Body of European Regulators for Electronic Communications

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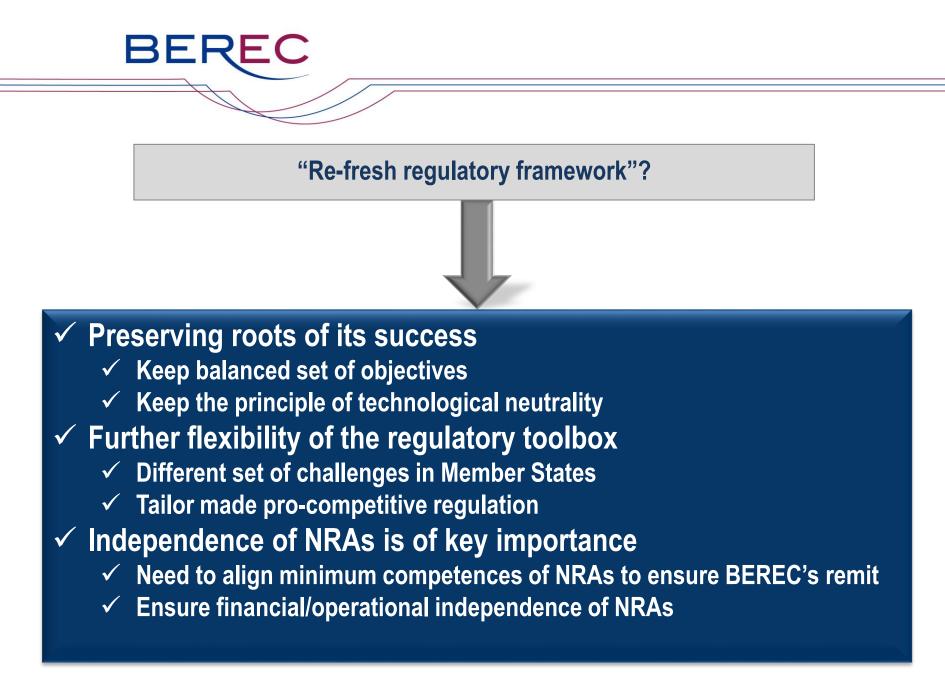# Some BEREC views on the review of the Telecoms Framework in Europe

Wilhelm Eschweiler, BEREC Chair 2016

INTX International Lunch Series: Europe
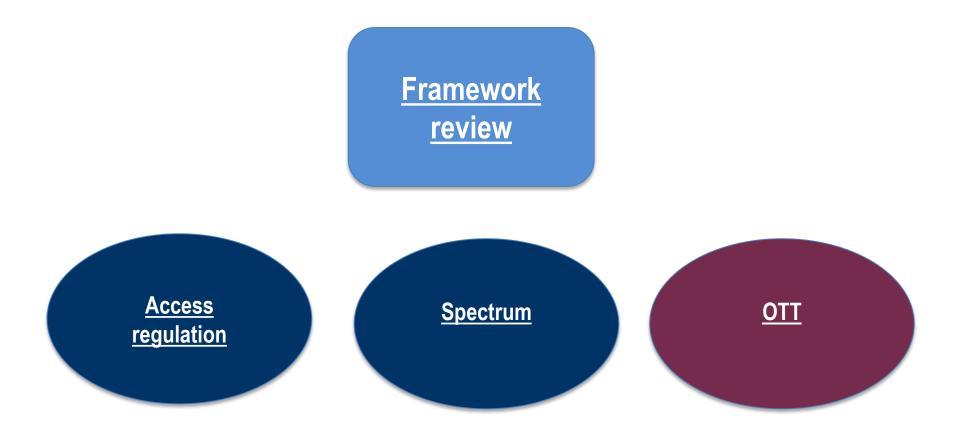
17 May 2016, Boston

Starting point:
Current Regulatory framework
& its instruments have proven successful & effective

- balanced set of regulatory objectives and principles

- Regulatory toolbox

- Independence of NRAs

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"Re-fresh regulatory framework"?

- ✓ **Preserving roots of its success**
  - ✓ **Keep balanced set of objectives**
  - ✓ **Keep the principle of technological neutrality**
- ✓ **Further flexibility of the regulatory toolbox**
  - ✓ **Different set of challenges in Member States**
  - ✓ **Tailor made pro-competitive regulation**
- ✓ **Independence of NRAs is of key importance**
  - ✓ **Need to align minimum competences of NRAs to ensure BEREC's remit**
  - ✓ **Ensure financial/operational independence of NRAs**

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Key issues Framework Review

Framework review

Access regulation

Spectrum

OTT

Access Regulation (1)

- **Effective competition will remain key to incentivise investment**

- **Mix of different instruments needed**

- **NRA flexibility to choose most adequate instrument**

  - **Best technological solution**
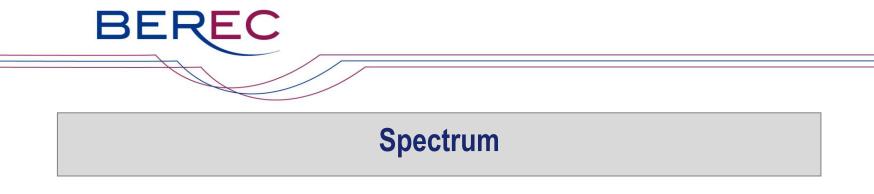
  - **Best model of competition**

