

TELECOM REFORM
<http://ec.europa.eu/ecomm>

European Commission
Information Society and Media



TELECOM REFORM
<http://ec.europa.eu/ecomm>

November 13, 2007

TELECOM REFORM
<http://ec.europa.eu/ecomm>

Why is the telecoms sector so important for Europe?

- 2% of the EU economy (GDP)
- Overall revenue growth of sector outpaces growth of the EU economy as a whole
- In 2006 the ICT sector was valued at €649 billion
- In 2006 investment in telecoms sector was €47 billion
- Value of radio spectrum-dependent services in the EU is €250 billion

November 13, 2007



Why is there an EU responsibility for the telecoms sector?

- **Jose Manuel Barroso:** “Airwaves know no borders. And the internet protocol has no nationality.”
- **UNICE,** for industry: “The current system has not delivered a true internal market”.
- **BEUC,** for consumers: “Because of the sluggish, sometimes incoherent implementation of the framework by national regulatory authorities, we would welcome any procedural reform that would speed up and improve implementation.”
- **A Voice over IP-provider:** “It is very difficult to implement pan-European strategies and commit to cross-border investment when national regulatory authorities rules vary so widely.”

November 13, 2007



Main Proposals for Change

- Significant deregulation of markets
 - 50% reduction in regulated markets
- More choice through more competition - reinforced tools for regulators
 - e.g. Functional Separation
- Promoting the wireless economy
 - better radio spectrum management
- A European Authority – working towards a single market in telecommunications
- Strengthening consumer choice

November 13, 2007



Regulate less, but more effectively

- 7 regulated markets instead of 18
- Focus on key bottlenecks
- Better and faster remedies
- Stronger and more independent national regulators

