Body of European Regulators
for Electronic Communications

**BEREC**

# Stakeholder consultation on the review of the BEREC Medium-Term Strategy for 2018-2020

23 February 2017

In 2017 BEREC is set to review its current Medium-Term Strategy (MTS) to make sure that its work stays relevant in relation to major developments in the digital ecosystem. The BEREC MTS has the function of guiding BEREC´s work in the medium term and it serves as the blueprint for BEREC´s annual work programmes. The MTS was last updated in 2014, establishing three over-arching strategic objectives that follow from the policy objectives and regulatory principles that BEREC members apply in accordance with Article 8 in the Framework Directive; promoting competition and investment, promoting the internal market and empowering and protecting end-users.

In this year´s update of the MTS, BEREC will seek to establish a strategy for the period 2018-2020 and invite stakeholders to take an active role in this process.

To this end, BEREC is seeking input from stakeholders at the earliest stage possible on how BEREC work is perceived and on which market developments will be important for BEREC to consider in its MTS for the period 2018-2020. In Section 1 of this consultation, BEREC seeks open input on what market and technological developments could influence the new strategy, while also seeking answers to questions on more specific areas, such as end-user quality, competitive dynamics in digital markets and evolution of networks. In Section 2 BEREC is seeking answers to questions relating to how BEREC works with its current objectives and how stakeholder engagements could be improved.

BEREC enters this process maintaining its commitment to the three over-arching strategic objectives of the current MTS, which still remain relevant.

BEREC recognizes that the MTS for 2018-2020 will be drafted in a period of regulatory evolution. The ongoing Framework Review is still at an early stage, which makes it difficult to relate to. As a consequence, BEREC will pursue its work with the MTS independently of the Review, looking first to major market developments and stakeholder input as a source for updating its strategy.

After collecting stakeholder input, the current strategy will be updated and submitted for public consultation in June; the final version is expected to be adopted in October 2017.

BEREC welcomes your views on what the next BEREC MTS 2018-2020 should look like.

**Question:** Do you have any comments on the elements presented above?

## Section 1 - Market and Technological Developments

In this section, BEREC is seeking input on which market and technological developments should be considered in the Medium Term Strategy. These developments are classified in four categories; the end-user experience, competitive dynamics in the digital ecosystem ,evolution of networks and overarching questions.

### A. The end-user experience

Society is increasingly reliant on communications networks for a growing range of services and activities. Access to high quality electronic communications services is a prerequisite for maximising the benefits of an inclusive digital society.

The end-user experience depends on a range of parameters, including, inter alia:

- *Performance of the networks. Quality of service is, and has always been, of the utmost interest to BEREC and will be the subject of further work in 2017[1] which will contribute to a common understanding of connectivity in the Union.*
- *Devices. These can play a gate-keeper role regarding access to certain digital contents and services; theyalso have an impact on qualitative aspects of the end-user experience*
- *Factors influencing the take-up of technologies and digital services. BEREC and NRAs continue to study factors which may restrict or impact on the end-user digital experiences and to research activities which may help combat digital exclusion and help to ensure that all citizens are connected and experience the benefits of digital innovations and the digital market.[2]In this vein, assessing the digital experience from a consumer perspective by ensuring better and more granular information for people and businesses on the availability, speed, quality and pricing of services will play a part in improving people's ability to engage with the market and switch providers.*
- *Data protection, privacy and network security. These are essential to a well-functioning digital society. While this set of issues is not necessarily within the scope of BEREC or most of its constituent NRAs, BEREC is aware that they are increasingly important aspects of the end-user experience.*
- *Consumer protection. The protection of consumers, for example around issues such as billing, affordability and switching, is essential to the effective functioning of a digital society*

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[1] In particular, BEREC will work in 2017 to develop a regulatory assessment of Quality of Service in the context of net neutrality. See also the planned contribution to the development of an EU platform for monitoring quality of fixed wireless and mobile services in the Digital Single Market

[2] For instance, in 2016, BEREC held a workshop on the Accessibility of Communication Services.

1) Of the issues listed above, which do you consider to be the most important in shaping the end-user experience? *Please explain your answer in detail.*

2) How can the interests of digitally disengaged citizens be best protected?

3) What can be done by BEREC to improve the end-user experience by providing more and easier-to-use information?

4) Are there any other significant trends/developments that BEREC should consider in relation to the end-user experience?

## B. Competitive dynamics in the digital ecosystem

Digital transformation creates new challenges and opportunities for electronic communications providers. Changing technological solutions, investment requirements and end-user needs require both transformations in the business models and enhanced cooperation across the established electronic communication market boundaries.

BEREC has been studying the evolution of the digital ecosystem[3] to gain a better understanding of the challenges and opportunities developing for competition and innovation, but also for the regulator's capacity to tackle those situations.

