

FREE FLOWING
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The way forward

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ECTA Regulatory Conference 2014

Brussels

Where are we going?

CONVERGENCE

- Networks (all-IP)
- Services (bundles massification – n-Play)
- Devices
- Usage



IMPACT OVER:

- Market definition
- Assessment of market power
- Regulatory approaches

Where are we going?

VOICE SERVICES, MESSAGING AND BROADCAST VIA OTT

Threat to traditional business models

VS

partnerships between traditional operators, OTT service providers,
equipment manufacturers and content producers



TRANSITION FROM A HIGH-GROWTH MARKET TO A MASS MARKET

- Market maturity
- Slowdown in growth
- Voice and data price decline
- Increased competition
- Growing user demand and sophistication
- M2M and Internet of Things



- Promotion of **competition to the benefit of consumers**
- Promotion of **efficient investment**
 - ensuring access obligations take account of risk incurred by investors
 - permitting arrangements between investors and parties seeking access to diversify investment risk, whilst ensuring competition and non-discrimination
- Promotion of **innovation**
- Consideration of the conditions in the various geographic areas of MS

Regulation has to be efficient

Role of regulation

Some examples

- **Recommendation on non-discrimination obligations and costing methodologies**
 - Trade-off between cost oriented wholesale access to NGA broadband and non-discrimination obligation (equivalence of access)
 - Investment risk sharing (volume discounts and/or long-term access pricing agreements)

