

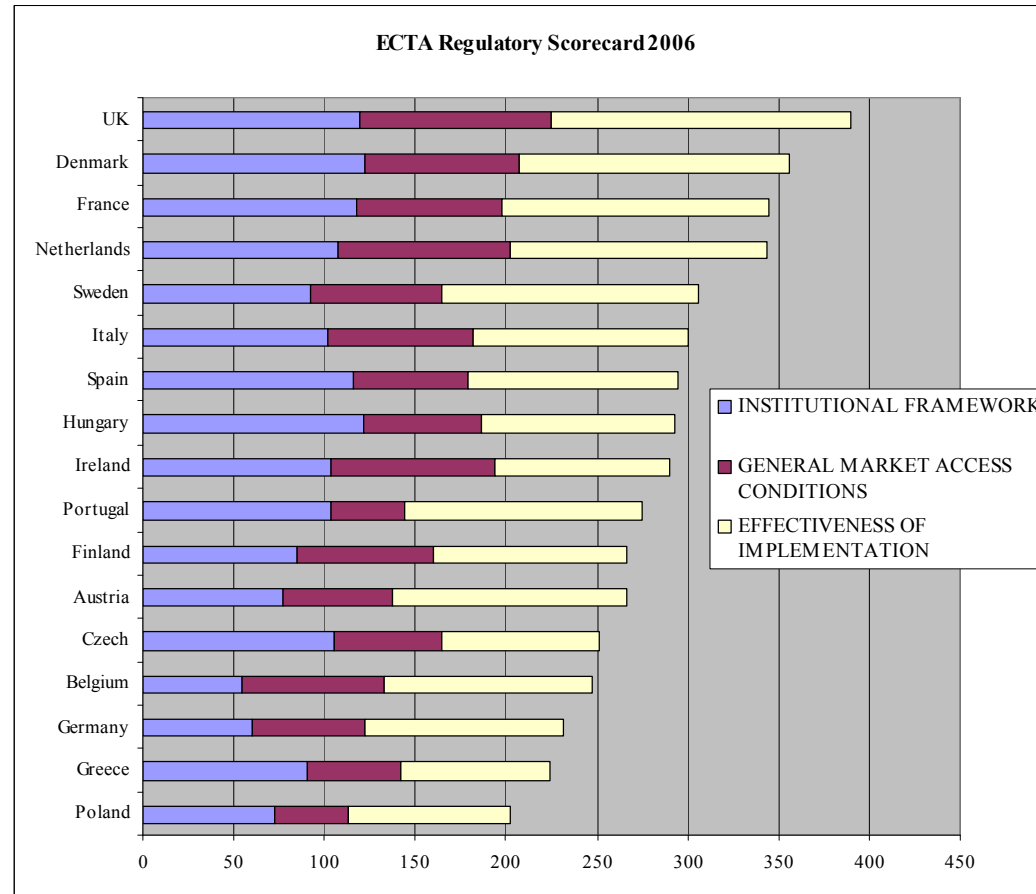
# Implementation of the Regulatory Framework for Communications

Presentation to ITRE committee 5 June 2007  
ECTA's Regulatory Scorecard

# ECTA's Regulatory Scorecard

- Survey of implementation of Regulatory Framework across 17 countries
  - Austria, Belgium, Czech Rep, Denmark, Finland, France, Ireland, Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Spain, Sweden, UK
- Covers national regimes AND effectiveness of national regulators
  - Timescale to adopt EU legislation, enforcement powers, appeals
  - Competitiveness in broadband, telephony, mobile: market shares, retail prices
- Prepared by independent consultants Jones Day & SPC Network with input from national regulators and ECTA members
- Parallel exercise to Commission report