November 13, 2007

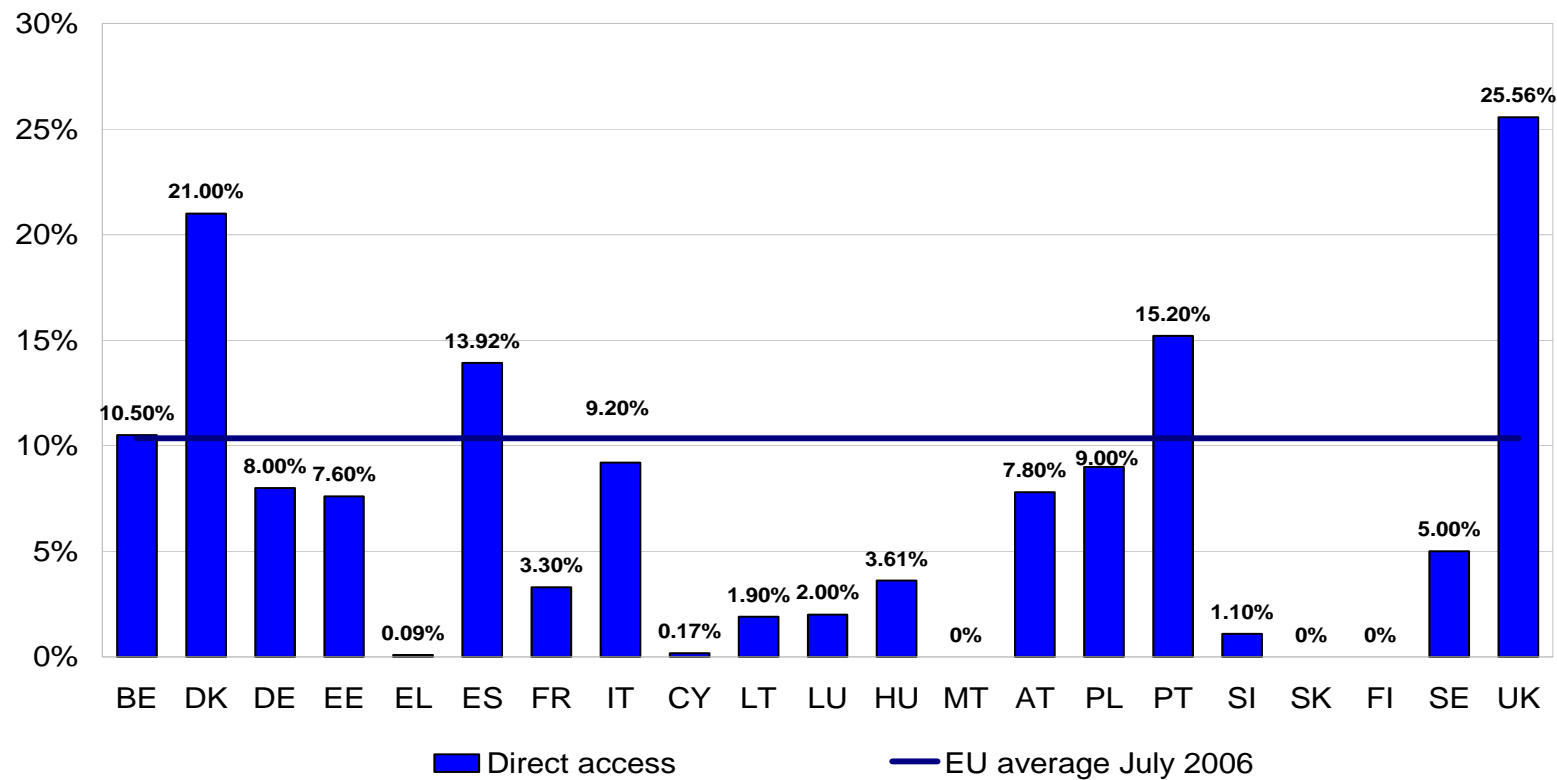


European Commission
Information Society and Media



Remaining competition bottlenecks