

# ETNO Response to BEREC Consultation on the 2016 Draft Work Programme (BoR (15) 140)



October 2015

## **Introduction**

ETNO welcomes the opportunity to provide its views on the BEREC draft Work Programme for 2016 (BoR (15) 140).

ETNO and its members support all initiatives aimed at fostering the dialogue between BEREC and stakeholders, such as the Stakeholders' Forums that BEREC has organized in the past three years. We encourage BEREC to continue engaging in open discussions and increase the transparency of its work, in particular by subjecting its foreseen activities to public consultation.

ETNO takes note that the 2016 Work Programme will be centred on the upcoming review of the European regulatory framework for electronic communications and on the implementation of the European Commission's Digital Single Market (DSM) Strategy. We also acknowledge that several of BEREC's proposed activities will be related to the implementation of the "Telecoms Single Market" (TSM) Package, and of its provisions in the fields of Open Internet and international roaming.

Adhering to the structure of the draft Work Programme, based on four main strategic priorities, we would like to propose the following remarks, encouraging the Body of Regulators to take them into account when revising the draft, and in general in the continuation of BEREC's work.

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## **Strategic priority A): promoting competition and investment**

In the introduction to the relevant section, BEREC rightly points out that the creation of a favourable climate for investment and innovation and the encouragement of investment in high-speed broadband infrastructure are key areas of focus. This objective should in our view inform the work of policy-makers and regulators with

regard to the forthcoming review of the electronic communications framework.

The starting point of any reflection on the future framework should be how to maximize the potential for European citizens and businesses to meet their connectivity needs. To this end, the new framework should clearly set the promotion of investment in high-speed fixed and mobile electronic communications infrastructures as one of its main objectives.

In his recent speech at the 2015 BEREC Stakeholders' Forum, Commissioner Oettinger has illustrated how a thriving electronic communications sector, which invest in better and faster connectivity, is at the foundation of the Digital Single Market.

As the Commissioner stated,

"The stakes are much higher. This is not about one sector – telecoms. It is about how digital technology can boost all economic sectors, if we take advantage of the single market. (...) Naturally, we have to have a competitive telecoms market which invests in high-capacity networks. In fact this is crucial. Because at the end of the day, the role the telecom sector plays in providing connectivity is that one of an enabler for all others".

In the same speech, the Commissioner added that

"We must make investments in highest capacity networks rewarding. Adjustments to the current rules are probably necessary to increase the incentives to invest in these networks for both incumbents and access seekers. We need to make sure that capital works efficiently to achieve our connectivity aspirations. (...) If someone takes the risk to build a future-proof infrastructure, moving ahead of short-term demand, that risk needs to be rewarded".

We believe that these statements go in the right direction, underlining the need for a strong and competitive EU telecoms sector, supported by the right regulatory incentives. We encourage all relevant actors, including BEREC, to concentrate on turning these objectives into ambitious and concrete policies.

As we pointed out in our response to the consultation on last year's Work Programme<sup>1</sup>, we strongly doubt that this goal can be fully achieved by maintaining the regulatory status quo, nor by providing only minor tweaks to the existing rules.

In fact, we believe that asymmetric access regulation that systematically targets the former telecoms incumbent operators does no longer provide an adequate response to

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<sup>1</sup> ETNO, "ETNO comments on the Draft BEREC Work Programme for 2015 (BoR (14) 120)", October 2014. Available at this [link](#).

the current market situation. As next generation networks are rolled out, markets are increasingly characterized by multiple actors at network access level, including municipal networks and publicly funded rural NGAs, cable operators, and increased competition from wireless broadband networks.

Moreover, platform convergence blurs the traditional market boundaries between fixed and next generation mobile services with strong effects on at least some user groups.

The diversity of the actors operating at the access level and the high level of competition achieved in Europe should lead to less and more equitable regulation, limited to those geographic areas characterized by absence of competition.

