

## Developments at EU level March 2012 – June 2012

### March 2012

#### 21 – 22 March 2012 – RSCOM

##### **Commission insists Spain must not delay cheaper mobile rates**

5 March 2012 — The European Commission has suspended plans of the Spanish telecoms regulator (CMT) to postpone by a year the introduction of cheaper mobile termination rates (MTRs), the rates mobile networks charge other networks for delivering voice calls. These costs are ultimately included in call prices paid by consumers and businesses. CMT planned to delay cheaper rates until January 2014, one year later than the Commission's recommended deadline. CMT's proposed delay could result in one more year of unnecessarily high mobile consumer prices in Spain at a moment when Spanish consumers are already hard-hit by the economic crisis.

##### **Commission insists Latvian consumers should benefit from joined-up mobile networks**

14 March 2012 — The European Commission has suspended the plans of the Latvian telecoms regulator which could make it difficult for Latvian consumers to contact friends, family or businesses who use a different mobile network.

##### **Reminder: Public Consultation on the Access to Interoperability Information of Digital Products and Services**

20 March 2012 — The purpose of this consultation is to obtain structured input from stakeholders (owners, potential users) and interested parties on the needs, barriers and opportunities for measures leading significant market players to license interoperability information not covered by standards, as proposed in the Digital Agenda for Europe communication. The consultation is open until 20 June 2012.

See also: **Digital Agenda Action 25: Identify and assess means of requesting significant market players to licence information about their products or services**

##### **Commission queries OPTA's regulatory plans for Dutch business broadband customers**

21 March 2012 — The European Commission has decided to investigate whether the Dutch telecoms regulator (OPTA) should oblige KPN (the main Dutch telecoms operator) to give alternative operators access to its infrastructure so they can also offer high-speed broadband connections to business customers. Without this access, business customers may not have a choice of competitive deals from different operators, and could therefore pay higher prices. The Commission has serious doubts whether OPTA's decision not to regulate access to KPN's fibre-to-the-office (FtO) networks and to high-quality wholesale broadband is compatible with EU telecoms rules. In the Commission's view, OPTA's approach could have a negative effect on competition and the future development of fibre investment and innovation. The Commission also believes that OPTA's plans, if implemented, could affect trade between Member States. Conditions for access to the fibre network in The Netherlands will determine the cost and the ability of other operators (including those established in other Member States) to provide telecoms services. The Commission has therefore suspended OPTA's plans.

##### **Commission asks Court of Justice to fine Portugal over exclusion of companies from providing universal service**

22 March 2012 — The European Commission has asked the European Court of Justice to impose a fine on Portugal because it has not respected a 2010 Court judgment requiring it to follow EU telecoms rules when deciding who should provide universal service in Portugal. The Commission is suggesting a lump sum of €38 984/day and a daily penalty payment of €7 571 until the obligations are fulfilled.

##### **Commission refers Hungary to Court for failure to end special tax on telecom operators**

22 March 2012 — The European Commission has decided to refer Hungary to the EU's Court of Justice because it continues to impose a specific tax on the turnover of telecoms operators in violation of EU rules. This tax was one element of a "crisis tax" introduced in October 2010 on three major sectors of the economy (retail commerce, telecoms and energy) to improve Hungary's budgetary position. The Commission considers this tax to be illegal, because EU telecoms rules allow sector-specific charges only to cover the specific costs of regulating the sector, and not to generate additional revenue for the central budget. Increasing the financial burden of telecoms

operators could have an impact on consumers' bills, distort competition and impede investment in a sector expected to drive growth under the Digital Agenda.

See also: **Background note: EU law - Commission acts to ensure that European legislation is fully and properly implemented**

#### **EU reaches preliminary deal on future-proof roaming solution for mobile phone users**

28 March 2012 — Great news for anyone who's been stung by high charges when they've tried to use their mobile phone or tablet abroad: members of the European Parliament and representatives of the Council and the European Commission have reached a preliminary deal on new EU Roaming rules, following the European Commission's proposal of last year. These rules will lead to a structural and durable solution to the high cost of using mobile phones and other smart devices whilst travelling in the EU. The European Parliament is expected to approve this agreement in May 2012 and the Council in June, paving the way for the new rules to enter into force on 1st July 2012.

#### **Commission staff working document on the implementation of national broadband plans**

30 March 2012 — Access to fast and reliable broadband connections has become crucial for both consumers and businesses and is essential for future economic growth and job creation. In order to ensure that networks keep pace with rising demand for bandwidth and become a platform for innovation, the Digital Agenda for Europe sets ambitious broadband targets and requires EU Member States to implement equally ambitious national broadband plans which define a set of suitable measures to achieve these targets.

## **April 2012**

#### **Digital Agenda: Commission consults on rules for wirelessly connected devices - the "Internet of Things"**

12 April 2012 — The "Internet of Things" (IoT) is a future in which everyday objects such as phones, cars, household appliances, clothes and even food are wirelessly connected to the Internet through smart chips, and can collect and share data. The European Commission wants to know what framework is needed to unleash the potential economic and societal benefits of the IoT, whilst ensuring an adequate level of control of the devices gathering, processing and storing information. The information concerned includes users' behavioural patterns, location and preferences. The Commission wants to ensure that the rights of individuals are respected and is launching a public consultation inviting comments by 12th July 2012.