in the telecoms sector (I)

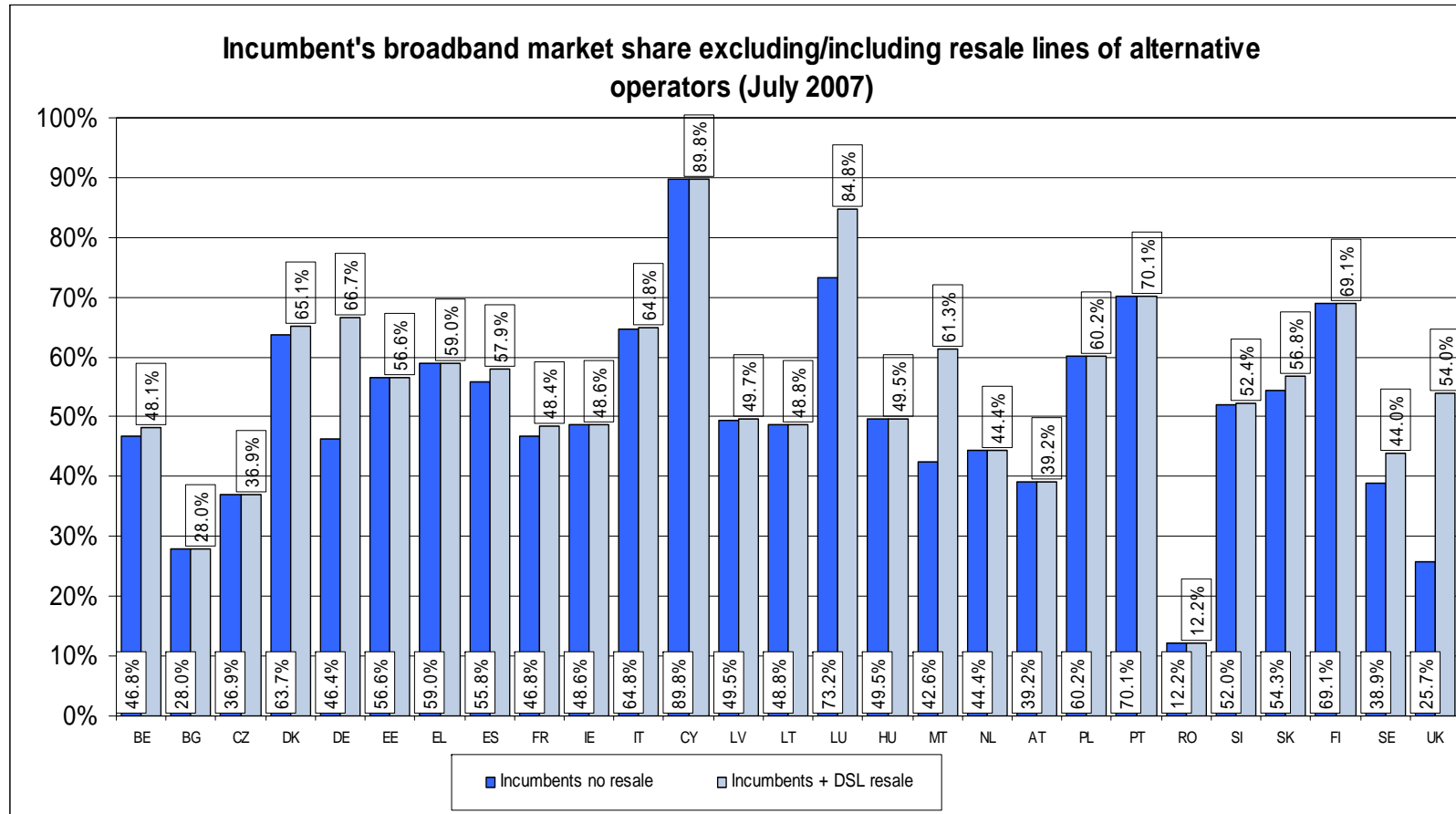
Subscribers using an alternative provider for direct access, July 2006



