

The Business Operators Alliance Comments on the IRG/ERG Draft Work Programme 2009

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About the Business Operators' Alliance

The Business Operators' Alliance comprises companies that provide value-added communications services to Europe's multinational companies, assisting them in deploying the high quality ICT services and processes which are key to their competitiveness. The signatories of this position paper are, in pure alphabetical order, AT&T (www.att.com), BT Global Services (www.btglobalservices.com), Cable & Wireless (www.cw.com), (COLT (www.colt.net), Global Crossing (www.GlobalCrossing.com), Orange Business Services (www.orange-business.com), TDC (www.tdc.fi www.tdc.com) and Verizon Business (www.verizonbusiness.com).

Services provided by Alliance Members are also known as Global Telecommunications Services or GTS¹. GTS customers have specific needs that are fundamentally different from the needs of residential users:

- First, each business customer operates out of multiple locations, across multiple countries. All these locations need to be connected and to be able to communicate with each other;
- Second, in order to rationalise the management of their communication requirements and to minimise transactional costs, business users in the EU tend to procure their communication needs from a single provider able to provide the full range of services they need;
- Third, business users regard communication services as a key production input performing mission-critical functions. Accordingly they demand highly reliable, scalable, consistent, customised services, with highly negotiated contractual terms & conditions, so that IT applications can work effectively across different sites

Whether in the financial services sector, ICT, logistic, e-commerce, manufacturing, petro-chemical or retail sector, all multinational business customers rely on cross-border communication services to increase efficiency, improve productivity, manage supply chains and compete on global markets. At present, however, European markets for GTS providers are fragmented by diverging regulatory environments in the Member States.

Our perspective on the ERG/ IRG 2009 Work Plan

The Business Operators Alliance welcomes the opportunity to comment on the ERG-IRG Draft Work Programme 2009. In the consultation on the Draft Work Programme, the ERG – IRG invites stakeholders to propose additional new work items in order to adapt regulation to the changing market environment. For the reasons described below, the Business Operators Alliance proposes that a new ERG-IRG work stream should be created to address the authorisation

¹ The GTS market has been defined by the EC as follows: "Global telecommunications services" are telecommunications services linking a number of different customer locations, generally in at least two different continents and across a larger number of different countries. They are generally purchased by multinational companies with presence in many countries and a number of continents. The services provided are enhanced services – going beyond the provision of simple services such as basic voice and fax to provide customers with package solutions including virtual private networks for both voice and data services and enhanced functionalities.



at&t



Global Crossing



verizon business



orange

Business Services



arrangements and associated compliance obligations that apply to pan-European providers of services to business customers.

The Alliance members also support the joint Work Plan consultation response that is being submitted in parallel by ECTA, EVUA and INTUG. Formulation of the Common Position identified in this response is the most valuable step that the ERG can take during 2009 to improve provision of service to large business customers..

Improved authorisation arrangements for Global Telecommunications Services (GTS)

However, the ERG-IRG also needs to examine current national authorisation arrangements for GTS which are unduly burdensome. The European Commission recognises GTS as a cross-border or pan-European product, yet under the current system a GTS provider must comply with the individual authorisation requirements of each Member State in order to provide a pan-European service. The authorisation regimes and associated compliance obligations vary significantly across Member States. Complying with 27 different General Authorisation regimes consequently represents an unnecessarily onerous barrier to doing business in the Single Market.

Our specific recommendations on authorisation arrangements

- The ERG - IRG should establish a working group to review the current authorisation arrangements for providers of GTS and other cross-border services, and to prepare recommendations for improving the harmonisation of those arrangements across Member States.
- The emphasis should be on streamlining authorisation arrangements and keeping associated compliance obligations to a minimum,
- Specifically, there should be a re-examination of the sound policies behind the formerly-used concept of a Closed User Groups exemption from service authorisation, and that the concept should be modified to align with the definition of GTS.

We urge the ERG - IRG to address the issues raised in this paper and those raised in the ECTA, EVUA and INTUG as a new and additional priority in the 2009 Work Programme.. Strengthening and harmonising regulation across the internal market for GTS will improve clarity and certainty for investment and can be achieved without undermining the flexibility of the Framework to address the different national market situations that arise in the Member States. The Business Operators Alliance commits to supporting and contributing to any ERG-IRG initiative in this area.

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