

# FINLAND TO BECOME A PIONEERING COUNTRY IN DIGITALISATION

PARLIAMENTARY ELECTIONS 2 APRIL 2023 | FICOM'S GOALS

**EVERY EFFORT MUST BE  
MADE TO PROMOTE  
DIGITALISATION**



**DIGITALISATION IS  
BASED ON HIGH-  
QUALITY DIGITAL  
INFRASTRUCTURE**



**DIGITAL SECURITY  
IS VITAL  
FOR SOCIETY**



**THE MARKET  
PERSPECTIVE MUST BE  
TAKEN INTO ACCOUNT  
IN COPYRIGHT MATTERS**



## SOCIETY'S ROLE IS TO MAKE DIGITALISATION POSSIBLE

- TAXATION AND REGULATION MUST BE PREDICTABLE, CLEARLY DEFINED, BALANCED AND SUPPORTIVE OF INVESTMENTS AND INNOVATION.
- SECTOR-SPECIFIC REGULATION SHOULD BE REPLACED BY GENERAL REGULATION: REGULATIONS SHOULD ONLY BE IMPOSED ON SPECIFIC SECTORS WHEN IT IS STRICTLY NECESSARY.
- THERE MUST BE A CLEAR DISTINCTION BETWEEN THE ROLES OF PUBLIC ADMINISTRATION AND THE PRIVATE SECTOR. THE STATE AND MUNICIPALITIES SHOULD ENABLE ACTION, AND COMPANIES SHOULD TAKE IT.
- COMPETITIVE NEUTRALITY MUST BE ASSURED, ESPECIALLY IN STATE-OWNED ENTERPRISES, COMPANIES IN WHICH THE STATE HOLDS A CONTROLLING STAKE, AND MUNICIPALITIES.

## EVERY EFFORT MUST BE MADE TO PROMOTE DIGITALISATION

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### DIGITAL INFRASTRUCTURE SHOULD BE IN THE LOWER ELECTRICITY TAX BRACKET

The entire digital infrastructure, including base stations in mobile networks, should be in the industrial electricity tax bracket. This will incentivise the development of digital services for society.

The electricity price is a significant cost component in the growing need for data transfer. In order to remain at the forefront of development, we need to make sure that the cost of the electricity consumed by telecommunications networks does not become an obstacle to network investments that are essential for Finland's competitiveness.

The ICT sector has a big handprint in realising energy savings and energy efficiency. Exploiting digitalisation is the key element of the green transition.

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### PUBLIC SERVICES SHOULD BE DIGITAL FIRST

The role of public administrations is to lay the foundations for creating digital services – not to produce them themselves. Finland can only succeed when public administration and business work together effectively. In addition to the digitalisation of the administrative branches and digital public services, the digitalisation of all other sectors should be promoted.

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### ICT PROCUREMENTS SHOULD FOCUS ON QUALITY

Competition ensures that tax money is spent more efficiently and stimulates innovation. Municipalities and welfare regions should have more limited remits in the markets, and they should not be able to make procurements from their own companies without a competitive tendering process.

Public administration needs more expertise for the procurement of digital services and hardware, and environmental responsibility and recyclability should have a more important role in the procurement processes.

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### EQUAL TAX TREATMENT OF DIGITAL SERVICES AND PRODUCTS

The value-added tax bracket for digital services and products should be the same as for corresponding physical products and services.

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## THE FUNDING FOR REGULATORY SUPERVISION OF TELECOMMUNICATIONS ACTIVITIES SHOULD BE IN THE STATE BUDGET

The funding model for The Finnish Transport and Communications Agency Traficom's organisation that supervises the communications sector should be reformed so that all the funding comes from the state budget. Traficom's activities with respect to the telecommunications sector are financed by the information society levy, which amounts to approx. EUR 4 million annually. Only a few telecommunications companies are involved in the funding, although more than 300 companies have submitted telecommunications notification.

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## DIGITAL MATTERS SHOULD BE MANAGED MORE EFFECTIVELY

Communication and digital policy has been successful and has established continuity with a good, predictable operating model in cooperation with companies in the sector.

The development of business digitalisation is the responsibility of the Ministry of Economic Affairs and Employment, the development of the public sector is the responsibility of the Ministry of Finance, and communication policy is the responsibility of the Ministry of Transport and Communications. Public-sector ICT matters and the regulation of the communications market should continue to be managed by different ministries.

Digital projects affecting several sectors should be coordinated, and information policy should be managed more effectively than it is today. A ministerial working group on digitalisation, the data economy and public administration was set up in autumn 2021. There are strong grounds for the ministerial working group to continue in the next parliamentary term.