In elaborating its reflection on the next review of the framework, we therefore encourage policy-makers and regulators to think boldly beyond current practices and models. We also strongly believe that an extension of ex-ante regulation to oligopolistic situations would constitute a step backwards also with respect to the current framework, contradicting its transitory nature, and paving the way for a very unpredictable regulatory environment.

The Boston Consulting Group has recently conducted a study for ETNO, providing a set of recommendations on how to achieve a more pro-investment framework for the Digital Single Market. The study has identified the existence of an investment gap of 106 billion euros, which cannot be bridged by public finances. Among the recommended measures, the study calls for a radical simplification of wholesale access regulation, a more efficient spectrum management framework, a more equitable and fair set of rules in the field of consumer protection, and a competition and regulatory perspective which safeguards and promotes innovation and investments<sup>2</sup>.

The adoption of this pro-investment vision does not come to the detriment of competition and consumers, as some stakeholders argue. In fact, it entails a more forward-looking view of competition, in which incumbent operators do not lack incentives and the predictability of returns required to maximize investments in new networks, and alternative operators are incentivized to deploy their own networks rather than relying on regulated wholesale access. This has been recognized by the European Commission's Staff Working Document accompanying the DSM Strategy, which has underlined that the current framework is not well-suited "to promote to any significant extent a "first-mover advantage", i.e. incentives to be the first to provide

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<sup>2</sup> The Boston Consulting Group, "Five Priorities for Achieving Europe's Digital Single Market", October 2015. Available at this [link](#).

qualitatively superior networks to those currently in existence that could override higher investment risk”<sup>3</sup>.

This new view of competition would ultimately benefit the European consumers, business users and companies, and would be consistent with the ambitious objectives set by the DSM Strategy.

We encourage BEREC to embrace this vision and to structure its activities in 2016, and particularly its input to the framework review, on the basis of it. In this respect, we strongly believe that the Work Programme could be made more ambitious. Furthermore, we are concerned that some of the activities outlined, and particularly the workstream on Oligopoly analysis and regulation, risk going in the opposite direction, leading to more and less predictable regulation rather than less and simpler rules.

Below are our main specific comments with regard to the activities proposed under this section of the Work Programme.

### **Potential regulatory implications of Network Functions Virtualization (NFV) and Software-Defined Networking (SDN)**

ETNO takes note of BEREC’s intention to look into new technological developments such as NFV and SDN. We will be pleased to contribute to the expert workshop and to the other activities that BEREC will undertake. As a first remark with this regard, we would like to stress that these are dynamic and fast-moving market and technological developments where innovation should not be stifled by new regulation, and that an investment and innovation check should be conducted before taking any regulatory decision. In general, it should be questioned whether this kind of innovation in service provisioning should be focus of regulatory scrutiny in the first place.

### **Common Position on layer 2 wholesale access products**

BEREC announces that in 2016 it will develop the Report “Common Characteristics of Layer 2 Wholesale Access Products”<sup>4</sup> into a Common Position on layer 2 wholesale access products, in order to further promote the harmonized approach of best practices.

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<sup>3</sup> European Commission, “SWD A Digital Single Market Strategy for Europe - Analysis and Evidence”, p.37, May 2015. Available at this [link](#).

<sup>4</sup> BEREC, “BEREC Report on Common Characteristics of Layer 2 Wholesale Access Products in the European Union”, October 2015. Available at this [link](#).

ETNO believes that, being access a local issue, there is an ample variety of network solutions, competitive situations and local conditions that have been taken into account in each country in order to develop the existing products. The key is to make them work well at national level.

Promoting “best practices” should not mean favouring some alternatives against others. It should be recognized that the most appropriate measures fit for local/national circumstances should be preferred.

### **Enabling Internet of Things – Dialogue with different regulatory bodies**

ETNO is following with great attention and interest BEREC’s work in the area of the Internet of Things. We are committed to continue contributing to this debate by sharing our ideas and expertise, starting with the ongoing public consultation on the draft report that BEREC has published. In the context of this position paper, we would like to anticipate two main general points.

