



BEREC Newsletter

Issue 06/2015

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Outcomes from the 24th plenary in Riga, 1-2 October, 2015



On 1-2 October BEREC held its 24th plenary meeting in Riga, Latvia. During the plenary meetings, the Board of Regulators approved for public consultations the [draft BEREC Work Programme 2016](#). BEREC has also decided to organise the public hearing on its draft Work Programme 2016 and on the [draft Report on IoT](#) during the forthcoming [3rd meeting of the BEREC Stakeholder Forum](#) on 15 October 2015 in Brussels. In accordance with BEREC's policy on public consultations, the Board of Regulators will publish reports summarising how stakeholders' views have been taken into account, together with all individual contributions, taking into account stakeholders' requests for confidentiality. After the 24th plenary BEREC also launched several public consultations: the public consultation on BEREC's [draft report on the Internet of Things \(IoT\)](#) will run until **6 November**. The draft report describes the state of play of M2M services and identifies some distinct characteristics of M2M services, assessing whether they might need specific regulatory treatment. The public consultation on [BEREC's report on Over-the-Top \(OTT\) services](#), will close on **2 November**. It seeks to provide a framework for understanding online-based services and market players, considers the potential impact of OTT on the regulatory framework and lays the foundations for further BEREC work in this area in 2016. The third consultation, which closes on **30 October**, is on BEREC's report on how [equivalent access and choice for disabled end users](#) are dealt with by NRAs across Europe. You can read more about the reports in the following pages of this newsletter. During the plenary meetings the Board of Regulators approved for publication several reports, including the BEREC [report on the common characteristics of Layer 2 wholesale access products](#), the latest [Annual Regulatory Accounting report](#), which shows a continued trend towards increasingly consistent approaches to regulatory accounting and a stabilisation in approaches to cost valuation and cost allocation among NRAs and the [international roaming benchmark report \(October 2014 - March 2015\)](#). A full list of the documents adopted at the BEREC Plenary is available [here](#). The next meeting of the BoR will take place on **10 - 11 December 2015 in London (United Kingdom)** and will be hosted by the [Office of Communications](#) (Ofcom).

Draft BEREC 2016 Work Programme for public consultation

The [draft 2016 BEREC Work Programme \(WP\)](#) maintains BEREC's commitment presented in the [BEREC Strategy 2015-2017](#) to develop regulatory best practice amongst NRAs, leading to independent, consistent, high-quality regulation of electronic communications markets. The Work Programme 2016 aims to continue and to develop the actions that have been undertaken in 2015 in light of the three strategic pillars for BEREC's activities: (A) promoting competition and investment, (B) promoting the internal market and (C) empowering and protecting end-users. The draft 2016 WP emphasises BEREC's readiness to serve as a body for reflection, debate and advice for the European Parliament, the Council of the EU and the European Commission in the electronic communications field.

BEREC's work for 2016 is significantly influenced and determined by the outcome of the "Telecom Single Market" (TSM) Package and the various tasks dedicated to BEREC in the field of net neutrality and international roaming. Taking this into account, the topics of the Work Programme 2016 are strongly influenced by the ongoing legislative process around the Digital Single Market initiative and the TSM agreement of 30 June 2015.

The draft 2016 WP seeks to address the current and future regulatory challenges resulting from market and technological developments. It also takes into account the European political priorities of the Digital Single Market Strategy, namely: proving better access to digital goods and services across Europe, creating the right conditions for enhancing digital networks and



innovative services and maximizing the growth potential of the digital economy. Therefore, according to the approved draft, the 2016 WP should have a clear focus on the upcoming review of the current legal framework for electronic communications. Additionally BEREC will have to fulfil its new tasks in the field of net neutrality and roaming stemming from the

TSM Regulation (currently being finalised). Furthermore during 2016 legislative proposals are expected linked to the review of the framework as part of the DSM initiative. BEREC will also continue to follow the approach whereby NRAs work together to elaborate Common Positions, guidelines and best practices. This well-established "bottom-up" approach, drawing on and informed by NRAs' on-the-ground experience of the implementation and impact of regulation at the national level, is what makes BEREC's outputs particularly valuable.

BEREC approved its draft Work Programme for 2016 during its 24th Plenary on 1 October 2015. The draft Work Programme is published for [public consultation from 2 to 30 October 2015](#) with a public hearing at the [Stakeholders' Forum in Brussels on 15 October 2015](#).