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## THE AVAILABILITY OF EXPERT EMPLOYEES SHOULD BE ENSURED

Coding and software expertise is needed in every field. In order to keep up with developments, we need a larger intake of ICT students.

Finnish people who are already in employment should have the option of taking conversion training courses to switch to sectors where experts are needed. Everyone has a right to lifelong learning.

The process of obtaining a permit for labour-based immigration should be made as quick and smooth as possible.

## DIGITALISATION IS BASED ON HIGH-QUALITY DIGITAL INFRASTRUCTURE

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### TECHNOLOGY-NEUTRAL, MARKET-BASED CONSTRUCTION

Communication policy solutions should promote market demand, and communication policy should be based on the actual needs of users without any categorised speed or symmetry objectives.

Broadband networks should be made available in a technology-neutral and cost-effective way. The most important thing for service users is availability and functionality, not the technology used to provide the services.

The contractual terms and conditions applying to the construction of communications networks should be consistent with general market practices.

Municipalities should refrain from assuming the role of the operator to ensure competitive neutrality and avoid distorting the market. However, if a public entity builds a broadband network, the network should be leased on reasonable, non-discriminatory terms. Public construction subsidies should be discouraged. However, the impacts on the market and competition should be exhaustively assessed if public funding is allocated to communications networks and services.

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## STIMULATING DEMAND FOR HIGH-SPEED CONNECTIONS

Among the drivers of demand for high-speed connections are games, TV and other content services, and digital services for public administration.

Consumer subsidies would directly promote the widespread adoption of high-speed broadband in a technology-neutral and market-neutral way. This could be achieved especially by means such as service vouchers covering the initial investments in home broadband or a rise in the tax credit for household expenses, as well as the expansion of the scheme so that it also applies to people in semi-detached and terraced houses and work outside the immediate plot of land where the house is built.

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## THE PROCESS OF OBTAINING A PERMIT TO BUILD A COMMUNICATIONS NETWORK SHOULD BECOME DIGITAL, AND THE WORK SHOULD START IMMEDIATELY

The impediments to network construction should be eliminated, and processes should be simplified and digitalised.

The entire process of obtaining a permit for broadband construction should be digitalised so that building permits are available at a single point, and the state or municipal permit authority should take care of the internal administrative authorisations.

A notification procedure should replace the permit procedure, and a deadline should be set for processing notifications. Work should be allowed to begin as soon as the notification is submitted or the deadline has passed unless otherwise stipulated by an appellate authority.

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## HARMONISATION OF CONSTRUCTION TERMS AND PERMITS

The state should take action to ensure that municipalities can use a consistent construction and permit procedure, as well as new construction methods, such as micro trenching. Municipalities should have reasonable, non-discriminatory, consistent and lightweight terms of construction for communications networks.

Siting permits for communications networks should remain permanent, and no rent or other fees should be levied for the sites: fixed-term lease agreements carrying fees would disincentivise network construction and investment.

The costs of moving pipes and lines should be borne by the person responsible for moving them.

The terms and conditions for the sites of base stations should be more flexible and reasonable on land and structures owned by the state and municipalities, such as lampposts and public buildings.

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## SUFFICIENT SPECTRUM SPACE SHOULD BE ENSURED FOR WIRELESS BROADBAND

Comprehensive communications networks need sufficient spectrum space to be safeguarded, and Traficom should allocate bands to commercial telecommunications companies.

The spectrum allocation procedure and permit conditions should guarantee a level playing field. The spectrum allocation principles should not be based on maximising the revenues from auctions.

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### ASSURING THE OPERATING CONDITIONS OF THE NATIONAL CYBER SECURITY CENTRE

Cyber security must be further developed in a long-term way in cooperation between the public sector and business. A networked operating model for cyber administration is a sustainable basis for cyber security work and will be developed further.

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### ENSURING THE USE OF CLOUD SERVICES

Risk-based guidelines on the safe use of cloud services from the perspectives of cyber and information security should be drawn up for the state administration and agencies, and the guidelines should be adhered to in practice.

In addition, the state should update its strategy to support the development of encryption and security methods for digital communications.

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### TELECOMMUNICATIONS COMPANIES ARE NOT CONTROLLERS OF ONLINE CONTENT

Assessing the legality of online content and the measures to be taken are always matters for the authorities. The authorities must possess sufficient technical expertise to require proportionate measures. Telecommunications companies must not be required to take action they cannot realistically take.

