



17 October 2008

National regulators welcome the progress of the European legislative framework for electronic communications and underline the need for further strengthening of the NRAs independence

At its plenary session in Dublin, Ireland, on 9-10 October, national regulators unanimously welcomed the progress made to date, by the European Parliament and the Council while noting that further development, particularly on the institutional aspects, is needed.

“The I/ERG believes that, based on experience to date, independence of national regulatory authorities is of fundamental importance for the proper and effective functioning of the new regulatory framework”, said Daniel Pataki, Chairman of the ERG. “National regulators also welcome the debate on future institutional arrangements which emphasizes the necessity to place NRAs at the heart of efforts to achieve greater consistency in the application of the framework. We trust the Member States will back this approach when ministers meet to discuss the review in November.” Pataki also restated the I/ERG’s principle “that NRAs have the relevant expertise to define and implement remedies tailored to their national markets and that final regulatory decisions should continue to be made at national level”.

During its plenary meeting, the ERG made progress on a number of important ongoing regulatory dossiers affecting the electronic communications sector, including the following:

Next Generation Networks

a. ERG response to public consultation on Next Generation Access (NGA): The ERG has prepared a response to the Commission’s Recommendation on Next Generation Access. The ERG shares the Commission’s view that predictable regulation is essential for ensuring competition and deployment of NGN. However the ERG believes that regulation has to be more flexible than it is envisaged in the Commission’s proposal in order to better fit the differing national circumstances. Furthermore high-level policy implications have to be also examined.

b. IP Interconnection and NGN: The ERG discussed its Common Statement on IP-Interconnection and Next Generation Networks (NGN) and agreed that “Bill and Keep” has promising properties for a future interconnection regime which the Group will continue to examine and to work on in the future.



Increasing regulatory consistency

The ERG is committed to measures which lead to further and greater consistency in regulatory approaches by its member NRAs, and agreed to publication of further documents in this area. These are currently being finalised for publication within the coming weeks.

a. Evolution of termination rates: The latest snapshot of mobile termination rates (MTRs), as at July 2008, shows a further fall in regulated termination rates across Europe and a further decrease in the dispersion of the various national rates. The average MTR has decreased by 1 eurocent during the last year in Europe. The ERG is currently also compiling information on the various national glide-paths, ensuring lower rates in the coming years. Based on this data, the average MTR is expected to fall by 1.7 eurocents by the second half of 2009, as compared to rates in July 2008. With this the ERG starts to deliver on its commitment to decrease MTRs by 40% in the next 3 years as announced in its response to the draft Commission Recommendation.

Separately, ERG is monitoring its Common Position on symmetry of termination rates. Rates are already symmetric in some member states but the ERG has analysed what action is planned in other cases to move towards symmetry. This ERG Action Plan shows that in almost all cases, NRAs have defined or planned a realistic glide-path to achieve symmetry over the next few years. Very few exceptions are foreseen where fully symmetric rates are not expected for the time being, in each case for objectively justified reasons. It will include individual national plans, including the underlying reasoning.

b. Regulatory accounting: National regulators have adopted a report on regulatory accounting which shows that as a result of a better and increased consistency, the scale of harmonization of the different costing methodologies used in the past is growing among the member states. The ERG observes a tendency towards the use of LRIC/CCA as regulatory best practice.

c. Geographical aspects: The ERG approved its final common position on geographic aspects of market analysis and welcomed the clear and great interest of stakeholders demonstrated during the consultation period on the subject.

d. International Roaming: The ERG will continue its activity on monitoring of compliance of EU Regulation through the ongoing periodical data collection. A new implementation report is foreseen by the end of 2008. Furthermore ERG will make additional investigations on the Commission proposals.



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Work Programme 2009

Finally, the ERG has adopted its draft work programme for 2009 and agreed to launch the public consultation. The public hearing with interested parties will be held on 6 November.

The next Plenary session will take place in Budapest on 4-5 December 2008.

All documents will be available on the ERG website at <http://erg.ec.europa.eu> and on the IRG website at: <http://www.irg.eu>.

NOTES FOR EDITORS

The European Regulators Group (ERG) was created to act as an advisory group to help the European Commission develop the internal market for electronic communications and services and ensure the consistent application of the regulatory Framework.

The ERG takes into account in its work the objectives given to NRAs in Article 8 of the Framework Directive (2002/21/EC) to promote competition, contribute to the development of the internal market and promote the interests of EU citizens.

The ERG consists of European National Regulatory Authorities (NRAs). Its full members are the twenty-seven EU Member States whilst the four EFTA States (Switzerland, Norway, Iceland and Liechtenstein) and three EU Candidate States (Turkey, Croatia and Former Yugoslavian Republic of Macedonia) participate as observers.

For more information please contact the ERG secretariat at erg-secretariat@ec.europa.eu or visit our website at <http://erg.ec.europa.eu>.