

Comments and suggestions from BT for the 2008 Work Programme of the IRG/ERG

The IRG/ERG plays an essential role in the application of the Electronic Communications Framework. The draft Work Programme for 2008 captures most of the important issues to be tackled during the year. We nevertheless have some comments regarding prioritisation and a proposal for an additional work item.

More generally, it is vital that the discussions over revision to the Framework do not distract from a continuing focus on the more immediate challenges of ensuring an open and competitive Single Market. BT believes strongly that the economic benefits of competition and choice in the provision of pan-European services are still far from being achieved, and that the IRG/ERG should increase their emphasis on consistent regulatory outcomes. ERG action to improve the provision of services to large business users has particular potential to boost European competitiveness, growth and employment. We therefore suggest adjustment of the exclusive focus on residential consumers that is implicit in the Background section of the draft Work Programme.

Comments on Draft Work Programme

1. Framework review

The Framework review will be a key issue for 2008. We agree with some of the identified priorities including:

- revised market analysis procedure – a common approach is needed to ensure consistent application of the new process, including timescales;
- functional separation – work is needed on best practice, guidance on implementation;
- Commission veto – IRG/ERG should work at identifying a common approach for regulation of access inputs for pan-European / cross-border service provision.
- ‘Soft law’ – guidance should be developed on the regulatory approach to markets which are no longer included in the list within the Recommendation. As most NRAs are understood to have favoured the retention of wholesale Markets in the Recommendation BT suggests that it would be useful for the ERG to reaffirm that its members will continue to analyse these markets, or state the specific indications which would lead them not to analyse them.

2. Further harmonization of the internal market

We agree with the areas identified for further harmonisation, with an emphasis on:

- further work on fixed/mobile termination rates, including the relation between cost-based prices and the possible application of symmetrical and/or asymmetrical conditions;
- monitoring the published Common Positions on Wholesale Line Access and Wholesale Broadband Access and developing Common Positions on relevant regulatory models – including geographic aspects;
- finalising the Common Position on wholesale leased line markets and starting the monitoring of the application of this Common Position.

BT urges the ERG to consider a common position on the need to analyse the market for connectivity for major business customers separately from consumer and SME markets given the different economies of scale and density available to business suppliers.

3. Response to emerging challenges on the market

On NGN/NGA we would encourage IRG/ERG to monitor best practice and develop recommendations on industry consultation.

Regarding convergence, we support further analysis of the challenges posed, with a focus on the potential for new forms of bottleneck and leverage emerging outside the traditional area of network access.

In line with our above-mentioned comments on services for large business-users – particularly those with pan-European operations - BT would also highlight the need for an additional work item in this area. Large businesses face increasing pressure to ensure that employees are able to interact with enterprise IT applications anywhere and at anytime. In other words, workers need mobile as well as fixed access to their company systems. Converged platforms for this purpose can be readily supplied to firms operating on a continent-wide basis in the United States. However, construction of similar platforms covering the European Union is currently impossible since provision of the necessary wholesale inputs in most cases depends on the existence of regulated access, which has been mandated by regulators in only a small minority of Member States.

Against this background, BT would suggest that the ERG needs to undertake a joint analysis of the *transnational* market for wholesale mobile access.