ERG 25th Plenary Meeting

Hosted by RRT
Vilnius, Lithuania
29 May 2008, 2.00 pm to 6.30 pm
30 May 2008, 9.00 am to 1.00 pm

Conclusions

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1. Opening of the meeting and adoption of the agenda

Conclusions
ERG Plenary Agenda   **ERG (08) 15rev2**

The agenda was adopted rearranging agenda item 3a) to be discussed together with the TR and NGN agenda items, and a new AOB from AGCOM.

2. Information by the Chair's Secretariat

Background
The Chair's Secretariat provided a report about changes in PRDs since their approval at the Gothenburg Plenary meeting. The End User Consumer empowerment PRD was submitted for reassessment.

Conclusions
Plenary took note, no comments on the EU PRD were made.

3. Remedies and benchmarking

a) Mobile termination rates benchmarking (CMT)

Background
CMT presented the draft ERG Report on Mobile Termination Rates Snapshot as of January 2008 and the draft ERG Report on Mobile Termination Rates Benchmark as of January 2008 (for ERG internal use only). The series show that this is a dynamic reduction process (some MTRs increased due to currency changes). In the future it is envisaged to also include the glide path, NRA experts are encouraged to provide the PT with this information. Some countries reported changes to their data which makes a further revision of the document necessary.

Conclusions

Report on MTR Snapshot	**ERG (08) 17**

Both documents were approved subject to minor changes in some countries' data and the report on MTR Snapshot was approved for publication.

b) Remedies coordination (OFCOM)

Background
OFCOM provided a draft timetable for Common Position monitoring exercises of the ERG and a template for a summary of monitoring exercises on broadband markets in NRAs. Referring to the latter, only about the half of NRAs responded, and more answers are needed for publication of the timetable.

Conclusions

Timetable	**ERG (08) 19**
Summary	**ERG (08) 27**

Plenary approved the timetable for Common Position monitoring for publication and approved the next steps concerning NRA broadband monitoring.
The ERG Chair stressed the importance of this crucial deliverable.

c) Wholesale Broadband Access/ Wholesale Local Access (ARCEP)

Background
ARCEP provided the draft ERG Report titled "ERG Report on best practices on regulatory regimes in wholesale unbundled access and bitstream access" and a draft report of the outcome of the public consultation. Nine submissions were received, no changes were made to the best practice report following the outcome of the consultation.

Conclusions

Report	**ERG (07) 53**
Report on the consultation	**ERG (07) 53b**

Plenary approved both documents for final publication.

4. Significant Market Power (SMP)

a) Geographical aspects of market analysis (ARCEP/RTR)

Background
RTR presented the draft of the ERG Common Position on geographic aspects of markets analysis.

Conclusions

Draft Common Position	**ERG (08) 20**

Plenary approved the document subject to the comments from the European Commission.

b) Guidance on the application of the three criteria test (ARCEP/CMT)

Background
CMT presented the draft of the ERG Report on Guidance on the application of the three criteria test.

Conclusions
Report   **ERG (08) 21**

Plenary approved the report for publication.

c) SMP assessment methodologies (ARCEP/RTR)

Background
RTR provided a draft of the ERG Report (for ERG internal use only) on a "wish list" of proposed changes and extensions on a future revision of the SMP Guidelines. The report is based on the experiences of the last years. The question was raised how to proceed with this document as at the last CN meeting the Commission informed the group that it was not working on a revision of the guidelines.

Conclusions
Plenary approved the document for internal use. The Commission took note of the document.

5. International roaming regulation (OFCOM)

Interim results   **ERG (08) 23**

Background
OFCOM presented some interim results from the PT regarding approaches to future regulation and the first results of the 2nd monitoring report. The next necessary steps are data cleansing which needs the cooperation of all the NRAs and the formulation of an ERG input to the consultation of the European Commission on roaming.