15th BEREC benchmark report in view of the Roaming Regulation

BEREC is required to regularly collect data from national regulatory authorities on the development of retail and wholesale charges for voice, SMS and data roaming services and to notify this data to the European Commission under Article 19, paragraph 4 of the Roaming Regulation.



The [BEREC Benchmark Report on International Roaming](#) (the “Report”) presents the results of the 15th round of data collection on European international roaming services undertaken by the Body of European Regulators for Electronic Communications.

The Report covers the period 1 October 2014 - 31 March 2015, i.e. the 4th quarter 2014 and the 1st quarter 2015. The Report also includes data from previous rounds of data collection conducted by BEREC and its predecessor, the European Regulators Group (ERG), to provide context for the current figures. The earliest data are from the 2nd quarter 2007, when the Roaming Regulation was about to enter into force.

The information gathered by BEREC continues to show a good level of compliance with the Roaming Regulation in all EU Member States. At the retail level, all consumers have access to a Euro-voice, Euro-data and a Euro-SMS tariff. At the wholesale level, the voice, SMS and data roaming charges set between operators are in line with the declining regulated average caps.

Figure 1: EEA average retail price per minute for intra-EEA roaming voice calls made

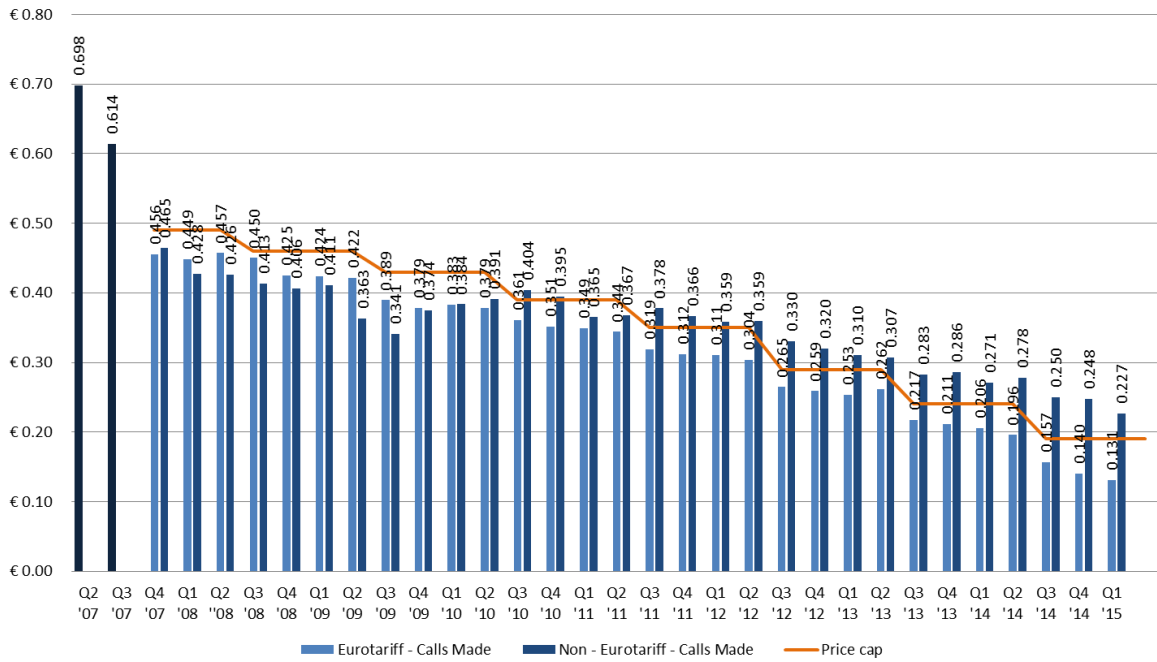


Figure 2: EEA average price per minute for wholesale non-group roaming voice calls