November 13, 2007



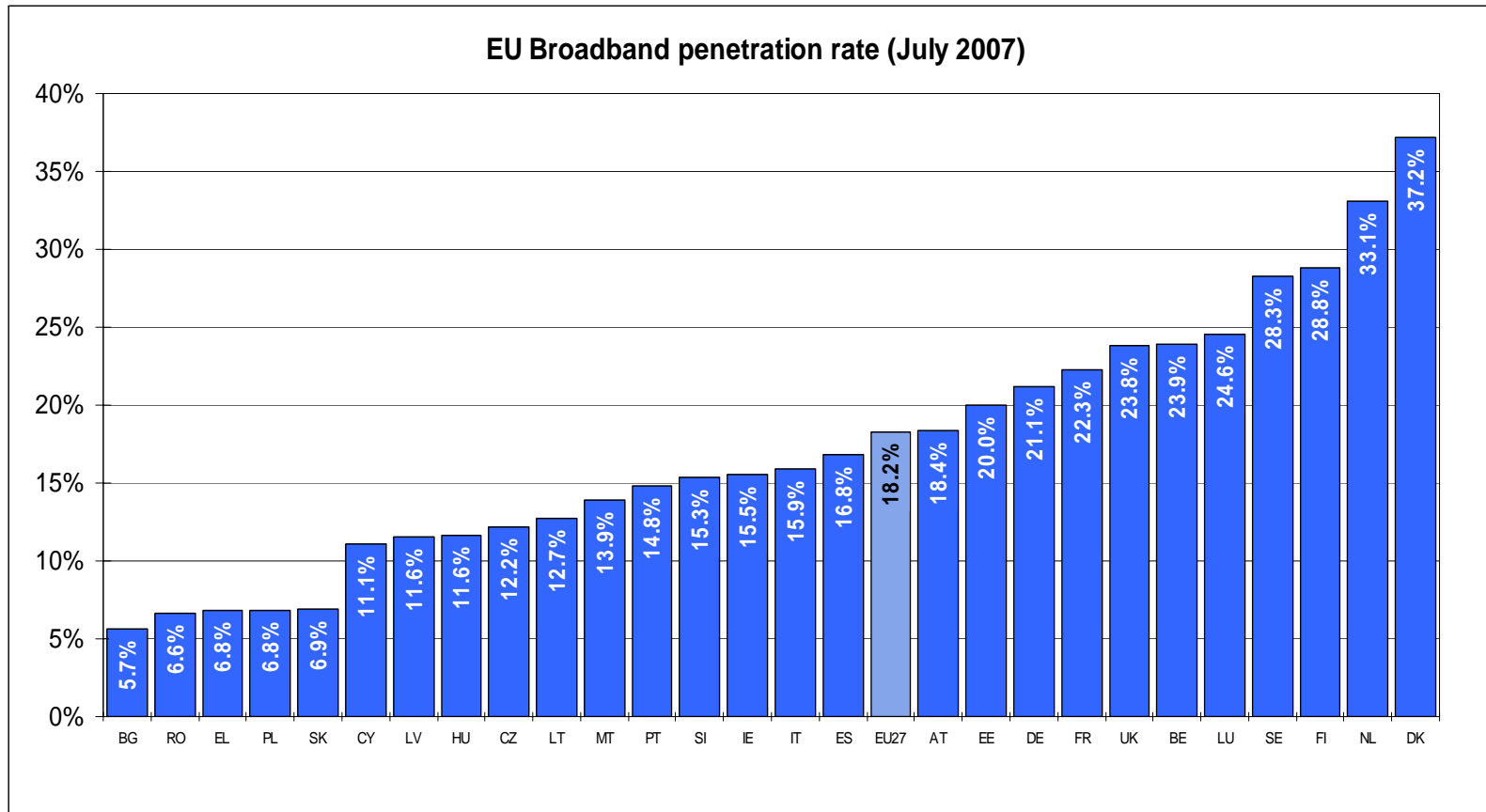
Remaining competition bottlenecks in the telecoms sector (II)