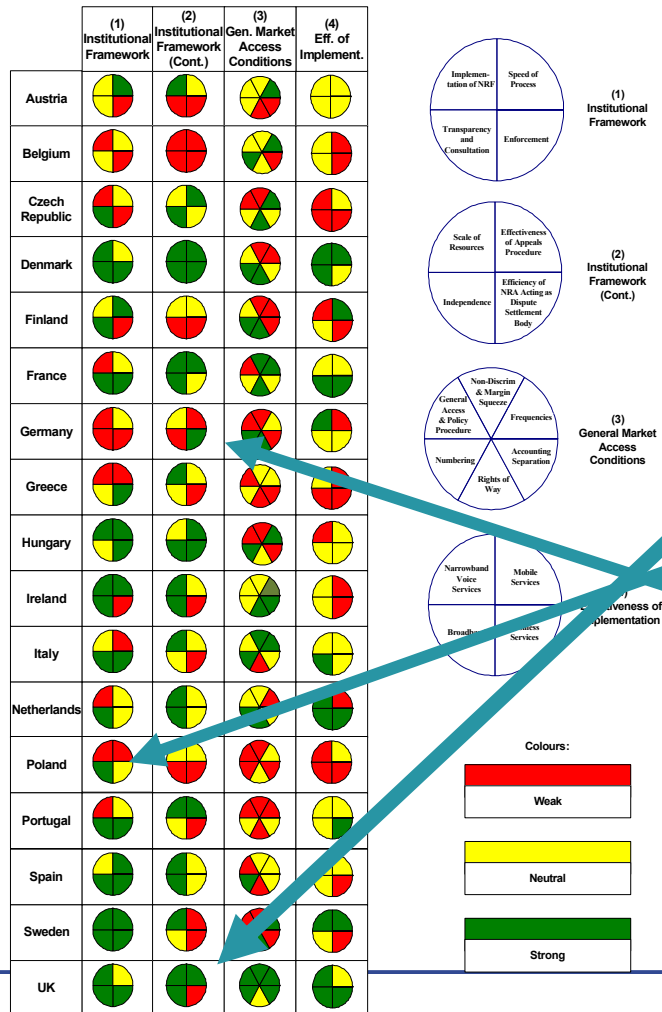
# 2006 Results: Country rankings



- Enforcement of the Framework patchy
- 17 national markets, not 1 single market

# 2006 Results: strengths and weaknesses

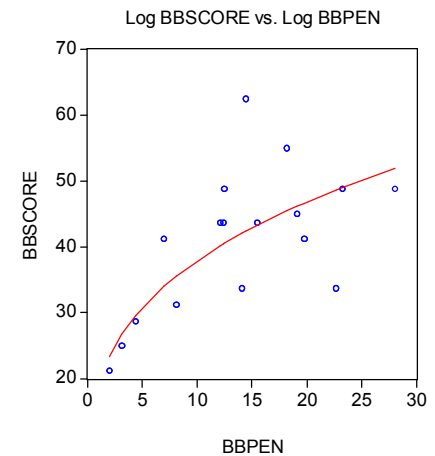
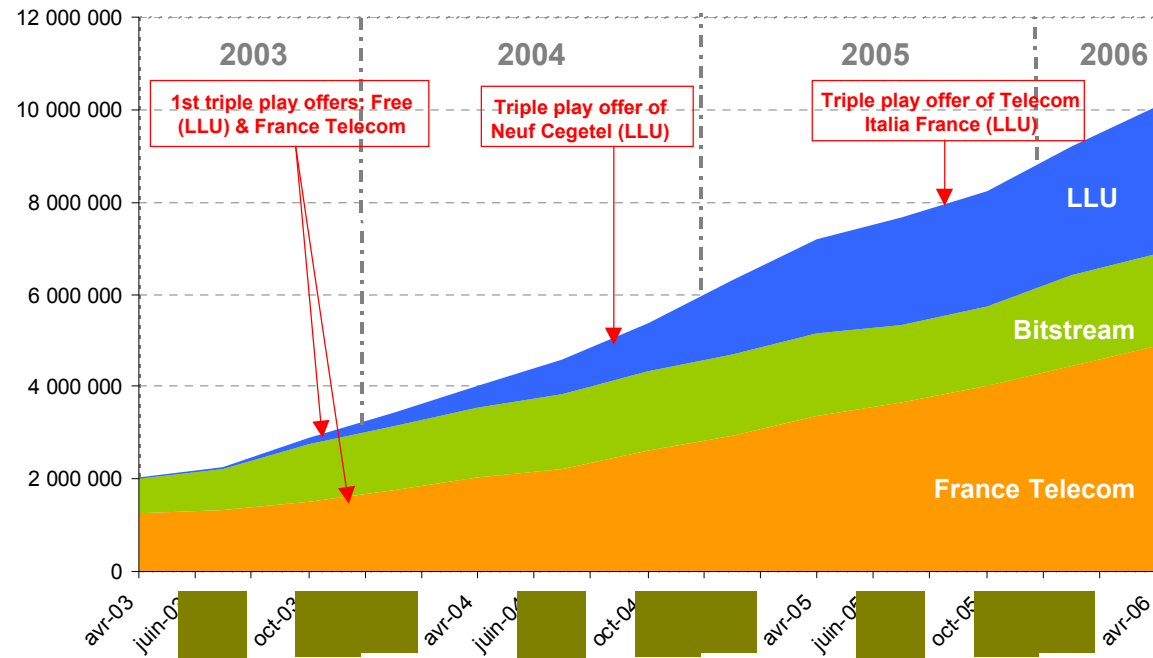
Report on the effectiveness of national regulatory frameworks  
2006



- All countries have strengths and weaknesses
- UK can suffer from slow processes despite overall top position
- Polish regulator relatively strong in transparency and consultation
- Germany strong in dispute settlement and rights of way

# 2006 Results: Broadband

## Retail DSL market



- Significant consumer benefits in broadband and high speed fibre
- Higher penetration in more competitive countries – supported through effective broadband regulation
- French example shows action and results

# Regulatory results: investment

- Consistent link found between ECTA's Regulatory scorecard and investment
- Similar findings from other studies

*"Telecom policy and regulatory decisions clearly have an impact on the investment climate and investment opportunities in the industry during both boom and bust cycles. We know from experience that credible (i.e. competent, objective, transparent and accountable) regulation is a great attraction for new investment...Indeed most decisions by regulators affect the investment climate in their countries"*

Melody (2003)

*"Better performing regulatory regimes, as measured by the OECD regulatory index, contribute to higher investment levels."*

London Economics for the European Commission (2006)

## Europe's place in the world

- Europe contains some of the most vibrant telecoms markets in the world... and least
- Digital divide for consumers between countries, not just within
- Fragmentation harming Europe's services market and ability to develop European champions to compete with US, India, China

# Implications for the Review

- Telecoms competitiveness vital for Europe's consumers and economy
- Current Framework is sound.... BUT
- Focus is needed on **enforcement** and **consistency**
  
- Some lessons for today
  - Tough action needed to open markets. Establish competition first – only then can we relax safeguards designed to prevent anti-competitive behaviour which harms consumers and competitors
  - Regulators must examine all aspects of the sector, fixed and mobile – comprehensive list of 'relevant markets' to protect consumer interests
  - Effective collaboration between the Commission and ERG
  
- Improvements needed to the Framework
  - Power of functional separation for regulators
  - Greater EU-level co-ordination to entrench best practice across all Member States

**Thank you**

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