

ERG and ETMA – a comparative assessment

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The harmonisation “problem”

Commission view

- “Increasing divergence of regulatory approaches in the enlarged EU” leading to “regulatory inconsistency and distortions of competition, hindering the development of a single European market...”
- In other words, Commission argues that
 - similar remedies not always applied in similar circumstances across MS.
 - difficulties of achieving common approach to regulating cross-border services

The harmonisation “problem” (continued)

ERG view

- In fact, evidence shows significant progress over last three years
 - narrowing of differences between MS on a number of wholesale indicators, including prices for key access products
 - general decrease in prices

Significant achievement given significant differences existing in 2003
- In any case, complete homogenisation of remedies is economically undesirable (some variation is desirable), given very different national market circumstances. Need to balance
 - promotion of national efficiency (which may require specific remedies to be imposed) and
 - trade reciprocity (which may demand a level playing field between countries)

Both are needed to ensure efficient competition on a European scale
- Still, need to continue to encourage these positive trends and to promote targeted regulatory consistency, and this is key ERG priority

ERG Madeira Declaration – October 2006

- ERG members committed to a series of regulatory disciplines
 - Continually review and identify priority areas for harmonisation, following full consultation with stakeholders
 - Develop detailed application of Remedies CP for each
 - NRAs will take utmost account of those and provide reasoned regulatory decisions making reference to them – transparency, accountability
 - Ongoing monitoring of conformity to CPs
 - “Knowledge centres”

Achievements over the last 18 months

- Permanent secretariat – staff of 3
- WBA, WLA, WLL CPs
- Draft CP on MTRs/FTRs (to be consulted December 2007)
- Opinion on regulatory approaches to NGA (September 2007)
- CP on VoIP (just consulted)
- Monitoring of CPs – pilot using WBA, WLA CPs
- Regulatory accounting report – shows increasing adoption of current cost accounting and LRIC
- International Roaming Regulation – key role
 - monitoring market developments
 - analysing case for renewal of Regulation
- “Knowledge centres” database
- Article 7 Expert Groups

What the ERG is planning

ERG Reform

- Increase in resources
 - incorporation of Belgian law legal entity
 - staff of 10, then up to 25
- Improvements in governance being considered (TBC December 2007)
 - Board reorganisation
 - full-time executive director

ERG letter to Commissioner Reding (6 November 2007)

Proposals for enhanced co-operation

- Formalisation of cooperation between Article 7 TF and Expert Groups
 - “pause for reflection” procedure?
- Systematic consultation of ERG on key issues
- ERG involvement in developing technical implementing measures
- ERG to involve Commission at earlier stage in WP development
- Amendment to ERG Decision sought to reflect:
 - the above
 - voting rules
 - full (current and potential) advisory role
- Amendment to Directives sought to reflect
 - full (current and potential) advisory role
 - Commission commitment to seek ERG advice and take account of it

Other ERG plans (to be confirmed at December Plenary)

ERG Work Programme

- CP on cost and accounting methodologies for MTR/FTR regulation
- CP on geographic markets
- CP on NGN regulation
- Finalise CP on wholesale leased lines
- Development of programme for monitoring conformity with CPs
- Action plans for achieving conformity with CPs

Why the ERG++ is a preferable solution to ETMA

- ERG track record
- Effective immediately (vs 2010/11)
- Politically independent (vs all European agencies)
- Independent from the Commission (vs arm of DGINFSO)
- NRA-led (vs NRAs as consultative body run by MS and Commission)
- Slimmer, cheaper, more efficient (vs 130+ European bureaucracy, over €27 million pa)
- Continued closeness to day-to-day regulation of markets (vs Commission employees)

What could ETMA do that ERG++ could not?

- Administering ETNS
 - CEPT WG does this now, and ETNS so unsuccessful the Commission originally proposed to remove obligations to interconnect
- Administering applications for pan-European services
 - MSS – done
 - MCA – Recommendation
 - Internet access from boats!!!!
- Administering European spectrum database
- Build upon the “success” of ENISA...
- Give politically correct advice...

Nothing warranting a 134-person €27 million/ year European bureaucracy!