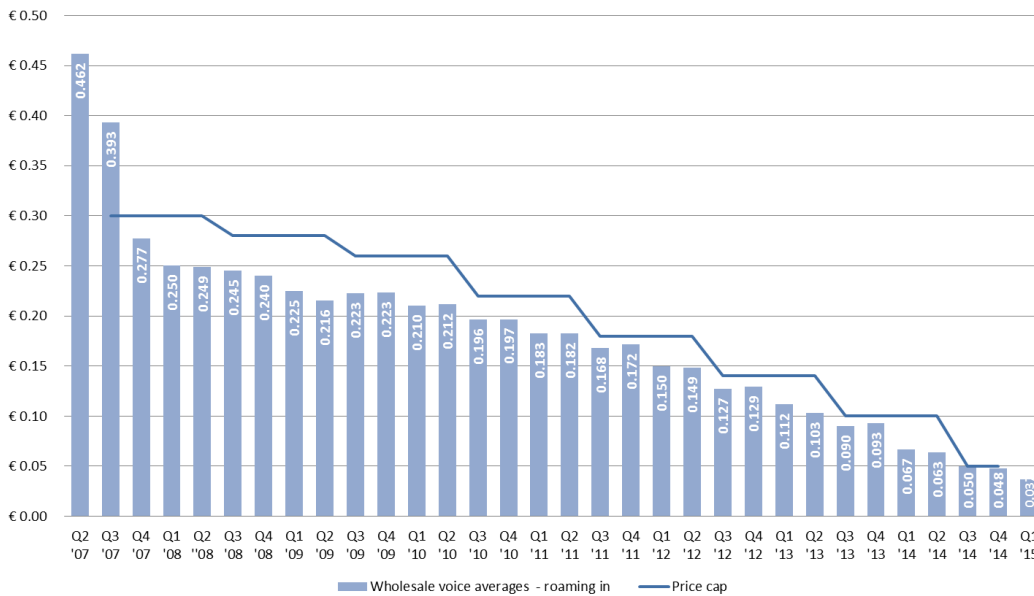


Figure 3: Average EEA price per retail SMS (Euro + Non Euro SMS tariffs)

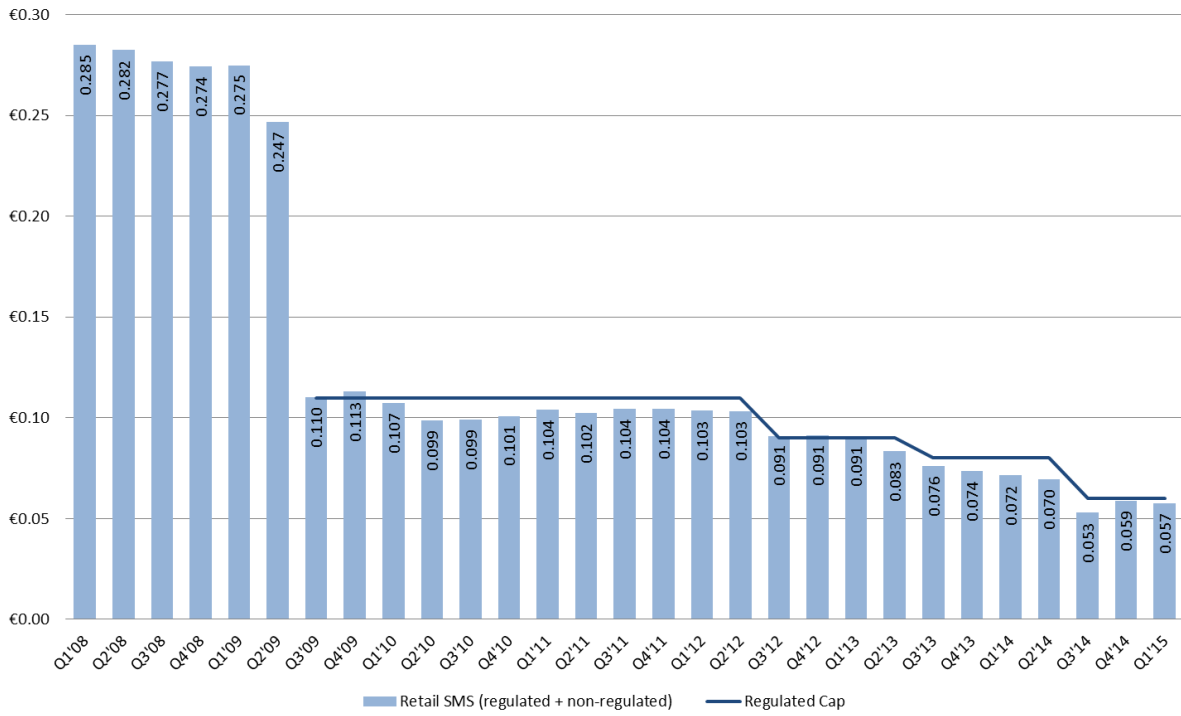


Figure 4: Average retail data price per Mb in Q1 2015 (prepaid+postpaid)

