

# **Economic and Social Benefits of providing business users with an EU Single Market for Telecoms**

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# EC Proposal Headlines

- **Simplifying EU Rules for Telecom Operators**
- **Pushing Roaming Premiums out of the market**
- **No more international call premiums within EU**
- **Legal protection: Open Internet (net neutrality)**
- **New consumer rights, harmonized across EU**
- **Coordinated spectrum assignment**
- **More certainty for investors**



# Communications: The Business

- **Not just large, international companies**
  - also SMEs, professional ICT users
- **This business market is undefined**
  - needs special measures and attention
- **Business investment, innovation, value creation needed**
  - comes from service-based competition
- **Infrastructure-based competition inefficient investment**
  - focused on cost reduction/coverage
- **Fragmented international mobile market**
  - this hinders on-line cross-border business processes



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# Communications: The Business

- **Business grade symmetric broadband connectivity**
  - not a priority for service providers, so a headache
- **Europe should lead in eliminating roaming charges**
  - regional NRA collaboration, e.g. S America, globally
- **Net neutrality is critical for extended supply chain**
  - third party access uses variable access operators
- **Differentiation not discrimination**
  - transparent traffic management
- **Business users need more confidence in cloud**
  - data privacy, security, protection



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# Communications: The Business

- **Data retention and software escrow needed**
  - **contractual terms to be harmonised and manageable**
- **International Mobile Virtual Network Owners needed**
  - **can provide value-added services we need**
- **Regional regulation supports harmonisation**
  - **provides a simpler predictable business environment**
- **Internet of Things (IoT), Machine to Machine (M2M) key**
  - **many of the current national MNO models unsuitable**



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# BEREC Comment/INTUG

- **EC has not adequately demonstrated proposals generate value in Communications markets**
  - aim is generating value in overall economy not in comms market
- **May not be possible during the remaining legislative term**
  - it may be possible to drop some parts but if there is a political desire, it should be made possible
- **Broadband speeds and prices are better than the US**
  - maybe, depends on definitions, US always argues that comparisons misrepresent the US due to service bundling
- **3G Quality/coverage better in EU than US with more LTE operators**
  - only by aggregating coverages nationally, ignoring fragmentation
  - no use without national roaming



# BEREC Comment/INTUG

- **Four main European mobile operators have over 60% market share**
  - only by aggregating their business in different countries but no relevant international market definition
- **EEA relevance overlooked**
  - no difficulty in adoption of other EU regulation when it suits them
- **Global competitiveness is a new regulatory objective**
  - **Good! This is an excellent objective!**
- **The proposals undermine principle of infrastructure competition**
  - **Good! We want service based competition**
- **Centralises regulation of national markets**
  - **Good! We want EU harmonisation and international markets**



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# BEREC Comment/INTUG

- **Single notification heavy burden, confusing if withdrawal needed**
  - probably rare and unlikely event
- **Home and host NRA responsibility complex**
  - offer the option of choosing BEREC as the host or home NRA
- **Veto power over remedies overrides Article 7/7a procedure**
  - quicker, more efficient (BEREC sometimes rules against NRA)
- **Article 7 for spectrum bureaucratic and complex**
  - emerging current bubble on auctions needs attention
- **Simultaneous synchronised auctions could make participation harder due to capital demands**
  - could reduce cost operators have to pay in each country!





# BEREC Comment/INTUG

- **Net neutrality recommendations are unfocused and incomplete**
  - fair comment but then this is a globally unresolved debate
- **Right to access would be hard to enforce**
  - best performance for Internet Access Service is not enough
- **Consumer protection measures might slow Europe down**
  - worth it if delivers consistency and alignment with US
- **Roaming recommendations unpick Roaming III and undermine commitment to decoupling**
  - No, they're a longer term vision reinforcing the end game



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# BEREC Comment/INTUG

- **No regulatory obstacle to bilateral/multilateral agreements now**
  - but as they are a cartel they don't and won't happen
- **Nothing to stop operators raising prices elsewhere**
  - true and they have done so, e.g. on international calls, ex-EU
  - pushing OECD/ITU to eliminate roaming charges everywhere
- **3 year troika chair, reduced vice chairs erodes BEREC system**
  - Commission(ers)/President serve longer
  - would help stability and long term direction



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