



***Speech by the Minister for Communications and Media***

***François Biltgen***

***At the inauguration of Lu-Cix on 13.10.2009***

Ladies and Gentlemen,

I accepted your invitation to the launch of Lu-Cix today with great pleasure. I am particularly happy that the inauguration is held at eBRC, part of EPT and one of the most prestigious data centers in Europe, which proves the innovation capacity of the ICT sector in general and of EPT in particular. Luxembourg offers as a matter of fact a rich quality offer of high-speed infrastructures, with the particularity that the two networks, Luxconnect and Teralink, are operated by the public sector. These networks are no competitors but are complementary.

*“The Internet is a vibrant platform for innovation, investment and creativity, an enduring engine for job creation and economic growth”.*

This comes from Julius Genachovski, who is, as most of you know, President of the FCC (Federal Communications Commission), the US instance in charge of the regulation of the sector.

Isn't this also true for Luxembourg?

The Internet is particularly important for Luxembourg and its economy. The Luxembourg economy is a service economy, heavily relying on IT technologies. The banking sector couldn't exist without IT specialists, without data centers, without international connections. The quantity of data treated and circulating on these networks increases at an important pace. Businesses need state-of-the-art equipment in order to be able to treat data in a secure way. Secure data are key for Luxembourg's financial sector.

These services increasingly rely on IT. The production, organization and circulation of data stand at the heart of the digital economy. Luxembourg being an important financial sector and media hub, future success and

economic diversification strongly depends on the quality of the national and international networks.

State-of-the-art IT infrastructure fosters this service oriented economy, which needs more and more broadband coverage and data storage capacities.

This is even more true during a crisis. Investments dedicated to ICT infrastructure help to ensure that Luxembourg remains an essential player in the digital economy.

I chose the inauguration of Lu-Cix deliberately as my first public appearance as Minister for Communications and Media. I firmly believe that this event is a key element in our common vision to position Luxembourg at the crossroads of the Internet and in our joint efforts, over the last 10 years, to diversify the media and communications sector.

Looking back, there has been a tremendous evolution, with three main phases:

- The phase of the exploration of the ideas and the initiation of the first concrete projects (2000-2004).

- The phase of the construction of information highways and setting up of datacenters (2004-2009).

Today, we are reaching yet a new phase in the development of services and in the continuous extension of the infrastructures.

In 1999, speaking in terms of ICT, Luxembourg was a “nowhere’s land”. No one spoke about e-Government or information highways and there was hardly competition at infrastructure level. Still the Government decided to create a “convergence department”, i.e. to join responsibilities for media and communications into one department, a department that I had the pleasure and honor of heading at the time. Luxembourg was the first country to create such a converged department.

Today, ten years later, convergence is everywhere, in the TV sets connected to the Internet, mobiles receiving TV and radio etc.

Our vision was thus right. We were able to anticipate this situation with the fruitful marriage of the strategic departments under one minister. Today, there is no doubt about the results.

I still remember my 1999 visit of eBay, Yahoo, Apple, and others in California, with my collaborators of the SMC. At the time, these businesses just left the start-up phase and their effervescence inspired me.

I did not expect seeing them again in Luxembourg ten years later !

At that time, one concentrated too much on IT equipment and not enough on IT services. Today, we know that this was not the right attitude. One thought that it was enough to put computers everywhere, in administrations, in offices, schools and homes in order to get a change and foster the digital society.

Then, in 2000, in the framework of the Lisbon strategy, we developed an ambitious program, leading to e-Government, and e-Luxembourg and started the construction of the infrastructures.

After that, the time was right for a fast development of what has been initiated by the “pioneers” a few years earlier. This stage was mainly marked by the action of Minister Jean-Louis Schiltz, my than successor and now predecessor, who was responsible for the sector from 2004 to 2009. I would like to congratulate him at this place. He recognized the key importance of the sector, and set up Luxconnect, paving the path for Teralink.

These two public initiatives, together with those of the private sector, position Luxembourg as an ICT hub in Europe today.

Today, we face a new era. We need to make the most out of the infrastructures. The entrusting of the Media and Communications Department and of the Ministry for Higher Education and Research in the hands of one Minister, also Minister for Justice, illustrates the political objective to constitute a real “Ministry of the Future” which should anticipate future challenges by joining together all the required skills. These synergies will contribute to a fast realization of our objectives.

Ladies and Gentlemen,

Today, I can proudly say that “Luxembourg is now on the map!” and now I am coming to Lu-Cix.

The experts will be able to explain to you all the technical potential of Lu-Cix.

I however would like to stress three points :

1) Lu-Cix is the key element of our common initiative to reinforce Luxembourg's position on the Internet map. Our competitiveness will be considerably strengthened.

2) Lu-Cix is a great example for a fruitful collaboration between the operators and actors of the sector. Even as competitors, they recognized the importance of creating synergies for the sake of future technical developments. What's more, as Lu-Cix will contribute to more competition and to a more open market, it will be of profit to all the citizens.

I hope that this collaboration will serve as best practice.

3) European capital since World War 2, Luxembourg has first been a center of excellence for iron and steel production, then an important financial sector. Today, our objective is to become a hotspot for digital economy.

But is our national communications sector also competitive on an international level? That is a key question.

This has been extensively discussed during the last days. But what do the experts say?