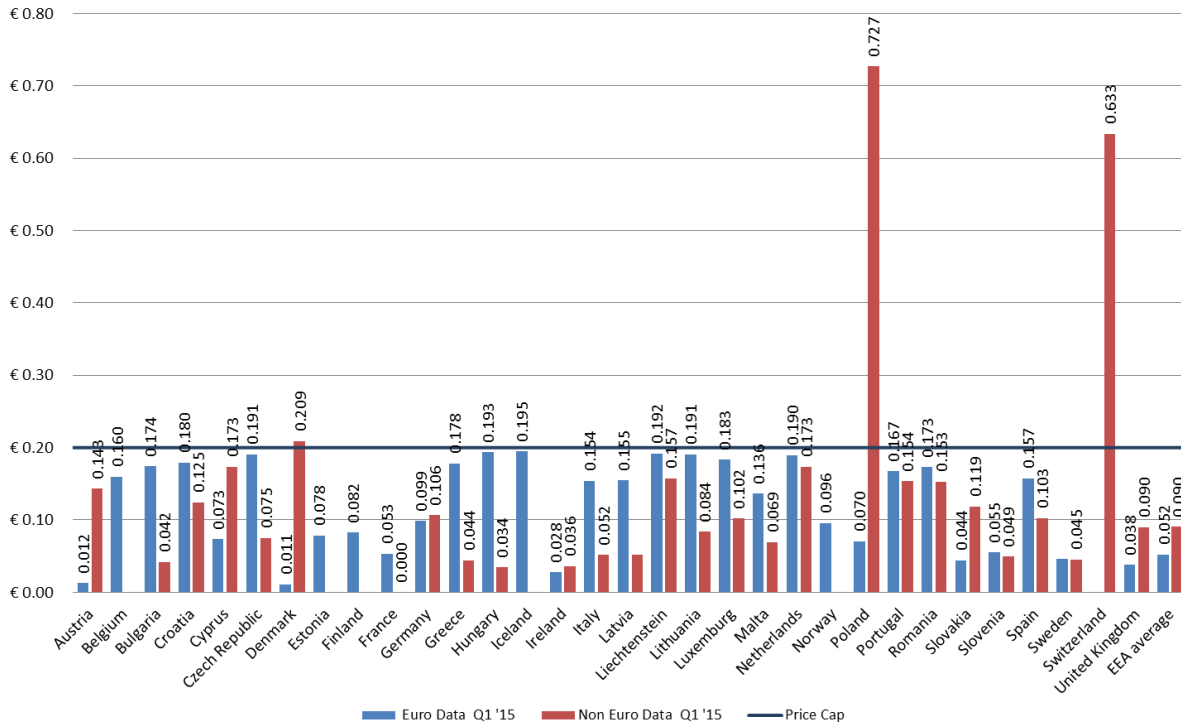


Figure 5: Average wholesale data price per Mb (prepaid+postpaid), EEA average