Firstly, to enable growth in this fast-changing and innovative field, policy-makers and regulators should ensure that policies and regulations are clear, flexible, balanced and technology neutral. Regulators should let the ecosystem decide which business models work and avoid mandating (either directly or by the inadvertent application of current regulation which is not intended to regulate these services) any specific technical solution.

Secondly, regulation has to take into account the emerging nature and specificities of M2M services. It should enable flexible interpretations of the current regulations so as to enable European players to avail of the opportunities that M2M can offer, and, at the same time, enable the proper remuneration of the resources used for the delivery of M2M services.

Finally, we encourage regulators to adopt a harmonized approach in Europe in light of the international aspect of this debate.

## Migration to all-IP in the access networks

As we mentioned in last year's input to BEREC draft Work Programme, we note with interest BEREC's intention to continue analysing the regulatory implications of "all-IP migration" in the IP eco-system as a whole.

We take the opportunity to recall here some findings of a study conducted by Plum Consulting et al. for ETNO in 2013<sup>5</sup>. The authors found the following:

"We anticipate that networks in the EU will move to all-IP technology over the next seven years:

- Mobile networks which shift to LTE will need to migrate to voice over LTE (VoLTE). Whilst handsets run on both legacy and LTE networks, legacy switched voice services will be supported. However, operators are now planning for the transition away from this dependence.
- Cable networks already offer VoIP services over IP networks.
- Fixed telecommunications operators also plan to migrate to all-IP architectures. Eight operators were surveyed in an anonymous survey conducted by ETNO for Plum. All have plans or are conducting studies into PSTN/ISDN Network transformation. Of those with firm plans the target date for transformation is before 2020, with the earliest planning to complete the transformation by 2017. Most of the operators surveyed envisage the migration of fixed voice to VoIP over either xDSL or Fibre".

In the light of this evidence, the authors conclude that:

"On a forward looking basis the provision of services (in particular voice) and the need for wholesale access regulation should be assessed taking account of the transition to all-IP networks".

We encourage BEREC to take into account and assess these trends, in particular with a view to a forward-looking implementation of the 2014 Recommendation on Relevant Markets.

Moreover, we note that services based on all IP-Technologies provide a variety of substantial advantages for end-users, and possible short-term minor issues for end-users which may arise in the scope of the migration to a future-proof all-IP network are expected to be relatively small. BEREC's plans to monitor the effects on end-users should consider both advantages and issues equally.

Anyway, it is necessary to take into account that IP migration requires a high level of investment. Industry should have the final say on the speed needed for that migration,

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<sup>5</sup> Plum Consulting et al., "Relevant Markets in the Telecoms Sector. The Times They Are A-changing", June 2013. Full report available [here](#).

depending on the evolution of the market. Regulation should not put barriers or delays to switching (e.g. through copper switch off conditions).

### **Challenges and drivers of NGA rollout and infrastructure competition**

ETNO awaits with interest the publication of this draft report and is looking forward to contributing to the related public consultation.

As mentioned above, we strongly encourage BEREC to consider the potential of an ambitious and radical simplification of the existing framework as a key driver of NGA investments and infrastructure competition. The 2015 Boston Consulting Study which has been referred to provides relevant indications on how to do so.

The draft report should clearly assess to what extent the current regulatory framework and its implementation have provided all operators with the right incentives to make their investment decision.

It should also recognise that the principle of technological neutrality should not be abandoned, as it is not the task of policy-makers to mandate specific technical solutions. Regulation should be based on outcomes, and in this case it should aim at the fulfilment of Europe's connectivity needs. Consumers are not interested in the type of technology being used to cater their needs, but only that their demands are met by market players.

As a final remark, we invite regulators, through this exercise, to assess how the current framework could be applied and interpreted against the objective of promoting investment in next-generation networks.