Important issues in this field include, inter alia:

- *Increasing **market consolidation** and **cross-sector mergers***
- *Tendency towards **oligopolistic markets***
- *Emergence of **less homogenous competitive conditions***
- *Appearance of **new entrants***
- ***Cooperation** between ECS operators (e.g. network and spectrum sharing)*
- ***Interaction between ECS operators and other sectors** (i.e. between ECS operators and device manufacturers, content providers, the automotive industry, etc.)*
- ***Coopetition** (competition and cooperation) between ECS and OTT providers*
- *Introduction of the **e-SIM** which might change the competitive landscape in the mobile industry*
- *Ongoing popularity of **bundled services** which might increasingly take the form of services which combine not only communication and audio-visual services but other types of services as well and which may lead to the emergence of new business models and value chains*

1) What aspects of the issues listed above do you believe to be most important? *Please explain your answer in detail*

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[3] BEREC studied in particular the emergence of <u>oligopolies</u>, and <u>OTT services</u>.

2) Are there any other significant trends/developments that BEREC should consider in relation to the digital ecosystem?

## C. **Evolution of networks**

Much of BEREC's work focuses on the rapid changes in networks, and the associated challenges to NRAs working to monitor and regulate the market. While the current ECS ecosystem focuses primarily on how people connect, the next wave of innovation is anticipated to be in relation to connected "things".

Important issues in terms of evolution of networks include, inter alia:

- ***Network convergence** between fixed and mobile technologies[4]*
- *The expansion of **IoT and M2M services** and the potential impact of this on numbering, spectrum use, roaming, licensing etc.*
- ***Investment in high speed networks** to ensure capacity for bandwidth-heavy services[5]*
- ***Fixed wireless technologies** as a potential alternative to certain fixed NGA networks*
- *Importance of **access to civil infrastructure** in the context of network deployment*
- ***5G deployment** and the emergence of associated new business models and regulatory challenges*
- *Technological changes which have the potential to impact on regulation. These include new ways to handle network resources such as **Software Designed Networking (SDN)** and **Network Function Virtualization (NFV)**, and the potential evolution of **networks generated and operated by the end-users** themselves (e.g. mesh networks, free licenses, spectrum sharing).*

1) What aspects of the issues listed above do you believe to be most important? *Please explain your answer in detail*

2) Are there any other significant trends/developments that BEREC should consider in relation to evolution of networks?

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[4] A report on the convergence of fixed and mobile networks is planned for 2017.

[5] A number of reports are planned for 2017 looking at various issues around investment.

**D. Over-arching Questions**

1) Are there any market or technological trends that have not been addressed above? *Please explain your answer in detail.*

*2)* Over the next three years, which market or technological trends do you anticipate having the most significant impact on the ECS markets? *Please explain your answer in detail.*

3) Do NRAs and BEREC have the appropriate tools to deal with anticipated market changes and associated regulatory challenges over the next three years? *Please explain your answer in detail, and, if possible, outline potential solutions.*

4) In which ways can technological and market developments impact upon promotion of the single market?

## Section 2 - How BEREC works and engages with stakeholders

In this section of the consultation we are seeking input on the way BEREC works to support the implementation of the regulatory objectives in the framework and on how BEREC consults with stakeholders during this process.

**A. BEREC´s work with the regulatory objectives**

The core function of BEREC according to Art. 1.3 of the BEREC Regulation is to contribute to the development and better functioning of the internal market by aiming to ensure a consistent application of the EU regulatory framework.

The article furthermore states that in all its activities, BEREC shall pursue the same objectives as those of the National Regulatory Authorities (NRAs), as set out in Article 8 of the Framework Directive.

In this context, BEREC supports the European institutions and works with the NRAs in a number of different ways (some examples listed below):

- Implementing the EU regulatory framework's mandates (e.g. Net neutrality[6] and Roaming[7]) and aiming to give early advice to all NRAs on how related issues should be treated .
- Working on defining common sets of data required throughout Europe in order to allow comparisons and common approaches – E.g. OTT indicators are a BEREC-EUROSTAT cooperation, common approaches to QoS measurement etc.
- Examining and studying at an early stage certain technological developments which may impact the markets or existing regulation and trying to find common perspectives of how this should be treated (eg. network function virtualisation, software defined networks etc.)
- Cooperating with other European institutions depending on the subject (RSPG, EDPS, etc) and adjusting its approach to reflect changes in business models, technology and the value chain.

**Questions:**

1) Do you have a concrete example where better coordination/harmonisation between NRAs would be or has been particularly beneficial for your activity, either directly or indirectly?

2) How do you consider that BEREC could further contribute to the development of a Digital Single Market (e.g best practice dissemination)?

B. **Towards a BEREC stakeholder engagement strategy**

BEREC currently engages with stakeholders (including the EU institutions) in a wide variety of ways, such as thematic workshops, public consultations, public debriefings, the annual BEREC Stakeholder Forum and through press releases and information on its web page, twitter and YouTube channels.

*Questions:*

1) Which of the above described practices can be used in order to increase BEREC's transparency and accountability? Are there any additional proposals for BEREC to increase its transparency and accountability?

2) Do you consider that BEREC's current engagement with stakeholders provides the opportunity to engage in the work of BEREC at the right time and at the right level? Are there any particular areas where you believe BEREC could improve or do things

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[6] BEREC Guidelines on the Implementation by National Regulators of European Net Neutrality Rules

[7] International Roaming - BEREC Input to EC request

differently?

3) How can BEREC improve its communication to stakeholders and to the public? More specifically, which instrument(s) (press releases, public debriefings, information on the website, etc.) do you consider to be particularly useful and why? Do you have any proposals for new channels of engagement or for the improvement of the existing ones?