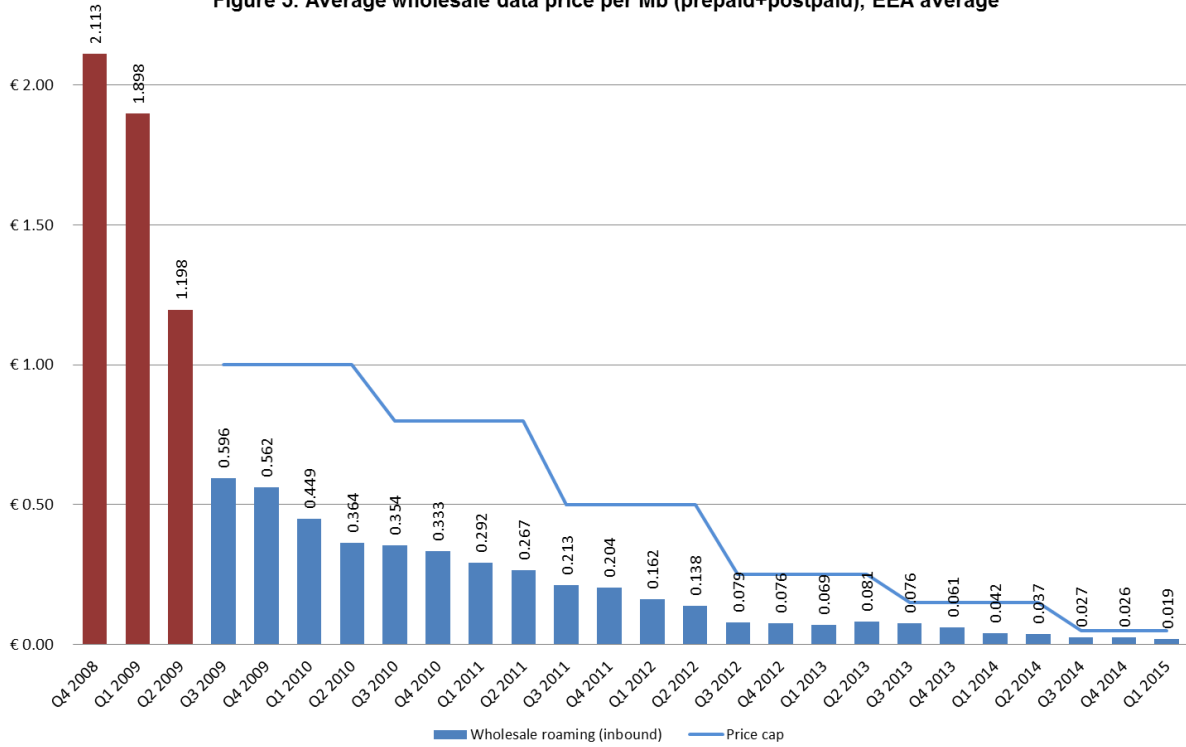
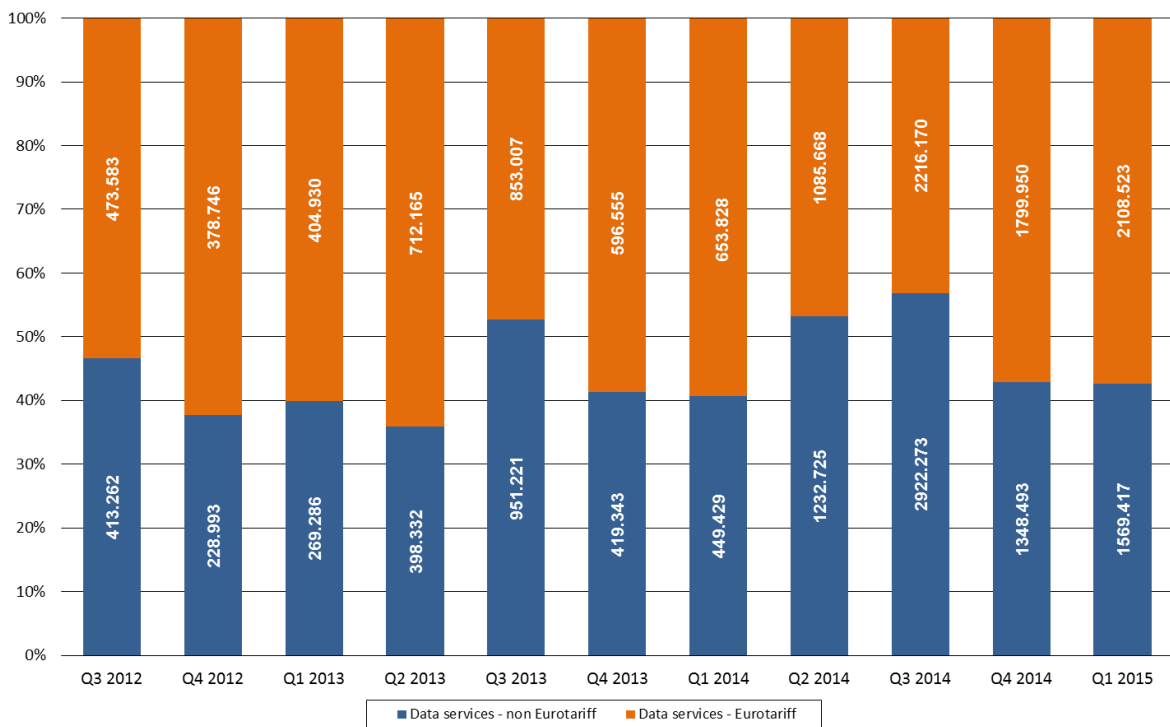
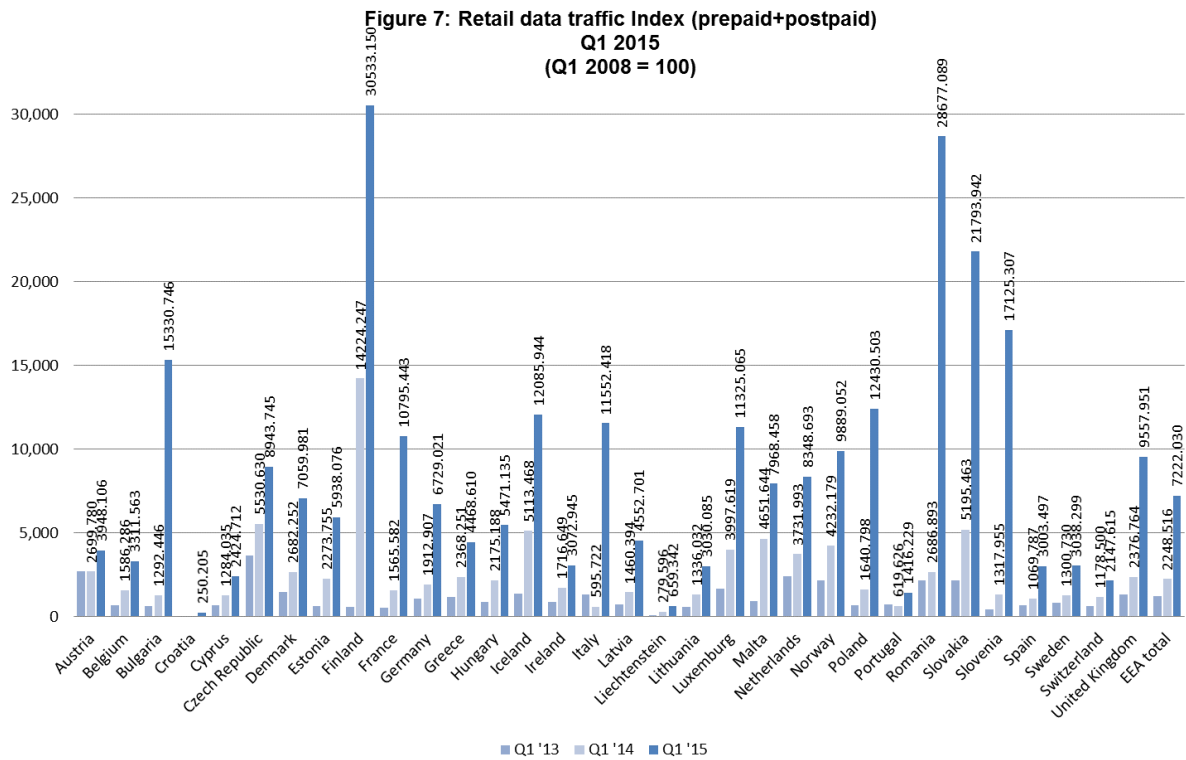


