

WORKSHOP

Lisboa
15.01.2008

A Autoridade (EECMA) e os novos poderes da Comissão Europeia



Reform of the EU regulatory framework for electronic communications

ANACOM Workshop: EECMA and new Commission powers

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Telecommunications sector in Europe

2006:

- Overall revenue growth of the sector outpaces growth of the EU economy as a whole
- ICT sector valued at €649 billion
- Investment in telecoms sector at €47 billion
- Value of radio spectrum-dependent services in the EU = €250 billion



Aim of EU regulation

Give users and consumers:

- More choice
- Better quality
- Greater value for money

through

- Competition
- Single market



Current framework

- NRAs given considerable discretion in implementation
- Current framework already recognises:
 - Need for coherent regulatory practice
 - Need for consistent application of regulatory framework
- Role of ERG



Implementation to date – regulatory remedies

- Delays in adopting final measures
- Delay between completion of market analysis and imposition of obligations
- Sometimes level of detail does not offer solid legal basis for investment and market entry
- Lack of consistency



Inconsistency of regulation in the single market

Example:

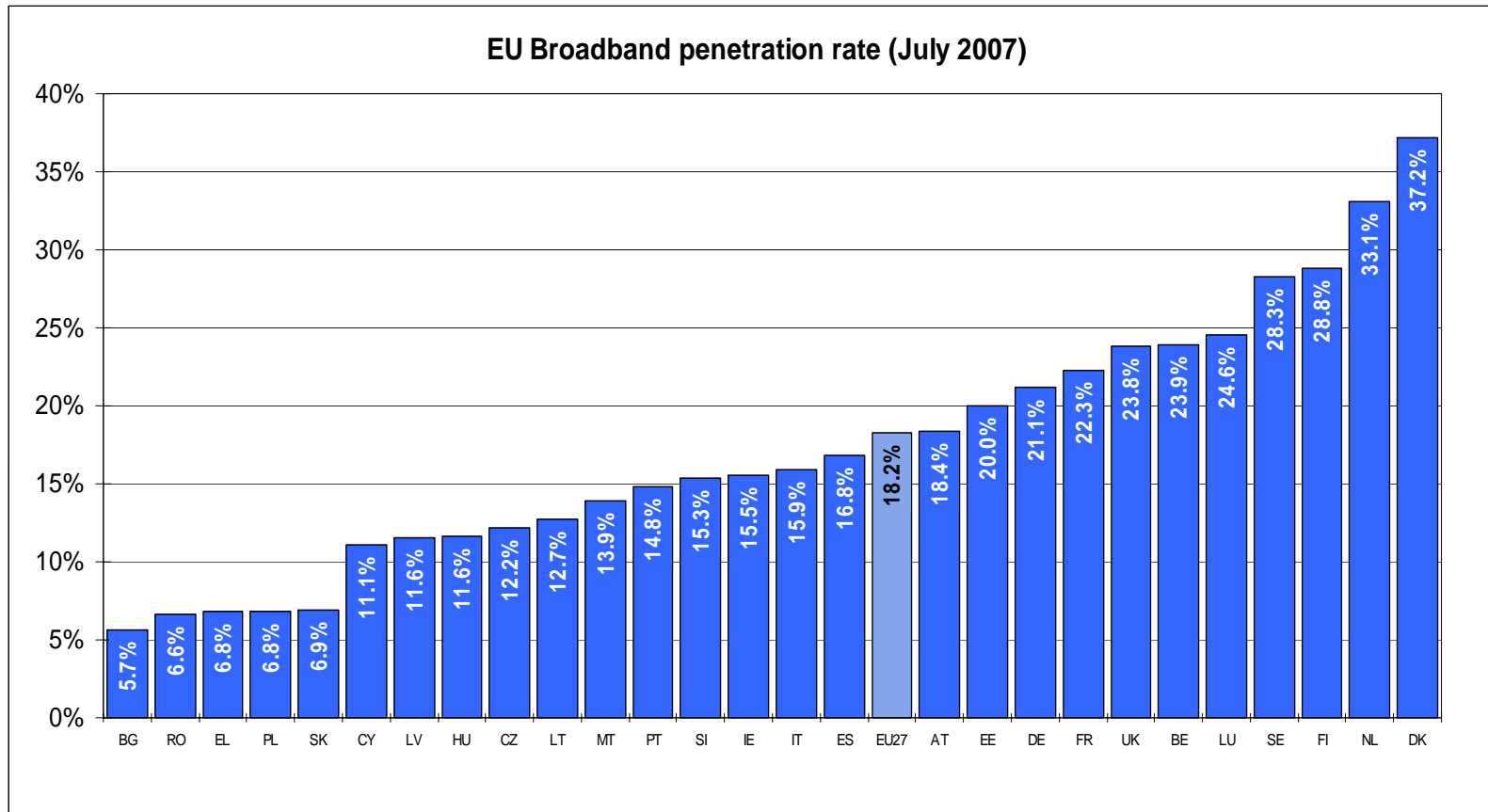
- Choice and granularity of cost-orientation
- Cost accounting methodologies
- Different time-frames and glide paths
- Different degrees of asymmetry