November 13, 2007



Good regulation drives competition and investment



Functional Separation

- An additional remedy for national regulators to use where justified, to ensure equal treatment for operators
- Separate management of an operator's infrastructure and retail operations; does not imply 'ownership unbundling'
- Stimulates competition by ensuring fair and equal access to bottleneck network assets

November 13, 2007



Promoting the wireless economy

- Ease access to spectrum
- Strengthen principles of technology and service neutrality
- Designate bands where EU wide spectrum trading would apply
- Encourage licence-free spectrum use
- Harmonisation where appropriate to create a level-playing field
 - harmonisation of authorisation conditions and common selection for pan-European services

November 13, 2007



Digital Dividend: Reaping its full benefits at EU level

- Transition from analogue to digital TV before 2012 will make fresh spectrum available
- Unique opportunity to boost broadcasting and wireless sectors, e.g. HDTV, wireless broadband to help bridge the digital divide
- Dividend to offer substantially more benefits if coordinated at EU level - “Common bands” for a wide variety of networks and to stimulate innovation

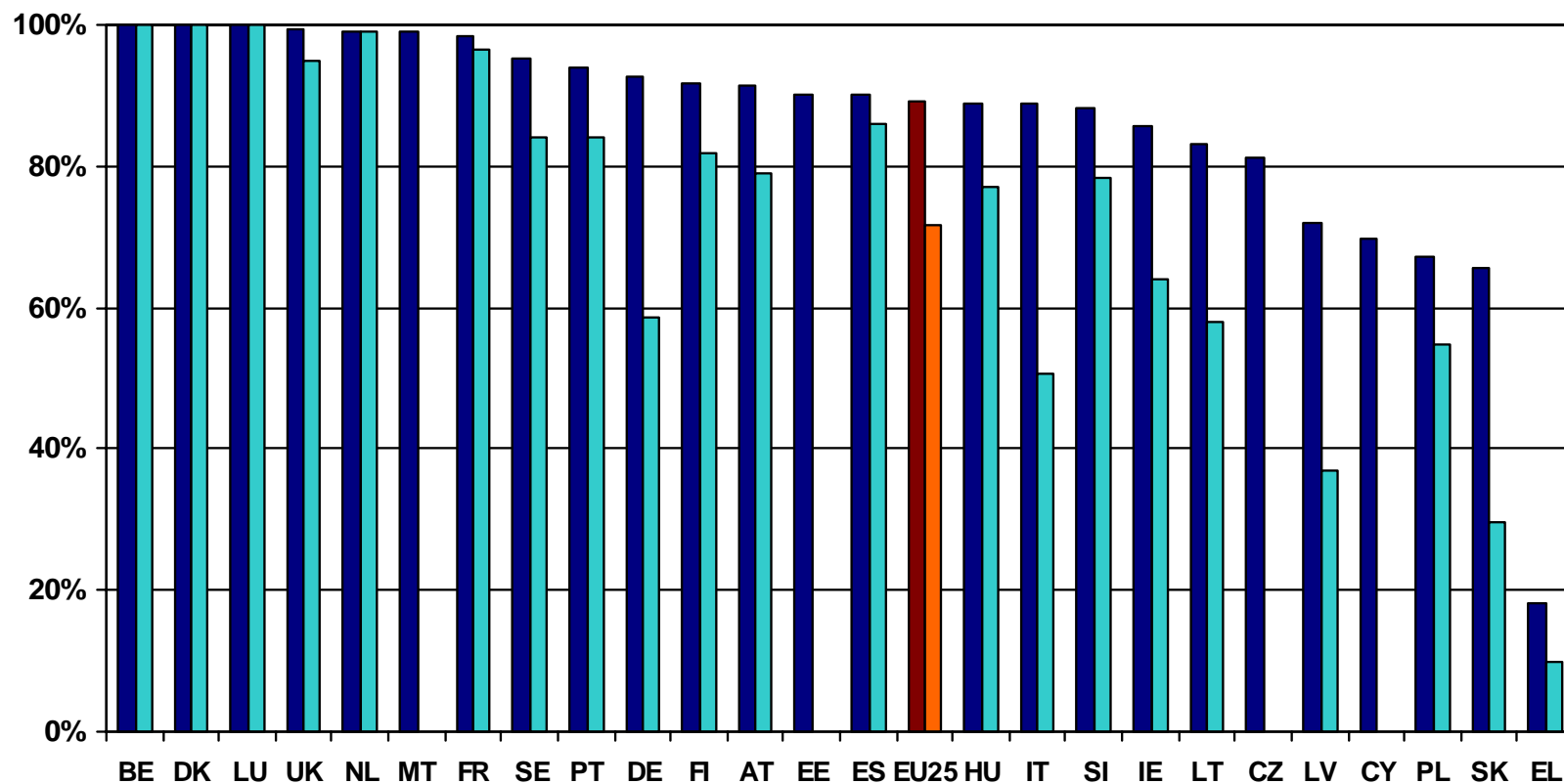
November 13, 2007



European Commission
Information Society and Media

Too many white spots on Europe's broadband map

Coverage of DSL networks as % of population



European Commission
Information Society and Media

November 13, 2007

■ National

■ Rural



A single market for telecoms

- 2 single market issues:
 - **Making trans-national and pan-European telecoms services possible** e.g. mobile communications on board aircrafts
 - **Overcoming inconsistency of telecoms regulation**, e.g. mobile termination rates differ substantially starting from 2.25 eurocents per minute in Cyprus and rising to 16.49 eurocents in Poland

November 13, 2007



European Commission
Information Society and Media

A European Telecom Market Authority

- Working with national regulators to achieve consistent European best practice
- Facilitating roll-out of pan-European services
- Incorporating the tasks of the existing European Network and Information Security Agency (ENISA)



**helping to unleash the
potential of future Web
economy in Europe**

November 13, 2007



Structure of the European Telecom Market Authority

European Parliament



November 13, 2007



European Commission
Information Society and Media



What's in for the consumer?

- Improved price transparency
- Number portability: max 1 working day
- Enhanced emergency access via «112»
- Easier access for users with special needs and disabilities

November 13, 2007



In conclusion: the Reform will ...