Figure 6: EEA percentage of Data service: Eurotariff and Non Eurotariff





Draft BEREC Report on Enabling Internet of Things

During the last 20 years, the Internet has changed the way in which we work, communicate and trade. We are now on the cusp of another industrial revolution that will have a significant impact on a wide range of industry sectors, including energy, transport, manufacturing and health. It is described by terms such as “Machine-to-Machine Communication” (M2M) or “Internet of Things” (IoT) and involves a large number of devices communicating with one another, often automatically and primarily across the Internet using fixed and mobile access networks.

M2M/IoT services are in varying phases of development and take various shapes, hence there is not yet a common understanding or definition of what M2M/IoT services and devices really are. For a better understanding of the phenomenon, the BEREC report highlights the main characteristics of the M2M/IoT services and provides typical examples of their value chain, involving market players such as connectivity service providers, M2M service providers, M2M users and end-users.

The [draft report on Enabling Internet of Things](#) gives BEREC's survey and assessment of the state of play on M2M/IoT services with the perspective of fostering an environment that will result in sustainable competition, interoperability of electronic communications services and consumer benefits. It is aimed at presenting the most common M2M/IoT characteristics and assessing whether M2M/IoT services might require special treatment with regard to current and potential future regulatory issues. Some suggestions by BEREC addressed to NRAs – where possible – are included on how to deal with them. The report looks at the preconditions for M2M/IoT services to thrive, by assessing whether there is a need to ensure specific resources (frequencies, numbers and/or identifiers) for these services, by analyzing the applicability of the electronic communications regulatory framework to the M2M/IoT services (focusing specifically on issues such as the authorization regime, international roaming, switching operator, network security) and by identifying other areas where the NRAs may have a coordinating function (privacy, data security, interoperability of services, devices and platforms). The draft report includes a set of questions on which the stakeholders are invited to provide their views. The report and consultation questions will also be presented to the 3rd BEREC Stakeholder Forum Meeting to take place on 15 October 2015 in Brussels. During its 24th plenary meeting (1-2 October 2015, Riga) BEREC approved the draft Report on “Enabling the Internet of Things” and launched a **public consultation** on the draft document that will run from **5 October until 6 November, 2015**.