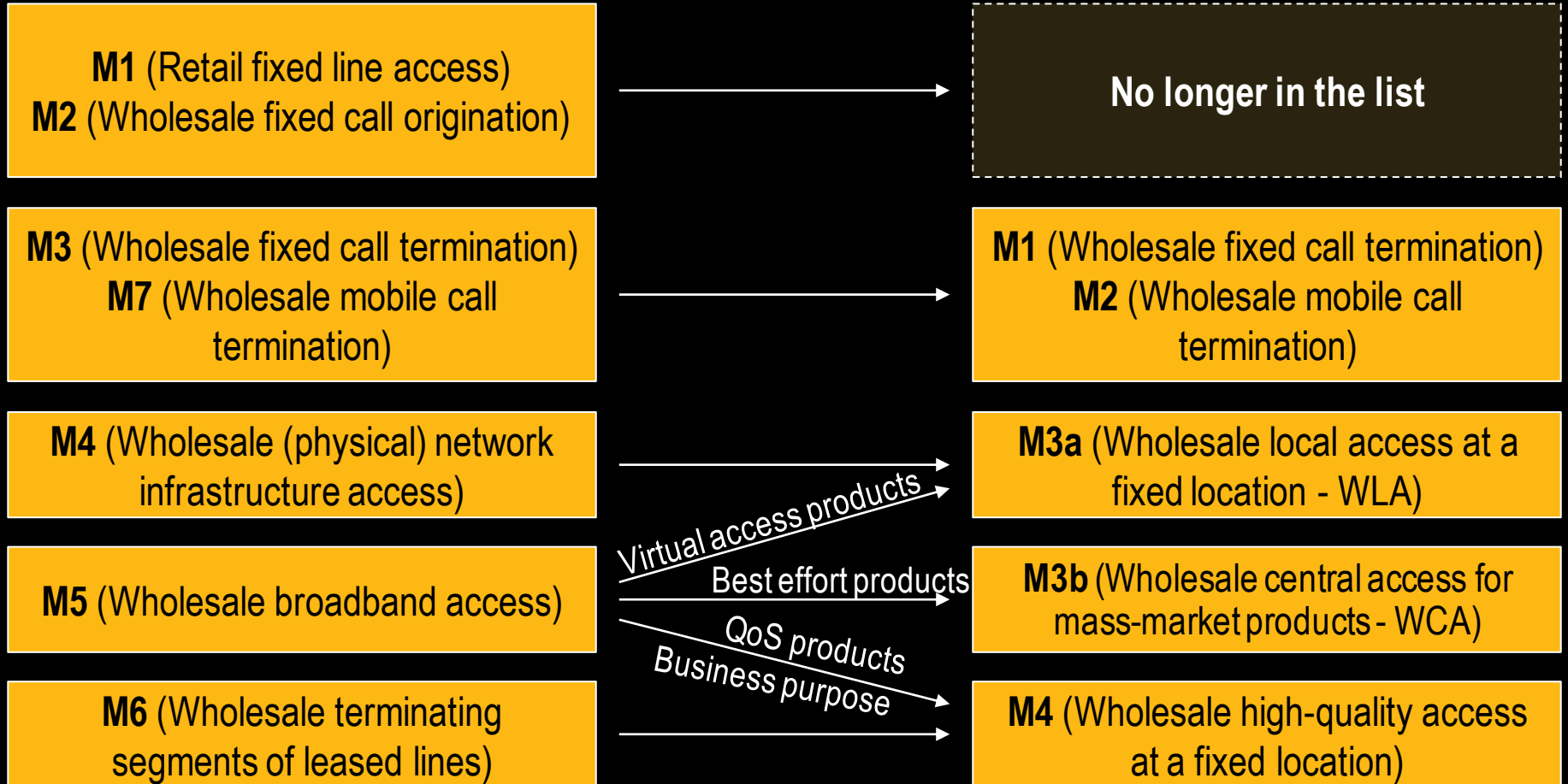
Role of regulation

Some examples

2007

Recommendation on relevant markets

2014





Potential for **competitive pressure** (from other services/technologies) on retail voice services provided over narrowband networks



EC considers M1 and M2 in principle not susceptible to *ex ante* regulation



COM: NRA justify continuing ex ante regulatory intervention at wholesale level for the subsequent review period



NRA must demonstrate that the 3 criteria test is met

- **Previous market definitions, by technology and topology:**
 - Physical unbundling
 - Bitstream
 - Leased Lines



- **New market definitions (M3a, M3b and M4) structured according to:**
 - **Functionality of modes of access**
rather than technological means of deployment
 - **Differences in retail needs**
consumers/SMEs vs corporate users

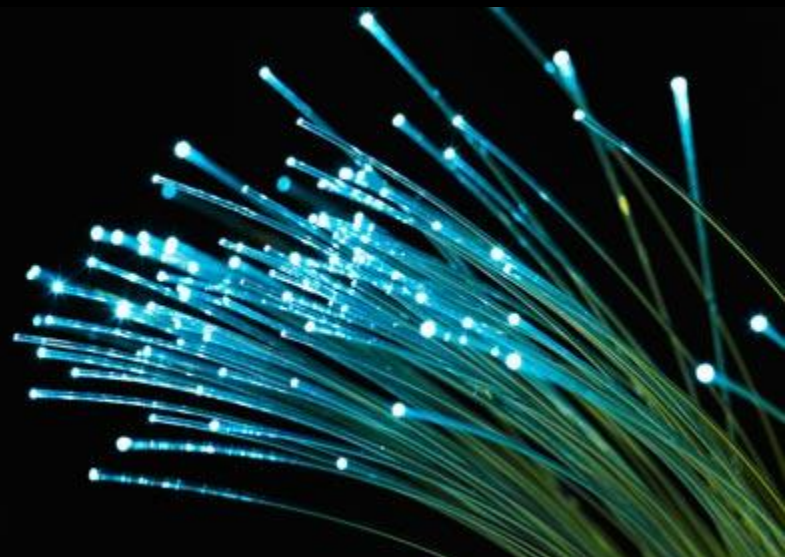
Main BEREC critics (BEREC Opinion, June 2014)

Generally supportive of the draft version, but requested some improvements:

- Differentiate between short and long term competitive conditions
- Clarify horizontal and methodological issues
- Simplify regulatory approach to termination markets
- Wholesale fixed broadband markets: all products providing high-quality access services are not necessarily in the same chain of substitution

EC slightly modified its draft recommendation in response to BEREC opinion

- Outcome of the Connected Continent Regulation process
- Next Framework Review
- BEREC involvement



Thank you