I would like to quote the latest Europe's Digital Competitiveness Report i2010 from the European Commission. The Commission states that many benchmarking indicators for Luxembourg are significantly above the EU average. Luxembourg even ranks first in 5 domains (total DSL coverage, DSL coverage in rural areas, percentage of individuals using a laptop via wireless connection, percentage of people seeking information with the purpose of learning and the percentage of persons employed with ICT user skills). What's more, Luxembourg is in the Top Ten in 35 out of the 50 domains analyzed.

In addition to that, the International Telecommunications Union (ITU) published in March 2009 an "ICT Development Index ». In this index, Luxembourg ranks 3 in 150 countries.

Our efforts have thus been successful if we keep in mind that only a few years ago, Luxembourg often scored last in comparative studies.

But I believe that every benchmark only represents a picture of a current situation, not to be overestimated.

We thus managed to position Luxembourg in a favorable light. But our real strengths and advantages, are they sufficiently known to the outside world? I doubt that this is the case and promotion efforts must be speeded up. Luxembourg for ICT and the initiatives of the private sector point to the right direction and Internet allows us to give people all over the world more information about the country.

But nothing like a good network of contacts. Together with the Minister for Economy and Foreign Trade Jeannot Krecké we will analyze how we can position Luxembourg even better.

This exercise will only be of success if we do it together with the private sector, as we share the same interests.

Ladies and Gentlemen,

Currently, the communications sector undergoes heavy transformations and competition is now everywhere.

This is the reason why we regularly carry out studies and evaluations on the competitive environment. In this context I would like to invite you to join us and help us evaluate our strengths and weaknesses.

I would now like to present to you some of my views regarding my future actions. These are my priorities :

### **First priority : keep on with the extension of the infrastructures**

- We will continue to develop communication infrastructures. These networks are vital not only to our economy but also to what I would call the digital society.
- In this regard, mobile networks are of utmost importance. We will find the sensible balance between deployment of networks and preserving quality of life.
- Everything will be done to connect economic business parks to high speed Internet.
- The deployment of fiber optic to the home should be accelerated.

### **Second priority : further development of the service offer**

- It is well known that access to new services and information sources goes hand in hand with the development of the infrastructure. Still, the development of these services is necessary, as well as the adaptation of the existing offer to the potential Internet offer.
- I would also like to remind you of the e-Luxembourg initiative which I launched in 2001. Today, it meets its objectives, after a few initial difficulties.
- Administrative simplification must be an objective for the administrations and public services.
- Electronic archiving and digitalization represent additional priorities.
- I would also like to analyze with you the potential impact of cloud computing and virtualization on the Luxembourg economy. I see more a potential than a risk, but we need to react rapidly.
- ICT will play a predominant role when it comes to sustainable development. Green ICT should not be just a word without meaning. We will make IT greener and virtualization will help us attaining this goal. I will study the ideas presented to me by some of you.
- Similarly and in order to boost the competitiveness of the country, I added the IT sector to the seven priorities of the national program for R&D, following the suggestion of Jean-Louis Schiltz. We will increase the awareness of the youngsters for ICT jobs.
- New jobs linked to ICT will appear. This will be a major challenge for the two members of Government in charge of education issues. I already asked my four departments in charge (SMC, Justice, Public Administration and Research), to present me their joined propositions in this respect.

Ladies and Gentlemen,

I would finally like to stress my strong commitment to a digital society based on free access and the responsibility of service providers and users.

The impact of ICT on our behavior as individuals and economic actors will become more significant in the coming years.

I would now like to reflect on the impact of the digital society. I am deliberately talking about the digital society and not about the digital economy. Economy is only a means to the societal development in my view.

I am dreaming about a digital society based on free access, in a context of general responsibility.

The general principle must be freedom. Security must remain the exception. Security has to be assured via the responsibility of all the actors, service providers as well as users. It is only after that that the legislator, especially the European legislator, should define restrictions.

Liberty needs also protection. I see however that we are living in a world where, on the one hand, one asks for protection of privacy, whereas on the other hand, users have the tendency to reveal a big part of their private life on social networks or other websites.

This phenomenon can of course not be countered in an optimal way by restrictions, but first by raising responsibility among all the actors. I thus support all the initiatives of the other members of Government aiming at informing or even educating the users.

I am also entirely supporting the idea of an open, neutral and free Internet. I am thus joining the European Commissioner Viviane Reding when she states that: « ...the telecoms package (...) will give the European Commission and national regulators new instruments to ensure that the net will be open and neutral in Europe. This is a very important, and often underestimated achievement of the reform (...). [Europe should] make good use of these new tools for enhancing net neutrality. »<sup>1</sup>

You see that important challenges are ahead of us.

Insofar as I am responsible for Justice, Communications and Media, Higher education and Research, Civil service and Administrative reform including IT for public services, I am well placed to make sure that these priorities are addressed with a coordinated approach.

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<sup>1</sup> Citation complete: "A further, fourth priority for Europe's Digital Agenda will be in my view to take a deeper look into network neutrality. When the telecoms package enters into force, it will give the European Commission and national regulators new instruments to ensure that the net will be open and neutral in Europe. This is a very important, and often underestimated achievement of the reform, and many European Parliamentarians, but also many ministers deserve the credit for having strengthened the corresponding wording in the package during the legislative process. I would like Europe to make good use of these new tools for enhancing net neutrality. I would therefore like to have, in 2010, a broad debate about how the Commission could best use these new instruments in the interest of an open internet and of internet users.", Viviane Reding, Member of the European Commission, "The Digital Single Market: a key to unlock the potential of the knowledge based economy", Brussels, 1r October 2009.

I need and count on your input. I am looking forward to our fruitful collaboration.

Thank you very much.