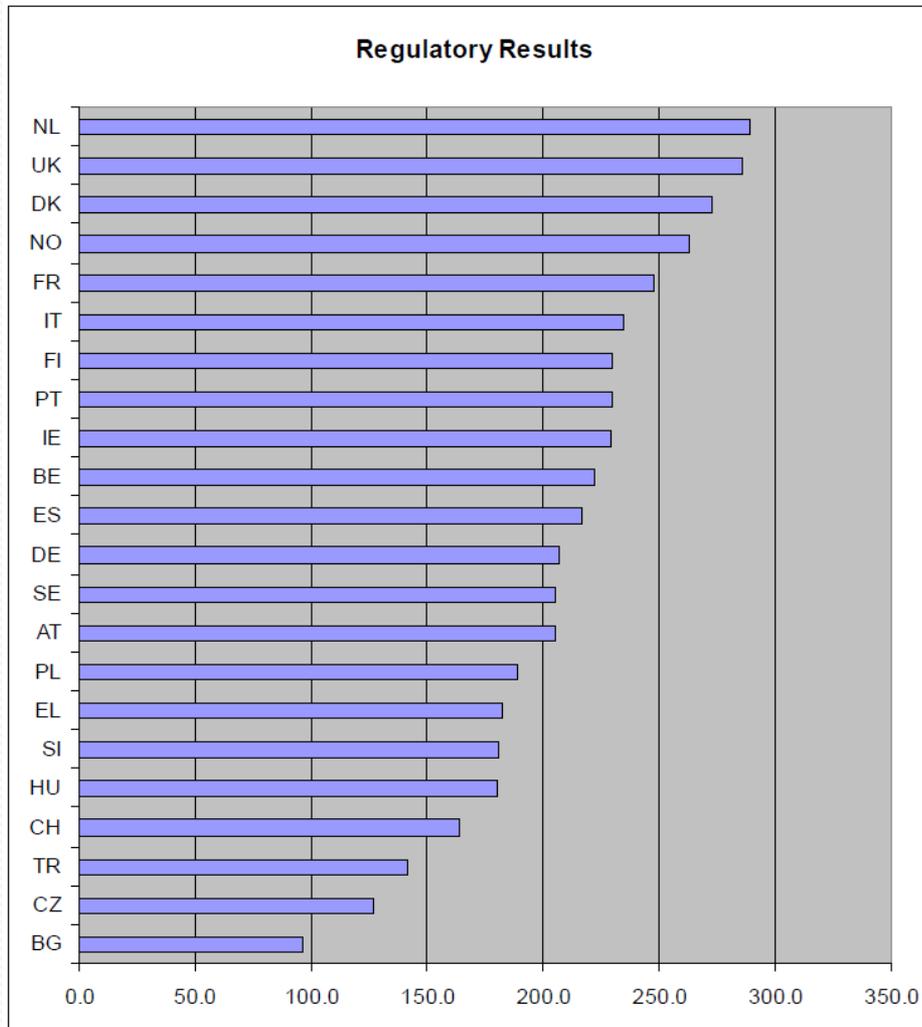


Impact of the Revised EU Framework

EETT International conference 3 June 2011

The 2003 Framework

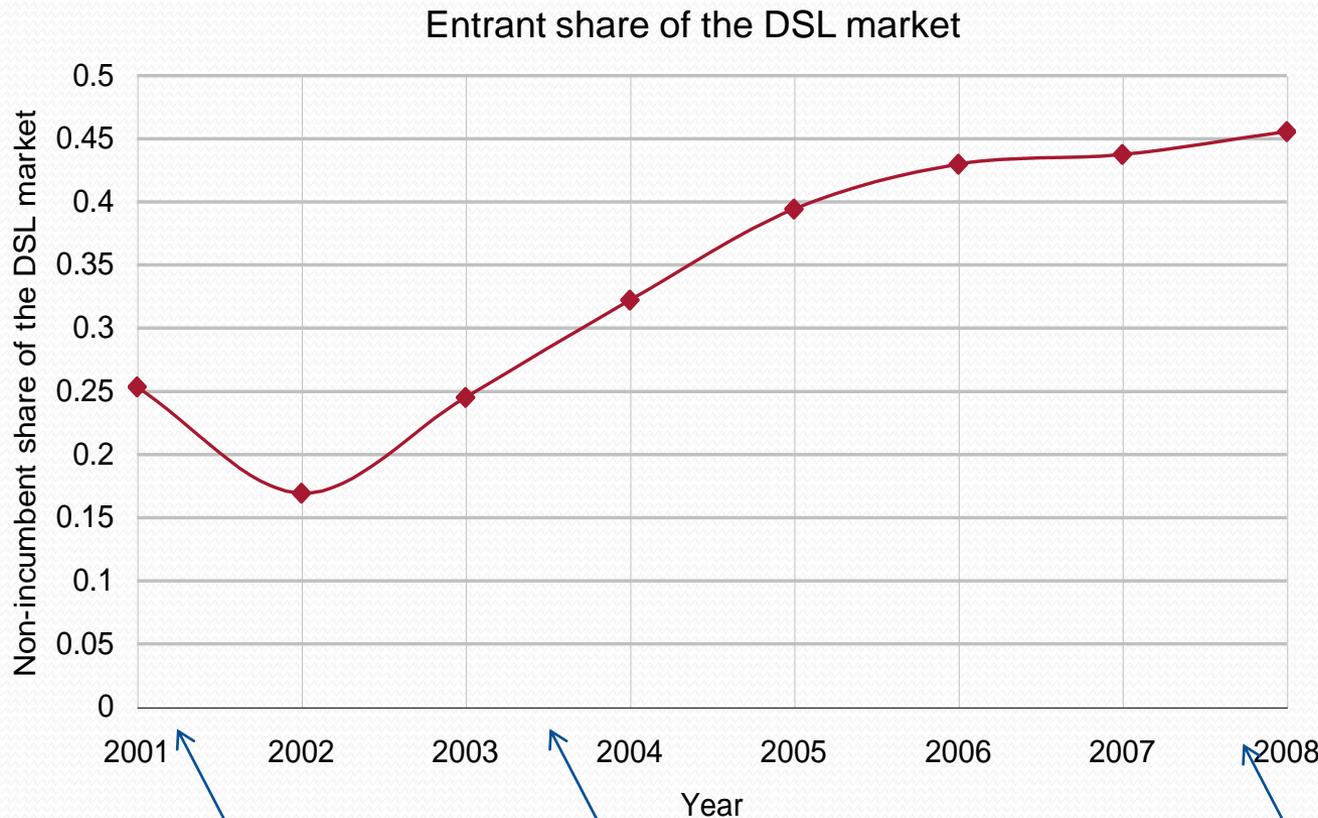
Patchy application of rules



- Good Framework
- Inconsistent results
- ECTA 2009 regulatory scorecard shows widespread divergence from EU best practice
- Lack of art 7 remedies powers hampers enforcement (SMP, no remedies...)
- ERG positive but wary of definitive conclusions

The 2003 Framework

Market structure evolution stalled



Source: ECTA scorecard

LLU regulation

New EU Framework

Withdrawal of markets

In with the new... (procedures)

- ERG becomes BEREK, more resources, more powers, new location, new voting rules
 - Will voting prevent lowest common denominator?
 - Does BEREK structure lend itself to clear-cut guidance?
- Commission's article 7 powers expanded (partly) to remedies, but with increased oversight from BEREK
 - When/for what will it be used?
 - Will peer pressure win the day?
- Commission gains right to issue Decisions if Recommendations are not followed (article 19 FWD)
 - NGA Recommendation will be key test...

In with the new... (powers, objectives)

- NRA's independence is enhanced
 - Unambiguously positive
- NRA powers extended to include functional separation
 - Levels up powers of regulators, but need test case to demonstrate that threat is credible
- Specific focus on Next generation access
 - NRA objectives strengthened, Annex II Access directive made technologically neutral. Confirmed importance of NGA, although all possible under old Framework

In conclusion

- Old Framework conceptually positive, but delivered patchy results
- Revised Framework changes in right direction, but do they go far enough?
- Proof of the pudding is in the eating...
 - Will BEREC provide definitive guidance on article 7, costing, non-discrimination recommendations? Support enforcement of NGA Recommendation?
 - Can truly pan-European issues be handled?
 - Will fibre networks be rolled out to meet 2020 goals?
 - **Will Europe's telecoms markets become fully competitive?**