Draft BEREC Report on equivalent access and choice for disabled end-users

One of BEREC's strategic priorities set out in its [2015 Work Programme](#) is 'Empowering and Protecting End-Users'. Under this principle, BEREC recognises the need to take account of the interests of vulnerable consumers, including those with disabilities. The Work Programme also provided for specific activities aimed at sharing experience about ways to achieve

equivalent access and choice for end-users with disabilities. These included holding a [public workshop](#) that took place in March 2015 and producing an updated report on equivalent access and choice for disabled end-users ([following the report](#) on this subject that was published in February 2011).



A [draft report for 2015](#) was published on 2 October, following BEREC's Plenary meeting in Riga, Latvia. It reviews the approaches currently taken to promote equivalent access and choice for disabled end-users of communications services and it seeks views and experience from stakeholders to contribute to the final report, planned for publication in December 2015.

The aim of this work is to promote the continued sharing of experiences regarding measures for end-users with disabilities, as well as considering recent technological and market developments in the sector. Through this process, BEREC expects to get a better understanding of the needs of disabled end-users of electronic communications services, assess the current state of provision with regard to this particular segment of end-users and identify useful case studies in different European countries.

Stakeholders are asked to provide information about any initiatives that they believe could be considered as 'best practices' for promoting equivalent access and choice. They are also requested to suggest actions or measures that could be taken to improve access and choice in electronic communications markets for end-users with disabilities. The **public consultation** will run from **2 October to 30 October 2015**.

Draft BEREC Report on OTT services

The provision of Internet-based services commonly known as "over-the-top" (OTT) is of increasing importance in the rapidly evolving information and communication technology industry, and of great value for consumers and businesses.

The [draft BEREC report on OTT services](#) was approved for public consultation in the 24th BEREC plenary meeting. The report provides an analysis of OTT services, their definition and their impact on the electronic communications sector, both in terms of competition and consumer protection, as well as their impact on the current EU regulatory framework for



electronic communications (ECN/S Framework). It focuses on the relation between OTT services and electronic communication services (ECS).

Due to the current and expected evolution of these new services taking place on-line, the boundary between ECS and the content services provided over electronic communication networks is becoming more blurred. BEREC notes that the Regulatory Framework does not provide clear-cut guidance on whether specific types of services fall within the ECS definition, the criteria provided being to some extent flexible. This situation becomes especially relevant with the evolution of OTT services, making the ECS definition more difficult to interpret. Therefore, the report analyses whether the development of OTT services has implications for the application of the current ECN/S Framework or for adaptations of it that are considered in the ECN/S Framework review.

A central theme in the discussion about OTT services relates to the differences in the regulatory treatment of ECS and OTT services. The BEREC report on OTT services notes that, although there is a general appreciation of the idea that services of the same type should preferably be subject to broadly the same regulatory treatment, there can also be reasons for different regulatory treatment of services. The range of services to which any specific obligation should apply, must be considered in light of the goals of the obligation and the proportionality of that obligation being applied to any specific service or service type. This implies that the social benefits of the obligation and its scope need to be proportionate to the economic costs entailed for each regulated provider, also taking into account the static and dynamic competition effects of partial or universal application of the obligations.

BEREC also notes that partnerships between ECS and OTT providers have become more common in recent years and this interaction will likely continue to evolve in different ways in the near future. As ECS providers continue to look for revenues beyond traditional voice services, partnerships with different OTT providers may become increasingly attractive to help boost data traffic or to get a competitive edge through differentiation and added value to end users. OTT providers on the other hand, acting on a generally competitive market, are probably likewise interested in partnerships that enable them to promote their brand and their service by making it easier to find and access. Considering the present partnerships between OTT and ECS providers, BEREC concludes that it is still too soon to conclude on their effect on competition and consumers in the ECS markets. Finally, BEREC would like to emphasize the excellent opportunity provided by the next review of the ECN/S Framework to take into

account the considerations and conclusions drawn in this report regarding OTT services. The review should ensure that the Framework both fosters future developments of the electronic communications markets and provides adequate protection of end users' rights.