### **Input to the Review with regard to oligopolies (criteria of tight oligopolies, symmetric regulation, etc.)**

With regard to this specific workstream, ETNO would like to reiterate its concerns and remarks, already expressed in our response to the public consultation on BEREC's draft report<sup>6</sup>.

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<sup>6</sup> ETNO, "ETNO comments on the Draft BEREC Report on Oligopoly Analysis and Regulation – BoR (15) 74", July 2015. Available at this [link](#).

To reiterate the main points of our position, they can be summarised along the following lines:

- The current European regulatory framework for electronic communications should not be re-interpreted with a different notion of “collective dominance”;
- The forthcoming review of the framework should be driven by the aim of substantially simplifying regulation, and should not be accompanied by a new tool to perpetuate regulation;
- The electronic communications services sector shows high levels of competition and dynamism.

The proposals outlined in the draft report fail to adapt to the economic reality of the electronic communications sector, and could instead facilitate the extension of ex-ante regulation beyond its original reach, instead of setting the path for a progressive removal of ex-ante supervision and the handover to competition law, as foreseen by the current framework.

The concept of “tight oligopoly” could pave the way to impose regulation in virtually all situations, even in absence of real competition problems. This approach would entail a substantial shift in the implementation of the current rules and a great increase of market uncertainty.

ETNO believes that broadening the scope of regulatory intervention, in addition to enhancing complexity, would be both ineffective and inefficient and would send a wrong message to investors. In fact, it could well risk hampering investment incentives.

A specific market structure should not constitute *per se* the trigger for ex-ante regulation. It should only be the result of the work of competitive forces. In the hypothetical case that this outcome raised competitive concerns, these should be addressed by the available general competition law tools, as is the case for any other sector.

To remain in line with the proposed objective of encouraging investments in NGA, we encourage BEREC to take note of these concerns and to refrain from proposing an extension of ex-ante regulatory oversight in its input to the electronic communications framework review.

## **BEREC input on mergers and acquisitions (input to be prepared by a consultancy)**

ETNO takes note on this project to be launched by BEREC. In this context, we would encourage the Body of Regulators to assess the impacts of market concentration on efficiency and investment, by adopting an approach based on dynamic rather than static efficiencies.

## **Input to the Review with regard to spectrum (in cooperation with RSPG)**

ETNO appreciates BEREC's recognition of the essential role of radio spectrum for the development of broadband and its continuing cooperation with the RSPG.

ETNO argues that European institutions should promote policy measures which:

- Favor and enhance harmonization in the assignment of spectrum, enabling economies of scale;
- Increase market certainty, thus incentivizing network investments, for example through the definition of a longer (of at least 25 years) or undetermined duration of the rights of use;
- Promote a more liquid and simplified secondary market for spectrum trading;
- Ensure an overall simplification of the regulatory requirements attached to spectrum licenses, in order to avoid creating unnecessary regulatory burden; and
- Minimize conditions that can distort market competition among players/operators, such as reserving significant portions of spectrum for new entrants.

We hope that BEREC's engagement in the European policy debate and its activities with regard to radio spectrum may contribute to achieve the above-mentioned goals.

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## **Strategic priority B): promoting the internal market**

The proposed BEREC activities under this section are of great importance for ETNO and its members. In particular, BEREC's input to the framework review and BEREC's work on the implementation and enforcement of the Telecoms Single Market (TSM) regulation are extremely relevant.

Our detailed remarks on the relevant workstreams are below.

## **Preparation of the Review**

Firstly, as regards BEREC's input to the framework review, we would like to reiterate the messages that ETNO CEOs have expressed on 13 October 2015, in the occasion of the FT-ETNO Summit<sup>7</sup>. They encourage a swift, broad re-thinking of Europe's policy and regulatory tool-set for the digital age, moving away from a telecoms-only regulatory approach and looking at the broader digital value chain at large.

