



## **BT proposals for ERG 2009 Work Programme**

### Background

BT agrees that the telecoms sector is in state of transition which will continue during 2009 but while some market situations are fast-changing there are many where access bottlenecks will persist, hence continued focus on rigorous market analysis and enforcement of remedies should be an essential part of the ERG remit.

A key area of focus should be the need to analyse the different market characteristics of business and residential customers, and the need for a separate analysis of wholesale local connectivity markets for business customers.

### Framework Review

BT believes the ERG should concentrate on achieving effective and consistent implementation of remedies, particularly in relation to cross-border pan-European business services.

### NGN/NGA

ERG needs a major focus on this area during 2009 including:

- Pro-competitive principles ensuring a fair return on investment;
- Balanced approach to remedies including availability of active remedies;
- Encouraging competitive access principles;
- Developing proposals to maximise regulatory certainty beyond individual market review periods without foreclosing competition;
- Guidelines on migration plans and industry consultation.

### Dynamic and Differentiated Regulation

ERG should focus on the need for rigorous analysis and consistency in application of sub-national market definitions or remedies.

The presence of one competing network is not enough to justify deregulation. The UK Wholesale Broadband Access market review demonstrates the complexity of such analysis - even the higher number of 'principal operators' identified by Ofcom was not set as an arbitrary threshold but formed part of a more detailed analysis of direct and indirect constraints on incumbent behaviour.

As well as making sure geographic segmentation is not mis-used to deregulate where not justified by market circumstances, we also believe it is of critical importance to review the wholesale market for local connectivity markets for business customers.

#### Other issues

Convergence: ERG should continue to monitor Fixed/Mobile convergence as well as broader telecoms/media convergence.

Harmonisation: We believe the ERG should take a more active role in comparing national regulatory approaches and promoting best practice.