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### COMPENSATION SHOULD BE AVAILABLE FOR THE ADDITIONAL COSTS INCURRED BY TELECOMMUNICATIONS COMPANIES

Full compensation should be paid for all the costs incurred by telecommunications companies due to the work of the authorities – including the cost of employees' work.

Telecommunications companies should also be entitled to full compensation for the excess work and costs they incur when obliged to serve the businesses of other parties.

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### STRONG ELECTRONIC IDENTIFICATION SHOULD BE DEVELOPED FROM THE CONSUMER'S STANDPOINT

Allowing users to select the desired identification method is also important for information security. Legislative solutions should support the emergence of a functioning market for electronic identification.

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## THE MARKET PERSPECTIVE MUST BE TAKEN INTO ACCOUNT IN CONTENT AND COPYRIGHT MATTERS

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### CENTRALISING COPYRIGHT MATTERS AT THE MINISTRY OF ECONOMIC AFFAIRS AND EMPLOYMENT

Content and copyright matters should be handled at the Ministry of Economic Affairs and Employment as part of the regulations on intellectual property rights and innovation policy.

The related ministries (Ministry of Economic Affairs and Employment, Ministry of Education and Culture, and Ministry of Transport and Communications) should, at a minimum, step up their joint coordination to support the growth of the content sector.

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## DIRECT AGREEMENT AS A DRIVER OF GROWTH

Services are being developed in a rapidly evolving and highly competitive environment. In order to create a new business under these conditions, the acquisition of rights must continue to be based primarily on direct agreements instead of expanding the existing collective management of rights.

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## TECHNOLOGY-NEUTRAL COPYRIGHT REGULATION

Clear, balanced and technology-neutral copyright legislation encourages the development of new services and the market-based growth of the content industry.

Copyright regulation must be developed to support competition. The country-of-origin principle should apply to the acquisition of rights in the internal market, irrespective of the technology used. Furthermore, efforts should be made to ensure that Finnish entities have the opportunity to compete in terms of access to legislation and rights.

Copyright regulation should be applied to all technical solutions in the same way, and the type of broadcasting technology must not affect the legal treatment or copyright royalties payable.

The terrestrial and cable networks are of equal value as distribution channels, so cable television operators should no longer have a must-carry obligation for public service channels.

The notion of restoring the model of reimbursements for private copying based on the equipment price should not even be considered. Allocations based on the budget are a cost-effective system with a low administrative burden.

## THE EU INTERNAL MARKET MUST GUARANTEE EQUAL OPPORTUNITIES FOR ALL PARTIES

- COMMON GROUND RULES ARE THE BASIS FOR A FUNCTIONAL EU INTERNAL MARKET.
- SWIFT ACTION TO PROMOTE THE DATA ECONOMY AND CIRCULAR ECONOMY WILL INCENTIVISE COMPANIES TO INNOVATE AND INVEST.
- COMMUNICATIONS SERVICES MUST HAVE EVEN-HANDED REGULATION, WHETHER THEY TAKE THE FORM OF APPS (SUCH AS WHATSAPP OR SIGNAL) OR SERVICES IN A COMMUNICATIONS NETWORK (TEXT MESSAGES).
- EU REGULATIONS MUST BE IMPLEMENTED IN NATIONAL LEGISLATION IN SUCH A WAY THAT THE RELATIONSHIPS BETWEEN THE VARIOUS COMPETENT AUTHORITIES ARE CLEAR AND THE TRANSITION PERIODS ARE LONG ENOUGH. FURTHERMORE, CARE SHOULD BE TAKEN TO AVOID EXCESSIVELY STRICT NATIONAL INTERPRETATIONS WHEN IMPLEMENTING REGULATIONS.
- THE POWERS DELEGATED TO THE EUROPEAN COMMISSION MUST BE CLEARLY DEFINED, PROPORTIONATE, APPROPRIATE AND JUSTIFIED, AND DELEGATED STATUTES MUST NOT AMEND KEY ASPECTS OF LEGISLATION.
- FINLAND SHOULD ACTIVELY PURSUE THE DEREGULATION OF THE COMMUNICATIONS SECTOR IN ITS EU POLICY.
- FINLAND MUST BE ACTIVE AND TAKE THE INITIATIVE TO CREATE A PAN-EUROPEAN INSTRUMENT FOR MEASURING THE EMISSIONS OF THE ICT SECTOR. COMPARABLE DATA IS REQUIRED ON THE CARBON FOOTPRINT OF THE ICT SECTOR, ALONG WITH DATA ON HOW INFORMATION AND COMMUNICATION TECHNOLOGIES CAN HELP REDUCE THE EMISSIONS OF OTHER SECTORS (CARBON HANDPRINT).