Such new approach should entail: a mind shift on telecoms regulation, embracing the pro-investment stance described in the previous section; the need for regulation and competition policy to be assessed against the objectives of promoting investment, innovation, efficiency and quality of service; the urgency to apply similar rules to similar services, and ensure consistent and fair standards across the digital market, moving away from outdated sector-specific regulation, in the interest of European consumers and businesses.

ETNO believes that Europe must rapidly adapt its public policies towards the whole ICT sector, recognizing its globalized nature and the increasingly outdated policy distinction based on the type of market players.

On a technologically neutral basis, telecom operators, Internet agents and content providers should all be subject to consistent rules when providing the same services. Potential areas to be addressed may include, in particular, privacy and data protection, net neutrality, switching, numbering, data portability, transparency and safety-related measures.

In many areas of regulation, service-based competition by Internet players is posing challenges to existing regulatory concepts, notably extensive consumer protection obligations applying to providers of electronic communications services, while end-users of substitutable web-based services do not rely on similar protection.

ETNO has long been advocating for a fairer environment for consumers and a rebalancing of the regulatory burden, which could take the form of a reduction of the scope of service regulation only applied to the telecom sector in favour of a wider use of an updated regulation applied across all sectors.

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<sup>7</sup> The full ETNO CEO Statement can be read [here](#).

As stated above, we also encourage BEREC to focus its input on the need to create a more favourable climate for investment in next-generation electronic communications infrastructures. This goal should be put at the centre of the forthcoming Review of the Framework.

More specifically, we encourage BEREC to reflect on lifting regulatory obstacles to new high-speed networks and technologies and recognize that simplified solutions for access to NGA infrastructure may replace traditional approaches; and on advocating for a regulatory system which can guarantee an adequate return on investment in NGA networks, ensuring a level playing field between competing infrastructures.

In conclusion, we reiterate that ETNO has long been calling for an ambitious reform of the electronic communications framework. In our view, the review should be informed by the following clear priorities:

- Ensuring consistent regulation for services across the digital value chain;
- Simplifying fixed access regulation, taking into account all relevant technologies, with a view to better rewarding investments.
- A consistent and predictable regime for the allocation of spectrum resources to mobile.

### **Economic impact of OTTs/CAPs on market definition and competition**

As stated above, ETNO has always argued for consistent and fair rules across the digital ecosystem, especially when competing and similar services are provided. With growing convergence among platforms, services and players in the ecosystem, we have repeatedly underlined how market definitions and regulations should evolve to ensure a fair and balanced playing field for all European consumers and businesses.

In line with this general position, we have encouraged policy-makers and regulators to have a fresh and broader look at the value chain. This should begin by reviewing the current definition of Electronic Communications Services (ECS), which, despite being more and more outdated, is at the centre of the current regulatory framework, and by departing from sector-specific rules to an environment where providers need to abide to the same rules when providing the same services, regardless of their establishment or their nature.

In the light of this vision, we note with interest that BEREC has started looking at these

crucial issues and has already proposed some initiatives in this respect, such as its “draft report on OTT services” (BoR (15) 142).

Our remarks on this topic will be detailed more specifically in our response to that consultation. However, we would like to anticipate here a few general points.

ETNO appreciates the analysis made by BEREC, and particularly the acknowledgement that the boundaries between ECSs and OTTs are blurred and the current definitions are outdated.

However, differently from what indicated in the draft report, there is a need to adopt a new and bolder approach and address new realities, reassessing the existing obligations and taking more into account the consumers’ point of view. In the same line, the perspective on principle of proportionality should embrace all service providers, including the ECS.

### **International roaming**

As regards the section of the Work Programme related to International Roaming, we would like in particular to comment on the implementation of the TSM regulation.

We have commended the sound and influential work undertaken by BEREC on the roaming provisions of the TSM, in order to inform the legislative process in the first reading. We encourage BEREC to continue informing the work of policy-makers and regulators with precise analytical input of the kind provided in the report on Roam-Like-At-Home of December 2014<sup>8</sup>. The objective should be to foster a sound and balanced implementation of the new rules, which does not lead to market distortions, and to the creation of winners and losers among consumers, operators and countries.

