

BoR PC04 (14) 09

TELENOR GROUP COMMENTS ON BEREC WORK PROGRAMME 2015

Telenor Group welcomes BEREC's work programme for 2015 and the opportunity to provide comments to the work streams in the work programme.

Telenor Group supports the strategic objectives and pillars outlined in the paper "BEREC Strategy 2015-17", and believes that the majority of the work streams within the three strategic priorities for 2015 focus on important regulatory challenges. However, we lack some clearer principles to guide the various work streams, and would like some adjustments in the BEREC approach and timing to some of the regulatory challenges. To ensure a coordinated and holistic approach to all work streams, Telenor Group recommends that BEREC defines some overarching principles for BEREC's work in 2015. We believe that the following principles and approaches should apply for the most important topics from Telenor Group's point of view:

- **Investment incentives:** A continued focus on incentives for network investments and the creation of a more favourable regulatory framework for NGA.

Telenor Group encourages BEREC to give high priority to the foreseen report on the challenges and drivers of Next Generation Access (NGA) roll-out and infrastructure competition (work stream 3.1.3). Through such a study BEREC may provide national regulators with important guidelines for how regulatory instruments should be designed and used in the years to come to help ensure adequate investment incentives for both fixed and mobile NGA networks.

- **Wholesale regulation:** Secure that regulation of wholesale access products, and implementation of the new recommendation on relevant markets, is based on a regulatory approach that incentivizes NGA investments.

It is Telenor Group's view that investment incentives must also be addressed in work streams related to wholesale regulation (work stream 3.1.1 and 3.1.2). In particular, we would point out that considerations related to any SMP obligations on virtual access must be evaluated against the goal of developing NGA networks in Europe. We therefore suggest that BEREC prepares the report "Challenges and drivers of NGA roll-out and infrastructure competition" (work stream 3.1.3) prior to the report on "Virtual Access Products". In this way analysis from the former report can form part of the basis for assessing whether / how virtual access products should be regulated.

- **Spectrum:** Promote harmonized, predictable and transparent spectrum regimes since this has a fundamental impact on the attractiveness of future investments in mobile infrastructure

Telenor Group is of the opinion that BEREC can play an important role in facilitating a more harmonized, predictable and transparent spectrum regime in Europe and note with interest the closer cooperation between BEREC and the Radio Spectrum Policy Programme (RSPP) (work stream 3.1.6). We encourage BEREC to be a driving force in promoting increased coordination and predictability in the development of spectrum policies in European countries, and in particular

together with the RSPG carefully consider the economic impact of spectrum release and timing. We recommend that this work stream be given high priority in 2015.

- **Consolidation:** Consider consolidation in mobile markets as an important driver for sustainable investments in high speed broadband mobile networks.

Telenor Group encourages BEREC to broaden the scope of the economic analysis of oligopoly markets (work stream 3.1.5), and looks forward to a comprehensive study from BEREC on the relationship between consolidation, investment incentives and consumer welfare. It is very important that the analysis undertaken as part of this work is forward-looking and incorporates the importance of facilitating sustainable investments. The models used for the analysis of consumer welfare effects of consolidation should be further developed due to rapid service mix development and capacity increase in mobile networks. We recommend that this work be given high priority, and that the consideration of investment incentives and dynamic efficiencies will be used as a central premise of this study.

- **Level playing field:** Develop a forward-looking approach to competition assessments that redress the burden of regulatory asymmetry between traditional telecom providers and OTT players.

Telenor Group believes BEREC will have an important role to play in the regulatory considerations surrounding level playing field and the potential for more symmetric regulation of traditional telecom providers and OTT players, in addition to deregulation when effective competition prevails. We therefore strongly support an analysis of OTT activities and business models and their impact on the electronic communications sector, both in terms of competition and consumer issues, as well as their impact on the current regulatory framework (work stream 3.2.5). It is important that BEREC's work on the legislative evolution (work stream 3.2.3) takes into account the development of OTT services. Consideration of level playing field issues is timely and could also give valuable insights into the foreshadowed full review of the EU regulatory framework.

24 October 2014, Sverre Holt-Francati, SVP, Head of Group Regulatory

About Telenor Group

Telenor Group is one of the world's major mobile operators with more than 150 million mobile subscriptions. We have mobile operations in 12 markets and in additionally 17 markets through our ownership in VimpelCom Ltd. Telenor Group has a leading position in the Nordic mobile, broadband and TV services market and a strong footprint in Central and Eastern Europe and Asia.

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