regulation of conveyance of signals services should be restricted to requirements relating to security and privacy as set out in the draft European Electronic Communications Code and draft e-Privacy Regulation. In addition, more work should be focused on security and privacy by design as highlighted in the AIOTI policy recommendations[2].

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[1] https://ec.europa.eu/digital-single-market/en/news/definition-research-and-innovation-policy-leveraging-cloud-computing-and-iot-combination

[2] https://aioti-space.org/wp-content/uploads/2017/03/AIOTIWG04Report2015-Policy-Issues.pdf and https://aioti-space.org/aioti-digitisation-of-industry-policy-recommendations/

(2) The proposed European Electronic Communications Code should be limited to Internet Access and Interpersonal Communication Services, including traditional services and functional substitutes

Article 2(5) of the proposed European Electronic Communications Code is intended to exclude from regulation services which enable interpersonal communication as a "minor ancillary feature". An example of such a service is a communications channel in a game, as explained in Recital 17. However, it is equally important to ensure that any service, which includes interpersonal communication only as an ancillary feature, is equally exempted from the rules related to interpersonal communication services - including Consumer IoT services. In the context of the IoT, this may include a service with a communications element, which is of a very limited functionality and thus, not a substitutable communications service. For example, a device which enables an elderly person to press a button to notify a friend in the event of an emergency.

(3) Updated rules on numbering need to avoid burdens for IoT provisioning

The GSMA welcomes the new provisions in Article 87(4), as far as they intend to create planning reliability concerning the use of national numbering resources in an extraterritorial manner. It also provides transparency, and potentially, regulatory stability for the provision of IoT services. As it is clearly stated that such extraterritorial use should be possible for electronic communication services, with the exception of interpersonal communication services, there is no need to ensure compliance with consumer protection rules which will not be relevant. Also, it is important that the approach envisaged in Article 87(4) does not preclude use of ITU Supranational numbering resources, which are already in place in the market today. Such an approach would be consistent with the AIOTI's recommendations in this area.[3]

(4) Maximum harmonisation is needed to increase consumer confidence

Any remaining service-related obligation in sector-specific regulation applicable to IoT needs to be based on maximum harmonisation. Today, sector specific regulation of telecommunications is fragmented and the level of service regulation varies considerably across member states. A maximum harmonisation approach will ensure consumers have the same rights when being in another EU member state than their own, reduce cost for cross-border service provisioning and increase legal certainty for businesses' innovations. This is essential for the development of the internet of things, where products and services are supposed to be provided and consumed across borders.

We believe that the above-mentioned steps and considerations are crucial for Europe to unlock new opportunities to innovate in the field of the Internet of Things and to ensure a level playing field for all types of providers throughout Europe.

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[3] See Section 2 (Numbering and Addressing for IoT) of the AIOTI Digitisation of Industry recommendations document at https://aioti-space.org/wp-content/uploads/2017/03/AIOTI-Digitisation-of-Ind-policy-doc-Nov-2016.pdf

The signatories of this statement are:

AIOTI

The Alliance for Internet of Things Innovation (AIOTI) was initiated by the European Commission in 2015, with the aim to strengthen the dialogue and interaction among Internet of Things (IoT) players in Europe, and to contribute to the creation of a dynamic European IoT ecosystem to speed up the take up of IoT.

Other objectives of the Alliance include: fostering experimentation, replication, and deployment of IoT and supporting convergence and interoperability of IoT standards; gathering evidence on market obstacles for IoT deployment; and mapping and bridging global, EU, and member states' IoT innovation activities.

Cable Europe

Cable Europe is the trade association that connects leading broadband cable TV operators and their national trade associations throughout the European Union. The regulatory and public policy activities of Cable Europe aim to promote and defend the industry's policies and business interests at European and international level. The European cable industry provides high speed broadband internet, TV services, and telephony to more than 63 million homes in the European Union. www.cable-europe.eu

GSMA

The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with almost 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series conferences. For more information, please visit the GSMA corporate website at www.gsma.com Follow the GSMA on Twitter: @GSMA