

Regulatory Framework and its trends

An EU Perspective

Andreas Geiss

Deputy Head of Unit – Spectrum

*Directorate General for Communications Networks, Content and
Technology (DG CONNECT), European Commission*

- EU Regulatory Framework related to spectrum
- European developments and trends
- Commission Proposal for a Regulation to complete the Single Market for electronic communications (spectrum parts only)

EU Spectrum Policy Setting

- **Radio Spectrum – increasingly important in socio-economic terms**
 - ✓ **wireless applications & services pervasive through society**
 - ✓ related **markets** – typically transnational if not global
 - ✓ spectrum availability and management → **growth & competitiveness**
- **Spectrum is managed at national level (28 States)**
 - ✓ allocation, assignment, monitoring usage
- **EU coordination where EU interests are at stake**
 - ✓ **internal market** (economies of scale, interoperability)
 - ✓ **sector policies** (broadband, transport, health, environment, space)
 - ✓ **public services** (broadcasting, PPDR)
 - ✓ **efficient spectrum use** to maximise benefits at EU level
 - ✓ **coordination of EU position** in **international negotiations**

Existing EU framework on spectrum

- Radio Spectrum Decision (2002)
 - **Successful model of cooperation with the Member States in Radio Spectrum Committee**
 - **Binding Implementing Decisions that designate spectrum and harmonise technical conditions**
 - **EC – CEPT cooperation through Mandates**
- Radio Spectrum Policy Group (2002)
 - **High-level strategic advice from the Member States**
 - **Opinions, Reports, "good offices"**

- **Framework & Authorisation Directives (2009)**
 - **Principles of technology and service neutrality**
 - **Spectrum Trading**
- **RSPP(2012)**
 - **Policy priorities in spectrum (2012 to 2015)**
 - **Shared Use of Spectrum (COM(2012) 478)**
 - **Inventory of spectrum use (2013/195/EU)**
 - **Wireless Broadband (1200 MHz, Deadlines)**
 - **Other Sectors (PMSE, PPDR, Audiovisual, etc.)**

European developments and trends

- Europe is falling behind
 - **In 2012 EU telecom sector revenues declined (-1.1%), while US and other markets showed an increase (+5.1% to +5.8%)**
 - **Investments in high-speed networks (e.g. LTE) are not happening fast enough**
- Europe is fragmented
 - **12 national derogations lead to delays in access to the 800 MHz band**
 - **Different assignment conditions (e.g. price, coverage, timing and duration) lead to additional transaction and compliance costs**
 - **Different national rules on network and spectrum sharing create uncertainty**

Commission Proposal for a Regulation

- European Single Market for Electronic Communications and to achieve a Connected Continent
 - Freedom to provide ECS across borders and networks in different MS: Concept of a single EU authorisation
 - Enable access on much more convergent terms and conditions to essential inputs (e.g. spectrum or wholesale access)
 - Build the digital confidence of citizens through harmonised rules on protection of end users
- Benefits extend to the wider digital ecosystem including the sectors of banking, automotive, logistics, retail, energy and transport
- The proposal complements and adapts the existing EU Regulatory Framework
- The proposal does not contain plans for a European Regulator
- This presentation focusses on spectrum aspects of the proposed Regulation only

Summary of provisions on Spectrum

- Scope and regulatory principles
- Relevant criteria to be taken in account for use of radio spectrum
- Harmonisation of authorisation timetables, durations
- Coordination of authorisation procedures and conditions ("Article 7" procedure for spectrum authorisation measures + CoCom)
- Access to radio local area networks
- Deployment and operation of small-area wireless access points
- Radio spectrum coordination among Member States

Coordination of use of harmonised radio spectrum within the EU

- National Competent Authorities to contribute to
 - Convergence of investment and competitive conditions for high-speed wireless broadband communications
 - Enabling planning and provision of integrated multi-territorial networks
- Reconcile regulatory principles when establishing authorisation conditions and procedures for harmonised WBB spectrum
 - End user interest (innovative services, effective competition)
 - Efficient spectrum use and management
 - Predictable and comparable investment conditions (multi-territorial)
 - Necessity and proportionality of the conditions imposed
 - Coverage and penetration of high-speed wireless broadband networks

Authorisation criteria to be considered by national authorities

- Coherence of spectrum portfolios in the Single Market
- Criteria concerning fees
 - Social and economic value of spectrum, including beneficial externalities
 - Immediate vs periodic payments - balance
 - Avoid under-utilisation and foster investment
 - Non-discrimination and equality of opportunity
- Coverage obligations (if "necessary and proportionate")
 - National setting of territorial coverage objectives
 - Pre-existing coverage, burden sharing and reciprocity among operators
 - Consider investment needed (possible link to fees)
- Criteria concerning the promotion of effective competition
 - Competition maintained or achieved in the absence of such measures ?
 - Effect on existing and future investments
- Efficiency and liquidity (transfer and lease including sharing)
- Authorise active and passive infrastructure sharing (if benefits)
- Cancellation, compensation/incentive payments, performance

