Telecommunications Regulation

Where Does It Come From and Where Is It Going To?

A Brief History of the Development of Telecommunications Regulation in the European Union



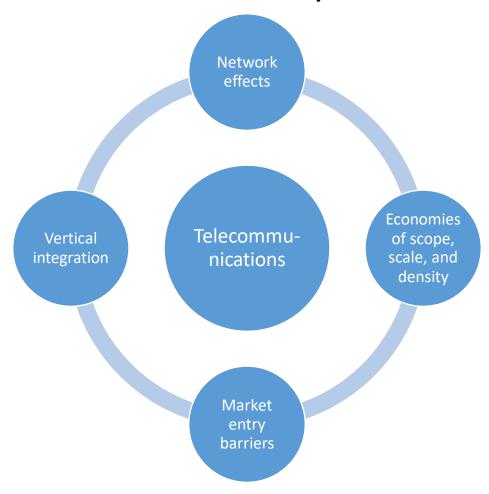
Andreas Neumann



What has telecoms regulation ever done for us?



Telecommunications: A Network Industry





The Not-So-Good Old Times



- State-owned operators
- Government monopoly
- Tariffs (fees) and quality of service determined by government



Privatisation and Liberalisation

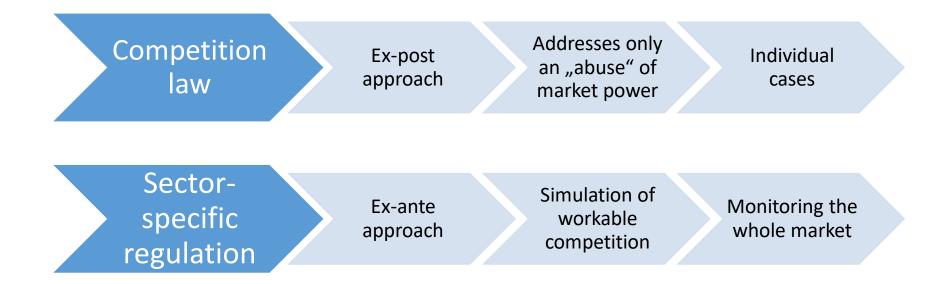
- Private companies compete with each other
- Incumbent operator There can be only one?

Competition Ex-post approach Ex-post an "abuse" of market power Individual cases



Privatisation, Liberalisation, and Regulation

- Private companies compete with each other
- Incumbent operator There can be only one?





Open Network Provision (ONP): First Steps Towards Competition

1990

Objective and non-discriminatory conditions governing access to and use of the network

Harmonisation of technical interfaces and access conditions

National regulatory authorities (NRA)

Specific rules for specific situations: voice telephony, leased lines, interconnection etc.



The "New" Regulatory Framework for Electronic Communications |

2002

- Product and geographic markets
- Principles of competition law
- Forward-looking perspective

Market definition

Three criteria test

- High and non-transitory barriers to entry
- Market structure does not tend towards effective competition
- Competition law alone is insufficient

- Identification of significant market power (SMP)
- Principles of competition law
- Forward-looking perspective