Access Regulation (2): investment incentives

- **Effective competition drives innovation and investment**
- **Regulatory environment to remain open to competition**
    - Large number of telcos across EU EEA:
        - *increasing market shares of altnets*
        - *decreasing market shares of incumbents*
    - Investment in broadband networks (period 2006-2015) :
        - *xDSL subscriptions 70%*
        - *cable 18%*
        - *FTTH/B emerging*
    - Variety of offers: *telecoms services, fixed voice, internet access services, mobile data, mobile voice*
    - Decreasing prices for consumers
- **EU framework includes flexibility, i.e. regulatory toolbox to find best technological solution and best model of competition**
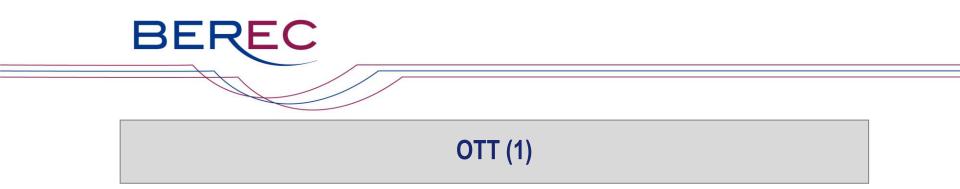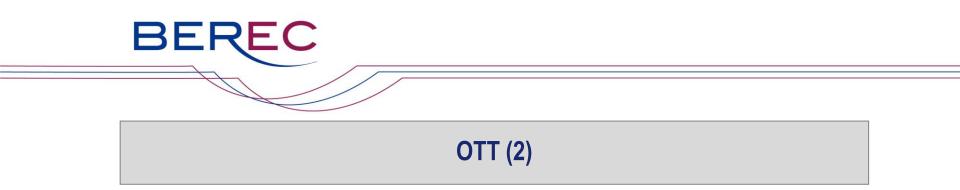
Access Regulation (3): oligopolies

- **Adapt regulatory toolbox to market changes**
- **Significant M&A activities in Europe leading to oligopolies:**
  - **Market structure changing mostly from 4 to 3 players**
  - **Mostly mobile markets, e.g. mergers AT, IE, DE, and ongoing case in UK**
- **Why are we concerned?**
  - **Less players**
  - **Less competitive pressure**
  - **Less competition: price increase, decreasing variety of offers**
- **What could we do when there is a need?**
  - **Symmetric regulation**
  - **Monitor market conduct and intervene in case of need**
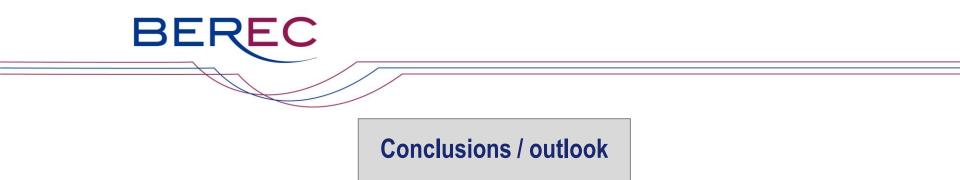
Spectrum

- **European and global coordination**
  - is essential regarding spectrum for electronic communication services
  - is already a reality
- **Evaluate existing extensive tools to harmonise spectrum for electronic communications services, set timelines for the availability and enforcing (Problems? If so how to tackle?)**
- **Spectrum essential input to achieve EU connectivity targets**
- **Further (top down) harmonisation bears risks resulting in inefficient use of spectrum**
- **Instead promoting harmonised approaches to spectrum management bottom-up with best practices**

OTT (1)

- **Provision of internet-based services (OTTs) of increasingly importance and of great value for consumers/businesses**

- **Boundary between traditional telecom services and content services becomes more and more blurred**

- **NRAs role to monitor market developments (impact of new players/business models) on telecom markets**

- **Future scope of framework needs to be carefully considered in order**
    - **to keep pace with the current technological developments**
    - **to ensure competitive dynamics and adequate consumer protection**

OTT (2)

- **Clear focus on "OTT-1" services which potentially compete with /are considered to be substitutes to electronic communications services**

- **"Level playing field" – careful assessment required**
  - **reason to reduce the scope of regulation?**
  - **reason to increase the scope of regulation?**

- **On-going BEREC "rule by rule assessment" in the light of policy objectives and proportionality**

Conclusions / outlook

- **Framework review is a chance for reflection ahead**

- **BEREC ready to deliver and to provide its input**

- **Key to retain independence of BEREC to maintain regulatory expertise**

- **BEREC's rootedness in independent NRAs must remain at the heart of regulatory system**

- **Current BEREC work focusing on key framework review issues inter alia access regulation, spectrum and OTT issues**

- **Transatlantic dialogue important to learn from each other**

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Many thanks for your attention!

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http://berec.europa.eu