

Regulation 4.0

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Body of European Regulators for Electronic Communications



- BEREC significantly contributes to enhance regulatory harmonization in Europe
 - Active player in the telecoms market regulation
 - Promotes coherent regulation & competition



Strong commitment to identify

Best Practices within its Common Positions

Relevant check of NRAs compliance with CPs

BEREC's advisory function within article 7/7A proceeding has ensured NRA's adherence to the objectives of RF.



#DigitalSingleMarket

TSM

- ✓ Input on the weighted average of maximum MTRs
- ✓ Fair use policy & the sustainability of the abolition of retail roaming surcharges
- ✓ Assess the wholesale roaming market
- ✓ Lay down guidelines implementation of NRAs' obligations (supervision, enforcement and transparency measures for safeguarding open Internet access).

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- Increasing complexity of market conditions
 - New players
 - New business models

- Use of smart devices & video streaming consumption
 - Explosion of mobile broadband demand and data traffic

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- No explosion in fixed broadband demand
- No game change application yet
- But once it comes onto the market
 - Speeds-up consumer's willingness to pay
 - Increases take-up
 - Further investment in fixed broadband to meet demand



ACROSS EUROPE



BEREC's view: effective & sustainable competition drives efficient investment

But

Requires clear and predictable regulatory regime

■ ONE SOLUTION: longer market review cycles for more stable markets



DEMAND SIDE

- Crucial for:
 - Sustainable business case
 - Customers subscribe high-speed broadband
 - If they enjoy innovative services
 - demand for services & roll-out of NGA must be synchronized

Competition + Demand = Drives for investment



How to achieve connectivity overall goals?

Universal Service:

- To meet social objectives of access
 - Basic broadband
 - Basic services
- Independently of geographical location

State Aid:

- Contributes to achieve convergence in remote areas where private investment will not occur
- State Aid rules need to be coherent with ex-ante regulatory framework
 - Avoid inconsistency and conflict between two regimes



STATE AID CHALLENGES

- Need for a granular analysis of eligible areas
- Need for coordination to exclude geographical areas where private investment can occur
- Technological neutrality to be considered when mapping different areas
- Impact of state aid remedies on adjacent markets should be taken into account
 - Avoid competitive distortion



EU

- Heterogenous infrastructures
- Different markets maturity levels
- Harmonisation is desirable but
 - Increasing complexity of markets conditions + need to respect principle of proportionality



More flexibility + Differentiated regulatory toolbox



Allowing NRAs to adapt regulatory access networks to national conditions



- Migration to NGA networks
 - Bottlenecks to broadband access networks persist

SMP regulation remains important tool in many members states

Mandated access to the incumbent fixed networks

- Reduces entry barriers
- Enables new business models
- Fosters innovation

SMP regulation is still appropriate to several markets

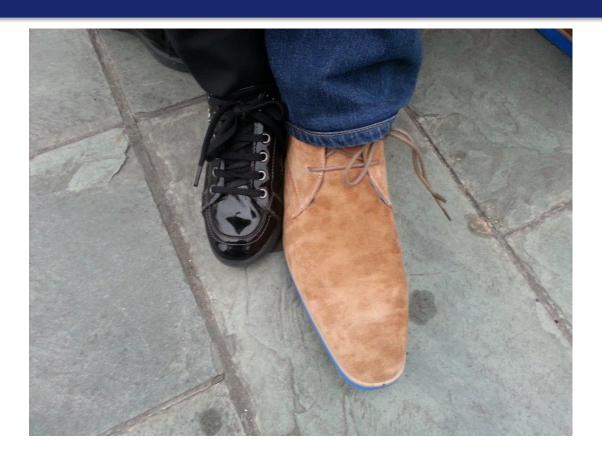


However

- Some markets might face local bottlenecks structures
- General access obligations may not be appropriate to ensure effective competition
- Symmetric access obligation on all operators, irrespective of SMP, could be a more effective regulatory tool
 - Impact on investment?
 - Innovation incentives?



One size does not fit all!!





Framework needs to be able to address oligopolistic scenarios

EU telecoms market:

- Uptake of bundle services
- Consolidation of markets M&A

Oligopolistic telecoms market:

- No single SMP operator
- Non-competitive outcome

BEREC report

- Whether current regulatory toolkit and/or practical application is adequate
- Provide initial assistance to NRAs (analysis & regulation of oligopoly markets & review different outcomes)



Distortion of the level playing field among different players?

- ✓ The EC correctly focuses on situations of competing services.
- ✓ New business models and changes in the internet value chain.



- ✓ BEREC welcomes DSM holistic approach
- ✓ DSM: opportunity tackle challenges of technological & market developments
- ✓ NRAs: willing to monitor market developments (impact of new players/business models) on the telecom markets





BEREC Report on OTT

- Relation between OTT & communication services
- Analysis on OTT (definition & impact)
- NN not addressed covered in specialised reports
- Definition ECS
- CONCLUSION:
 - ✓ 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.



CONCLUSION

- BEREC's view: effective & sustainable competition drives efficient investment
- Connectivity is the sum of all parts: competition + state
 aid + universal service + demand
- Harmonisation but one size does not fit all
- Update regulatory toolbox (flexibility in access regulation, oligopolies)
- Proportional level playing field



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