Harmonisation of authorisation "timetables"

- National Competent Authorities to establish assignment timetables for spectrum harmonised for Wireless Broadband
- Synchronised availability of wireless services within the Union -> EC may adopt **implementing acts**
 - common timetables for the Union as a whole, or for different MS categories
 - minimum licence duration, synchronised expiry and renewal date (except for indefinite duration)
- Criteria to be regarded by Commission for implementing acts
 - variations across the Union in the needs for additional spectrum
 - spectrum needs for integrated networks covering several Member States
 - predictability for existing operators/users
 - the take-up, development and investment cycles, end-user demand
- Exceptions
 - Due regard to any submissions made by MS regarding history of bands, etc.
 - Authorisation before harmonised date allowed ("first movers")

Coordination of authorisation procedures and conditions

- Mechanism similar to "Article 7" procedure in market regulation
- National Competent Authorities to notify draft authorisation measure to other MS and Commission, re harmonised spectrum
- Covers a wide range of possible authorisation conditions, on which Regulation establishes relevant criteria
- Phase 1: Possibility to make comments (take "utmost account")
- If serious doubts -> Phase 2:
 - Cooperation between COM and authority concerned
 - COM may present a draft decision to the Communications Committee (require withdrawal, proposal for amendment)
 - Amendment to be done within 6 months of adoption of such decision (implementing act)

Remove barriers for Wi-Fi and small cells (provision and deployment)

- Access to Radio Local Area Networks (RLANs, e.g. WiFi)
 - General authorisation regime for service provision and spectrum use
 - Allow providers to open of RLAN to public (e.g. Belgacom-FON model) with customer consent
 - Freedom for end-users (no unilateral restrictions by providers or NRAs):
 - Accede to RLAN of their choice (no lock-in)
 - Allow access for other end-users to the provider's network (federated FON-model)
 - National authorities should not restrict provision of access to RLAN on or around premises of public authorities, or federation of such access
- Deployment and operation of small-area wireless access points
 - Deployment, connection and operation of unobtrusive small-area wireless access points allowed under the general authorisation regime
 - No further restrictions, e.g. individual town planning permits
 - Commission may adopt implementing acts defining technical characteristics

Thank you for your attention !

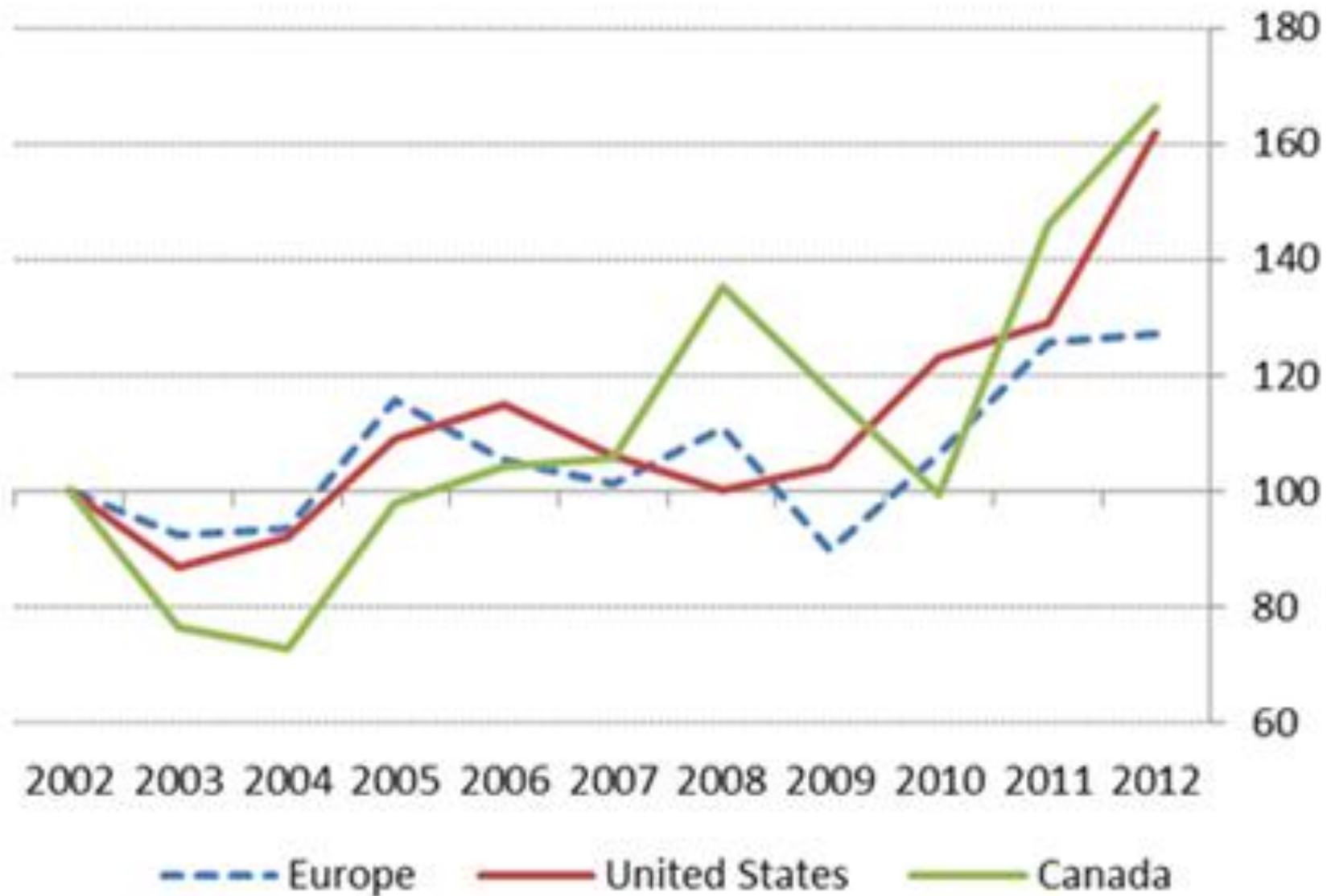
Andreas Geiss
andreas.geiss@ec.europa.eu
DG CONNECT, Unit B4 - Spectrum
European Commission