BEREC Report: Indicators on Bundles

In the last few years, bundles have become an increasingly popular way for consumers to buy electronic communications services. As a result, from the supply side, many operators have been increasing the number of services sold in bundles.

As observed, competition is shifting towards quadruple-play and quintuple-play bundles (including mobile services) and almost all countries have converged operators with both fixed and mobile operations. Due to competition and/or wholesale regulation, all operators should now be able to provide both fixed and mobile services, by using different forms of access to their competitor's networks (e.g. Local Loop Unbundling, bit-stream, Mobile Virtual Network Operators (MVNO)), so they have the option of entering the market and providing all types of bundles. In fact, in several countries (e.g. Portugal, Spain, Malta and Luxemburg) quadruple-play and quintuple-play bundles (that combine both fixed and mobile services) are becoming the most common form of contract taken out in by consumers in electronic communications markets. In addition, it is relatively common among some countries for two operators to launch joint fixed/mobile products.



In order to update and improve the current set of indicators on bundles and to better reflect the more complex bundles that are being offered in different European Union countries, especially quadruple-play and quintuple-play combinations, BEREC has drafted a report on indicators relating to bundles. The document aims to explain the context in which more complex bundles are appearing in EU countries as well as proposing an improved and updated set of indicators. The Indicators on Bundles report was approved for internal use on 7 August 2015. The current existing indicators on bundling at the European level lack the detail that is necessary to monitor the latest developments on the retail markets. Therefore, the BEREC report presents the growing importance of bundled offers on the electronic communications market, showing evidence of increasingly significant bundle penetration and increased bundle diversity across EU countries.

It proposes a more contemporary definition of bundles, so that data are more comparable and relevant. The current European Commission bundle definition¹ addresses the vast majority of bundles, but it may not fully apply to all EU countries. In a number of countries, there are additional elements that render the current definition provided by the European Commission problematic. The pros and cons of the proposed deviations from the European Commissions' definition are further examined in the report. Moreover, in discussion at the Expert Working Group (EWG) level, the European Commission presented a new approach on what they understand as a bundle. The European Commission position is for a broader definition, covering all multiple-play offers.

The Benchmarking (BMK) EWG proposed to adopt a new definition, broader than the one currently in place, but not as extensive as that which the European Commission suggests. The main changes suggested are designed to enable the inclusion of offers that may be considered a bundle (and have a high importance in some countries), but which were excluded from the previous definition. The report, Indicators on Bundles, presents several alternative sets of indicators for improving the data on bundles collected in the context of the Digital Agenda Scoreboard (DAS). The final outcome will be proposed to the European Commission for adoption in the next data collection round, first as a test in January 2016, and then with a full implementation of the new set of indicators for the 2017 Digital Agenda Scoreboard.

Future BEREC events

15 October 2015 the [3rd BEREC Stakeholder Forum](#) will take place in Brussels. The registration for the Stakeholder Forum has expired, but it will be [live broadcasted](#) and it will be possible to ask questions to the panellists and comment the issues discussed in the sessions via Twitter [#BERECforum](#) or to press@berec.europa.eu

19-20 November, [4th Contact Network meeting for 2015](#) will take place in Barcelona (Spain) kindly hosted by [Comisión Nacional de los Mercados y la Competencia \(CNMC\)](#). The main objective of the meeting is to prepare the 25th ordinary plenary meetings of the BEREC Board of Regulators (BoR) and the BEREC Office Management Committee (MC) to take place on 9 and 10 December 2015 in London (UK). Therefore, the CN will consider all items included

¹ The current European Commissions' bundle definition is the following: 'Bundled offer' means a commercial offer of two or more of the below services marketed as a single offer and offered for a single price. Services include (1) Fixed Broadband, (2) Fixed Telephony, (3) Mobile Telephony (4) Mobile Broadband and (5) Pay TV (Mobile TV should not be included).

in the agendas of the afore-mentioned meetings. The meeting is open for participation only to BEREC Contact Network Members.

9 December, 2015 the [25th plenary meeting](#) in London, United Kingdom, kindly hosted by [Office of Communications](#) (Ofcom). The meeting is open for participation only to BEREC Members and Observers.

16 December, 2015 in Brussels, the **public debriefing** from the 25th plenary meeting will take place. Register for the public debriefing or watch it online. Send the questions to the BEREC Chair 2015 Fatima Barros via Twitter [#BERECpublic](#) or to press@bereg.europa.eu

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