Conclusions
The ERG Chair summarised the policy recommendation which was approved by the plenary and asked the PT to prepare the ERG response based on the following criteria:
- Evidence in all areas is alarming.
- Voice: prices clustered just below the cap and no evidence of competition, continuation of regulation - continuation of existing voice regulation, with the wholesale and retail caps adjusted on a downward glidepath to reflect cost reductions.
- SMS: prices several times the cost of provision – introduction of SMS roaming price caps - wholesale and retail
- Data roaming: charges are excessive, however in terms of regulatory approach the case is finely balanced (given the early stage of development of this market it is important not stifling incentives to invest on the other hand consumers have right to expect tariffs which are fair and transparent)
- Billing shock: Transparency and customer empowerment required - introduction of obligation on market players to introduce transparency measures to prevent bill-shock on data roaming charges

- Billing unit: Hidden surcharges resulting from the common practice of billing per minute are alarming - pros and cons of the various regulatory options, coupled with a warning that in the absence of effective voluntary action over the coming months, formal regulation could be justified after all.
- The best-case scenario would be no regulation therefore ERG call upon mobile service providers to initiate urgent and substantial cuts to prices. Unless substantial change on the market meantime, ERG will recommend regulation on voice and SMS, and will provide pros and cons of the regulation and regulatory solutions of data and billing unit issues and will also provide possible solutions to avoid billing shock.

6. Harmonisation of the costing/price control remedy for Termination Rates (ARCEP/AGCOM)

Background

The ERG Chair summarised the ERG deliverables in response to the Commissioners Reding and Kroes letter and the early draft of the recommendation on termination rates. It consists of a cover letter with strategic messages and a technical annex with comments on the draft recommendation of the Commission.

ERG commits to further reduce prices and develop a benchmark model. ERG is not opposed to a long term incremental cost model which allows NRAs the necessary flexibility.

Conclusions

Letter to the Commission	**ERG (08) 30**
Technical comments on EC draft Recommendation	**ERG (08) 31**

Plenary approved the letter and the technical annex to be submitted to the European Commission on Monday.

The draft document prepared by the PT on MTRs was approved as a report for internal use.

7. NGN Regulatory Principles (BNetzA)

Background

BNetzA presented the draft of an ERG Common Position on IP-Interconnection and NGN Core.

Conclusions

ERG Consultation Document	**ERG (08) 26rev1**

Plenary approved to publish the document, but not as a draft common position but as a general discussion document.

8. Convergence (CMT)

Background

CMT re-provided the draft Report on Convergence in order to discuss next steps regarding completion of work. This year the PT has two more concrete PRDs. The question is how to deal with this general report as the Gothenburg plenary meeting did not give any results. The PT proposes to keep the report as an internal document.

Conclusions

Plenary approved the report as an internal document and empowered the PT to continue its work on the new PRDs.

9. Information from the Commission

Background

The European Commission updated the Plenary on Article 7 matters and on the recent Cocom meetings and exchanged views on the new regulatory framework and EECMA/BERT.

Conclusions

Plenary took note.

10. AOB

a) Next ERG Plenary meeting (NCAH)

The next plenary meeting will be held in Dublin on 9-10 October.

b) Network and Security Working Group (PTS)

PTS gave a presentation on the working of the group. Any NRA wishing to participate is welcome to join the group, the next meeting is 26 – 27 June in Switzerland.

c) ERG-RSPG Cooperation (PTS)

Background

PTS provided the plenary with a draft work plan describing the future cooperation between ERG and RSPG on spectrum issues initiated by the joint meeting in Gothenburg this February. The proposal to form a joint working group with the deliverable of joint documents will also be presented to the next RSPG meeting taking place on 4 June. PTS volunteers to take the lead in this group. Subject to the approval of the working plan at the RSPG plenary, the first meeting of the group should take place during the summer.

Conclusions

Work Plan ERG-RSPG   **ERG (08) 05b**

Plenary took note, supported the process and approved the preliminary Work Plan. Some NRAs volunteered to participate in this group.

d) ITR Reform (PTS)

PTS made a proposal on the ERG engagement concerning the ITR reform which was mentioned at the Rome plenary. The proposal is meant to be an eye-opener and NRAs/the European Commission are welcome to participate in the group (CEPT) chaired by the UK.

e) MEDA issues (AGCOM)

AGCOM presented the next steps of the cooperation between ERG member countries and MEDA (regulatory group of the Mediterranean area) following the joint meeting in Rome last December 2007. ERG as a group has no resources to participate but individual member countries are welcome. MCA volunteered to take the lead. Invitations will be sent soon for the launch meeting of the Euromed network of Regulators – EMERG – held on 1st July in Malta.