Additional Information:

<https://ec.europa.eu/digital-agenda/en/connected-continent-single-telecom-market-growth-jobs>

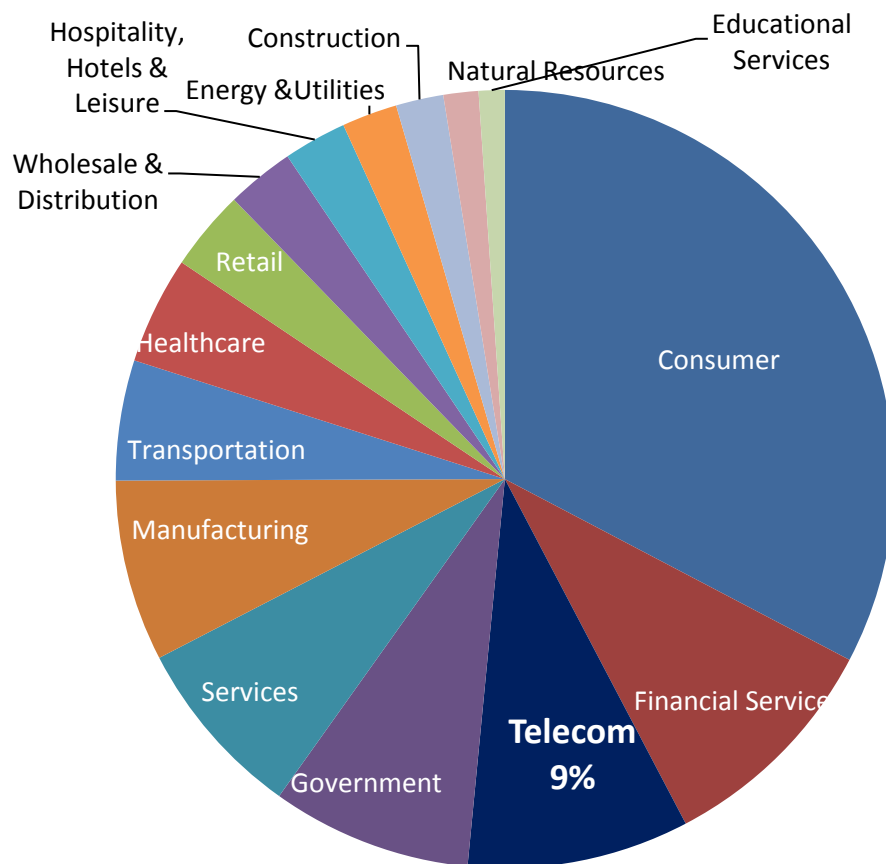
Back-up slides

Investment Trends – Wireless CAPEX (Local currency, 2002 = 100)



Why?

It is not just about telecoms



The whole economy needs the connectivity and ICT

Look where the ICT spending went last year !

A Connected Continent means

Growth & jobs

- 5% on GDP = €1500 per person
- 2 million jobs
- €110 billion GDP growth / year
- €300 billion saving on public services

Better productivity

- Savings from pan-EU telecoms providers
- A secure cloud
- Top-quality videoconferencing
- World-class digital infrastructure
- + 5-6% productivity

Real benefits for citizens

- More choice & more telecoms providers
- End to unfair roaming charges
- A full open Internet
- Easier & more efficient public services

A stronger telecoms sector

- Consistent rules, regulators & remedies
- Cross-border business boost
- Stable, consistent investment climate

Brighter prospects for SMEs & Start-ups

- Operators can't block or throttle bright ideas
- A home market that is fully connected
- Wireless services & gadgets that work perfectly across the EU