We would like to take this opportunity to call for stakeholders’ involvement and consultation during the whole process which will define the implementation guidelines of the TSM. Herewith, we would like to reiterate some ideas concerning the Fair Use Policy and the report on the wholesale roaming market.

In ETNO’s view, the fair use provisions should fulfill some general requirements. In particular, they should:

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<sup>8</sup> BEREC, “International Roaming: Analysis of the impacts of “Roam Like at Home” (RLAH) BoR (14) 209”, December 2014. Available at this [link](#).

- a) Be consistent and suitable with all types of tariff structures;
- b) Be transparent, simple to explain and understand for customers;
- c) Be easy to implement for operators (any complex solutions which would require deployment of an undue level of cost and resources to implement should be avoided);
- d) Be flexible enough to be used as a competitive tool by all MNOs in order to differentiate from competitors and adapt to customer needs. Operators should remain able to define their individual retail strategies for abolishing roaming surcharges. A great diversity of offers is already present in the market based on various fair use policies.

Moreover, while principles for fair use policy could be defined at the EU-level, operators should remain able to implement them according to local market characteristics.

As repeatedly stated in the past, and as already recognized by BEREC, careful consideration should be then given by policy-makers and regulators to the wholesale market in order to avoid hampering competition in domestic markets.

As general principles, on the wholesale market operators should be able to recover their investments and costs. There are large differences in costs between countries due to differences in e.g. labour costs, taxes, or spectrum costs as well as geography and population density. Therefore, wholesale prices cannot be brought back to the lowest cost rate in one country and neither below domestic wholesale prices.

Any intervention on the wholesale market should ensure that operators are able to recover costs, avoid the risk of arbitrage and ensure that innovation incentives are in place.

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### **Strategic priority C): empowering and protecting end-users**

Regarding the third section of the draft Work Programme, we would like to focus specifically on the workstreams concerning Net Neutrality, with particular regard to the implementation of the Open Internet provisions of the TSM regulation.

## **Guidelines for the implementation of the net neutrality provisions of the TSM regulation**

ETNO has been engaged in the Open Internet debate from the early stage, underlining the need for a forward-looking and future-proof EU-wide approach, which adequately protects consumers and business users without hampering the scope for network innovation. We have always been in favour of consistent application of any EU rules across the Member States and we acknowledge the relevance of BEREC's work in this respect. We look forward to continue engaging with policy-makers and regulators on this topic, and to contribute on the basis of our knowledge and experience on the functioning of networks.

In the crucial implementation phase that awaits us, we stress the need for ensuring that the new guidelines do not lead to harmful consequences, such as hampering innovation and investments in new networks. Furthermore, the provision of Internet Access Services (IAS) and of services other than IAS should not be overburdened by extremely rigid rules.

### **Regulatory assessment of QoS in the context of net neutrality**

In commenting on this item, we refer to the arguments already set out in our response to last year's consultation on BEREC's draft Work Programme<sup>9</sup>.

ETNO believes that monitoring QoS can be a positive and fruitful exercise both for European citizens and for European market players operating along the broadband value chain. Beyond legal obligations stemming from the Universal Service Directive (USD) and further best practice at national level, ETNO supports cost-effective and appropriate steps to increase transparency to enable consumer choice and, by this, support network competition.

We reiterate our viewpoint that only reliable measurement tools can provide such transparency. Non-reliable measurement tools (e.g. online web portals) often erroneously report low network performance and increase end user complaints and therefore can foster a feeling of mistrust. Indeed, the growing availability of non-reliable tools is a negative incentive to invest in high-speed networks and may unduly affect end user trust towards network operators.