Market analysis

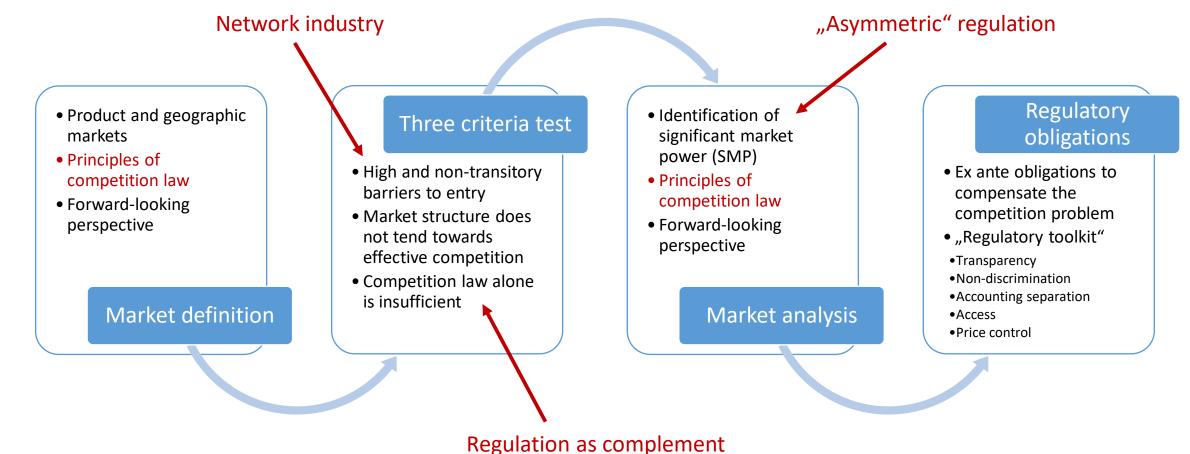
Regulatory obligations

- Ex-ante obligations to compensate the competition problem
- "Regulatory toolkit"
- Transparency
- Non-discrimination
- Accounting separation
- Access
- Price control



The "New" Regulatory Framework for Electronic Communications

2002



to competition law



The Results of Regulation (Until Now)

		Effective competition - no ex ante regulation number of rounds of market analysis No effective competition - ex ante regulation Partial competition - partial ex ante regulation															
		2014 R	ECOMMEN	DATION		2007	REC.		2003 RECOMMENDATION								
	Call term. on fixed network	Voice call term. on mobile networks	Wholesale local access Market 3a	Wholesale central access	Wholesale high- quality access Market 4	Access to PSTN for res & non- res.	Call orig. on fixed network	Local/nat. Call for res.	Internat. call for res.	Local/nat. call for non-res.	Internat. call for non-res.	Retail LL	Transit on fixed network ex-Mkt 10	Trunk segments LL ex-Mkt 14	Access & call orig. on mobile network	Broadcast Transmis. ex-Mkt 18	
Austria	3	4	5	5	5	4	4	3	2	4	3	4	1	2	1	4	
Belgium	3	3	3	3	2	3	2	3	1	3	1	1	2	1	1	2	
Bulgaria	4	4	3	2	2	3	3	2	2	2	2	1	1	1			
Croatia	2	2	2	2	3	2	2	1		1		1		3			
Cyprus	3	4	4	4	3	3	3	3	2	3	2	2	3	3	4	4	
Czech Republic	5	5	3	3	3	4	4	2	2	2	1	2	1	1	2	2	
Denmark	4	5	4	4	4	4	4	2	2	1	1	2	1	1	1	1	
Estonia	4	5	4	4	3	3	3	1	1	1	1	1	1	2	1	3	
Finland	2	1	4	4	1	2	3	2	1	2	1	2	2	1	1	3	
France	5	5	6	6	4	4	4	1	1	1	1	2	1	2	1	4	
Germany	5	6	5	5	2	4	3	2	1	2	1	2	2	1	1	5	
Greece	4	4	4	4	3	3	3	3	1	3	1	3	3	3	1	1	
Hungary	4	6	4	4	4	6	4	3	3	3	3	3	2	2	2	3	
Ireland	5	3	3	3	3	3	3	2	2	2	2	2	2	2	1	2	
Italy	3	6	4	4	4	3	2	2	2	2	2	2	3	2	2	2	
Latvia	5	5	4	4	4	2	3	4	3	4	3	3	2	1	1	1	
Lithuania	5	4	4	4	2	2	3	3	2	3	2	1	2	2	1	6	
Luxemburg	4	6	3	3	3	3	3	2	2	2	2	2	1	1	- 1		
Malta	4	4	2	2	3	3	3	2	2	2	2	3	2	2	2	1	
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Romania	3	3	4	3	2	2	2	1	1	1	1		3			2	
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Slovenia	2	5	4	4	3	3	3	2	1	1	1	2	3	1	3	3	
Spain	4	4	3	3	3	4	3	2	2	2	2	2	2	4	2	4	
Sweden	5	5	3	4	3	3	3	1	1	1	1	2	2	1	1	5	



What has telecoms regulation ever done for us?

Apart from low prices, greater consumer choice, technological innovation, EU-wide services, increased competition, and better service quality?



The Future is Fibre: From Competition towards High-speed Broadband Roll-out



2014: Cost Reduction Directive

Access to physical infrastructure of utilities (energy, transport, water) to promote broadband deployment



2009: Review of the Regulatory Framework

Implementation of stronger incentives for infrastructure investment

2018: Electronic Communications Code

Regulatory incentives for coinvestments Extension of regulation to new local monopolies



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Regulatory incentives for coinvestments Extension of regulation to new local monopolies From "asymmetric" regulation of SMP to "symmetric" regulation of local bottlenecks?





Thank You for Your Attention!

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