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Platform-competition era: ETNO calls for reduction of sector-specific regulation

As BEREC meets to discuss the European Commission's draft Recommendation on Relevant Markets, ETNO asks to send a clear de-regulatory signal and avoid adding new regulated products

Brussels, 26.02.2014 – Today, the Body of European Regulators for Electronic Communications (BEREC) opened its doors to stakeholders for a discussion on the European Commission's revision of the Recommendation on Relevant Markets. ETNO, representing Europe's leading telecoms operators, welcomes this opportunity for dialogue with regulators and with other stakeholders.

ETNO believes that the ongoing review of the Recommendation is a unique opportunity to significantly reduce sector-specific regulation on electronic communications networks and services. This, in turn, can support investments and growth in the telecoms sector, and help to level the playing field between the different actors of the value chain.

Since the last review of this Recommendation, the electronic communications sector has evolved very rapidly into a competitive ecosystem where different platforms and infrastructures compete with each other to attract customers. The transition to all IP networks and the rapid rise of 'over-the-top' service competition moreover render a large part of current regulation addressing telephony access and services redundant.

Against this background ETNO welcomes the elements of the Commission draft that aim at rolling back regulation in view of the evolution of markets. However, we believe that the Commission should move further along the de-regulatory path initiated in 2007. In particular, the right emphasis should be put on the presence of alternative infrastructures as the key parameter to identify competitive areas in broadband markets, and on the need to treat differently geographies with a different degree of competition. For example, the impact of cable needs to be fully recognized in all broadband markets, both at retail and wholesale level. Where this is not the case, traditional telecom infrastructure providers are prevented from effectively challenging competing platforms such as cable.

Similarly, there is a need to ensure that any forward-looking analysis is future-proof, and that it fully takes into account all future developments of infrastructure and networks. For example, we expect that LTE will have a massive impact on the way consumers' access broadband services, and will prove to be a driver for sustainable competition in broadband markets, allowing a further withdrawal of regulatory obligations.

Finally, any new market definition should avoid widening the scope of regulation. Extending regulation to new products would run against the legitimate expectations of the markets with regulation of the sector being reduced in favor of the application of competition law, leading to a normalization of the regulatory treatment of EU's telecom markets.

ETNO's Director Daniel Pataki, during his speech at the BEREC workshop today, said: *"It is for all to see how markets have changed dramatically in the past years. Competition from alternative platforms, including from OTTs, is today well established. The revised Recommendation is the right instrument to ensure a level playing field between all competing platforms. In addition, it will be key in driving telecom operators' decisions on future investments. If the final text gives a strong deregulatory signal, a climate of*



confidence will follow. We have a unique opportunity to reinforce the virtuous loop initiated by the recent Commission guidance that signaled a move away from price regulation on fiber networks”.

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