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<sup>9</sup> See above. Available at this [link](#)

According to ETNO, the development of reliable measurement tools needs to be carried out cautiously and be preceded by a thorough analysis of the goals that BEREC wishes to achieve. Such a tool may be used (1) to validate transparency compliance with regards to Net Neutrality, (2) to inform the end-user after contract conclusion on the speed of his/her personal broadband connection or (3) to serve as a support mechanism before contract conclusion for those customers searching for objective information on what can be generally expected from different broadband offerings in the market. The overall objective has an important impact on the design of the tool.

As to the concepts and parameters inherent to measurement tools, ETNO also would like to highlight that close attention must be given, for the sake of accuracy, to the characteristics of the technology platform whose quality is measured and to the specificity of national broadband markets. The possible definition of a single European-wide system designed to monitor and measure the quality of broadband on all national levels must be sufficiently flexible to allow an adjustment to the individual national characteristics.

Finally, ETNO believes that European network operators should be involved, from the very beginning of the process, in the definition of a possible European opt-in system of monitoring.

### **Input to the Review with regard to the revision of the Universal Service Directive**

Regarding the potential activities to be undertaken by BEREC in this area, ETNO would like to stress the following:

ETNO member companies continue to support the endeavour of clarifying Universal Service rules and especially the aim to include safeguards to prevent an undue burden for the sector as well as unfair restrictions to the right of compensation for Universal Service providers.

In fact, ETNO believes that the cost of Universal Service should not anymore be supported by the electronic communications sector. As Universal Service is a social goal and benefits society as a whole, it is logical that it is supported by society as a whole through public funding.

ETNO will carefully consider any BEREC activity aimed at informing the decisions of the European Commission in this area.

ETNO encourages BEREC to focus its reflections on the circumstances under which it is legitimate for a Member State to interfere in a market by means of imposing obligations, and to highlight that such interference by means of imposing obligations to some operators cannot be justified unless a persistent market failure has been demonstrated.

As a general remark, we would like to highlight that, to prevent any deterioration of the competitiveness of the European telecoms industry, no additional burden on telecoms operators should be envisaged given the wide scale availability of “basic-broadband” (fixed and mobile) ensured by the market, as recognised by the European Commission in its latest broadband scoreboard<sup>10</sup>.

ETNO would be concerned that the introduction of any cap as from which broadband has to be provided under universal service – regardless of its level and nature – may encourage national, regional and municipal governments to abandon public funding of local broadband schemes and instead avail of the Universal Service regime and its option for industry funding to achieve the broadband for all objective.

In ETNO’s opinion, speeds of maximum 1 Mbps largely fulfil the objective of avoiding social exclusion. If we look at the current state of demand of broadband services, it is apparent that there is not a significant demand justifying the need for a higher speed. Moreover, operators are heavily investing in higher speeds to develop the broadband market and they are providing new and innovative services under commercial market conditions and using other available funding instruments, such as structural funds or state aids.

Along this same line, ETNO supports the view that the scope of the revision of Universal Service should be strictly limited to what is needed to provide a safety net ensuring that a minimum set of services is available at an affordable price and taking into account the risk of market distortions. Services such as e-health or e-education could require extremely high-speed connections. Therefore, they should be covered by other public policies because their development cannot be reached by means of Universal Service policies. In this sense, the USO must remain a social safety net.

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<sup>10</sup> European Commission, “Digital Agenda Scoreboard: Broadband market developments in the EU 2015”, 2015. Available at this [link](#).

### **Strategic priority D): quality and efficiency**

With regard to BEREC's last strategic priority, ETNO would like to encourage BEREC to continue improving the transparency and quality of its work, also by engaging with stakeholders through dedicated workshops and public consultations. ETNO is looking forward to continue contributing to BEREC's activities.



#### **About ETNO**

ETNO (the European Telecommunications Network Operators' Association - [www.etno.eu](http://www.etno.eu), @ETNOAssociation) represents Europe's telecommunications network operators and is the principal policy group for European e-communications network operators. ETNO's primary purpose is to promote a positive policy environment allowing the EU telecommunications sector to deliver best quality services to consumers and businesses.

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