Differences

- Act as extra burden on cross-border / pan-European operators
- Impede completion of single market



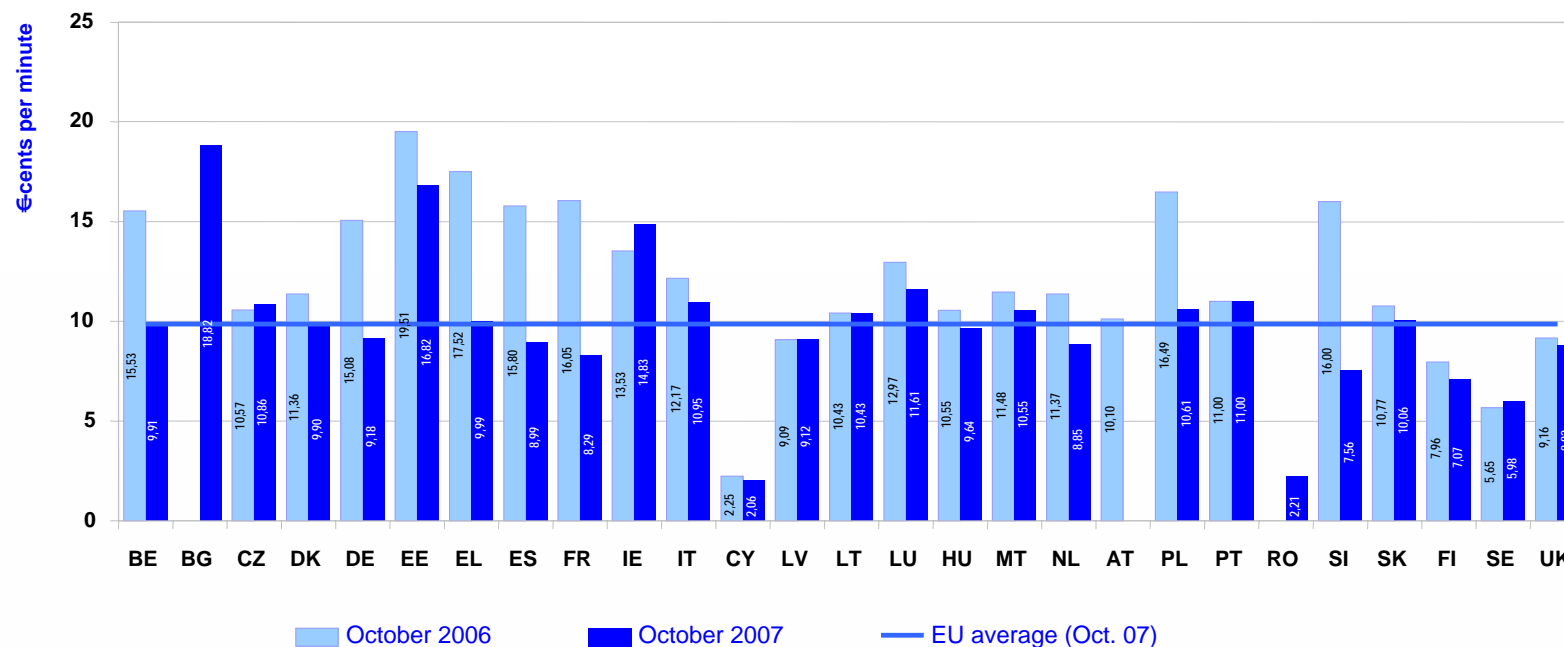
Different levels of roll-out of broadband in Europe