- Reinforce Europe's position as a world leader in telecoms
- Increase competition, leading to more innovation and investment
- Help the European citizen to get the most out of modern communications systems

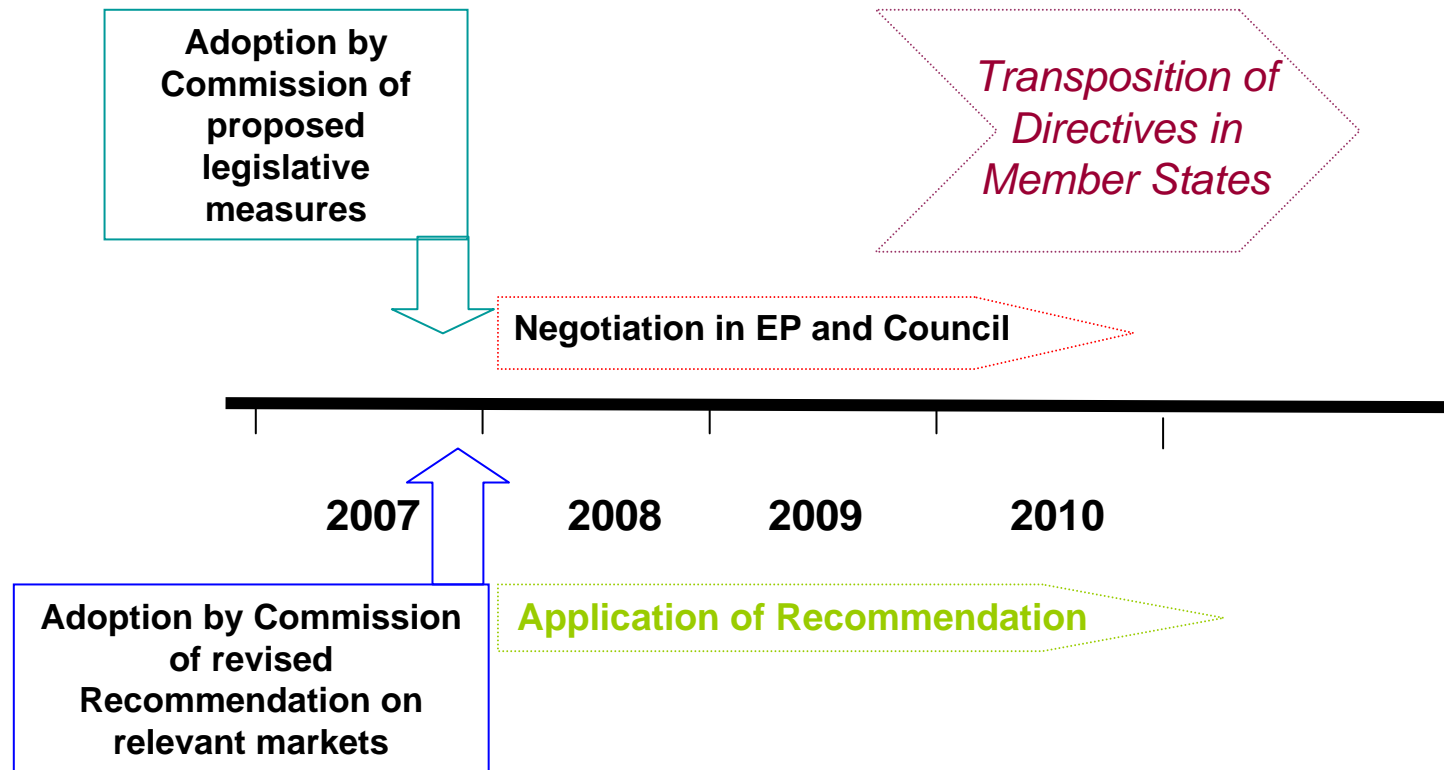
November 13, 2007



European Commission
Information Society and Media



Timeline for implementation



November 13, 2007



European Commission
Information Society and Media