Widely different levels of MTRs

Interconnection charges for call termination on mobile networks (national average)

EU average Oct. 2007: 9,87 €-cents



Main proposals for change

- Strengthening consumer rights
- Promoting the wireless economy
- Reinforcing national regulators
- A new European Authority



Strengthening consumers' rights

- Pricing & supply conditions
- Number portability
- Network and information security
- Emergency access via «112»
- eAccessibility



Promoting the wireless economy

- New approach to spectrum management

Making it easier to get spectrum and use it



Spectrum management

- Apply principles of technology and service neutrality
- Designate bands where EU wide spectrum trading would apply
- Encourage licence-free spectrum use
- Harmonisation of authorisation conditions for pan-European services
 - common procedures for selecting suppliers

Reinforcing national regulators

- A new remedy - functional separation
- Stronger safeguards for NRA independence
- More powers & resources



Independence of NRAs

- NRA not to take instructions from any other body (except courts or appeal bodies)
- No arbitrary dismissal of the Head of the NRA



Powers and resources of NRAs

- Member States may empower NRAs to impose financial penalties
- Member States to ensure that NRAs have adequate financial and human resources



New Commission powers

Article 7(4):

- Commission decision requiring withdrawal of draft measure
 - Definition of relevant market
 - SMP designation
 - Regulatory obligations on operators



New Commission powers

Article 7(8)

- Where draft measure amended
 - Commission may take decision requiring NRA to impose a specific regulatory obligation



A new European Authority

- Working with national regulators to achieve consistent EU best practice
- Facilitating the roll-out of pan-European services
- Incorporating tasks currently undertaken by the European Regulators Group (ERG) and the European Network & Information Security Agency (ENISA)



EECMA

- Administrative board
 - 12 members (6 Council, 6 Commission)
 - 2/3 majority voting
 - Appoints senior officers
 - Adopts work programme
 - Reports to Council, EP, ESC, CofA
- Board of regulators
 - Opinions to Director re opinions, recommendations, decisions
 - Simple majority voting

EECMA

- Director
 - Independent
 - Removal only on decision by Administrative Board, with $\frac{3}{4}$ majority, after consulting Board of Regulators
- Chief network security officer
 - Reports to Director
- Permanent stakeholders' group
- Board of appeal

EECMA

- Assists Commission in e-communications matters, including NIS, with impact on internal market
- Expert advice
 - in context of Art 7 procedure
 - common conditions for rights of use of spectrum
 - selection of undertakings for cross-border services
 - numbering, 112 and e-Accessibility

EECMA - status

- Own budget
 - Financed by Community budget + charges
 - Autonomy and independence
- Legal personality



EECMA – single market tasks

- Opinions on draft NRA measures on market definition, SMP designations, imposition of remedies
- Identification of trans-national markets
- Opinions, including draft measures, on national markets where analysis not completed by NRA



EECMA – single market tasks

Harmonised application:

- Numbering/number portability
 - Decisions on rights of use for numbers in ETNS
 - Tasks re harmonised number ranges
- 112
- Advice on use of frequencies
- Common selection procedures for rights of use
 - Identify crossborder services benefiting from single procedure for numbers / frequencies
 - Identify numbering ranges / limitations on rights of use
 - Identify selection procedures
- Propose undertakings after carrying out common selection procedures
- Improvement of disabled access
- NRA measures under AD Arts 5 and 8(3)



EECMA – additional tasks

- Recommendations on cross-border disputes
- Exchange of information and best practice
- Register on use of radio frequency
- Register on roaming prices
- Reporting on eCommunications market



Conclusions

EECMA

- Intended to carry forward regulatory consistency in Single Market
- Based on existing structures
- Interface between Commission, NRAs and market players
- Opinions and advice to Commission
- Limited decision-making powers



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