See also: **The consultation**

#### **Digital Agenda: Commission queries French regulator's proposal to set higher wholesale prices for Free Mobile, Lycamobile & Oméa Télécom; starts investigation**

13 April 2012 — The European Commission has expressed serious doubts about the plans of the French telecoms regulator (ARCEP) to set higher mobile termination rates (MTRs) for Free Mobile, Lycamobile and Oméa Télécom. MTRs are the rates mobile networks charge other networks for delivering voice calls, and are ultimately included in the prices customers pay for calls. ARCEP has already fixed cost-based MTRs for existing mobile operators in France as from January 2013, in accordance with EU rules. ARCEP now proposes to set MTRs at a higher level to compensate these new mobile entrants for the prices they pay to use existing mobile networks and the claimed financial effects resulting from traffic imbalances. The Commission has serious doubts about ARCEP's justification of higher MTRs on the grounds that it is more expensive for new companies to provide call termination services. For these reasons, the proposal might not comply with EU telecoms rules.

#### **Commission seriously concerned about future high mobile rates in Estonia**

16 April 2012 — The European Commission put a hold on a proposal by the Estonian Competition Authority (ECA) to impose some of the highest mobile termination rates (MTRs) in the European Union from mid-2012 until mid-2015. MTRs are the rate mobile networks charge other networks for delivering voice calls. The Commission is concerned that ECA's proposed pricing methodology does not fully follow the method set out in EU telecoms rules and will lead to durably excessive MTRs and ongoing consumer harm. The 2009 Termination Rates Recommendation, requires cost-efficient rates to be in place by 1 January 2013. For example, ECA proposes MTRs at 3.89 euro cents per minute in the first half of 2013, well above the cost-efficient rate of around 1 euro cent per minute.

**The Commission changes to face the future: "DG Connect" is launched**

26 April 2012 — Changes have been launched to the structure of the part of the Commission that leads on the Digital Agenda for Europe. To adapt and face the challenges of the next ten years, the structure and mission of the DG (directorates general) have been updated. Changes come into effect in full on 1 July.

See also: [DG ConNECT](#)

**Commission queries Polish telecoms regulator's plans to limit access to fibre networks**

26 April 2012 — The European Commission has decided to further investigate whether the Polish telecoms regulator, UKE, should allow the incumbent Polish telecoms operator, Telekomunikacja Polska (TP) to give alternative operators only limited access to its future fibre based networks so they can also offer high-speed Internet. The Commission has serious doubts whether UKE's decision not to impose cost-oriented prices for access to these networks contravenes EU telecoms rules. In the Commission's view, UKE's decision could have a negative effect on competition and the future development of fibre networks. Conditions for access to TP's fibre network will determine whether, and at what price, alternative operators, including those established in other Member States, will be able to provide telecoms services to Polish consumers. The Commission has therefore suspended UKE's plans and started a 3 month investigation.

**Commission opens public consultation on how to reduce the cost of rolling out high speed internet**

27 April 2012 — High-speed Internet underpins all sectors of the economy and will be the backbone of the Digital Single Market. For every 10% increase in the broadband penetration the economy grows by 1 to 1.5%. In this context the European Commission is seeking views on how to cut the costs of setting up new networks for high speed internet in the EU. In particular, the Commission wants to explore how to reduce the costs associated with civil engineering, such as the digging up of roads to lay down fibre, and which can account for as much as 80% of the total cost. The Commission believes it could cut the cost of broadband investments by a quarter. Input is sought from all interested public and private parties including telecoms and utility companies for instance, investors, public authorities and consumers.

## May 2012

**Digital Agenda: New price caps for mobile data roaming expected to save families over €200 each year and business travellers over €1000**

10 May 2012 — From 1 July 2012, the European Union's mobile roaming regulation will be extended to include price caps for data downloads which will mean significant savings for those using maps, email and social networks when travelling. For a typical business person travelling in the EU this will mean savings of over €1000 per year. A family taking an annual holiday in another EU country can expect to save at least €200.

**EU research breakthrough will cut 4G / LTE mobile network energy use in half**

15 May 2012 — The EU-funded project EARTH has received the 2012 "Future Internet Award" prize for developing unprecedented energy efficiency solutions for wireless communication networks. Researchers from companies such as Alcatel-Lucent, Ericsson, Telecom Italia, DOCOMO, and from universities in Belgium, France, Finland, Germany, Hungary, Italy, Portugal, Spain, Sweden and UK, have optimised the energy use of 4G/LTE (Long-Term Evolution) base stations, which account for the highest energy consumption in the mobile network.

**BEREC Plenary – 24-25 MAY 2012 (Meeting)****Vice-President Kroes to propose action on consumer choice and "net neutrality"**

29 May 2012 — "When it comes to the issue of "net neutrality" I want to ensure that Internet users can always choose full Internet access – that is, access to a robust, best-efforts Internet with all the applications you wish. But I don't like to intervene in competitive markets unless I am sure this is the only way to help either consumers or companies. Preferably both. In particular because a badly designed remedy may be worse than the disease - producing unforeseen harmful effects long into the future. So I wanted better data before acting on net neutrality."

**Vice-President Kroes urges member states and citizens to endorse 116 000 hotline for missing children**

30 May 2012 — 116 000 is an easy-to-remember and free-of-charge phone number to report missing children. In a recent survey, 91% of Europeans find this service useful. But that overwhelming support is not translating into awareness. Even in member states where the number is operational, only one in five people feel they have enough information about it. In a dedicated Conference, Vice-President Kroes urged Member States to make the hotline fully operational and to take any action to boost awareness.

See also: [Commissioner Kroes' speech](#)

**Commission acts to ensure that European legislation is fully and properly implemented**

31 May 2012 — In its monthly package of infringement decisions, the European Commission is pursuing legal action against Member States for failing to comply properly with their obligations under EU law. These decisions covering many sectors aim at ensuring proper application of EU law for the benefit of citizens and businesses. The Commission has taken today 147 decisions, including 27 reasoned opinions and 11 referrals to the European Union's Court of Justice.

See also: [Commission asks Court of Justice to fine five Member States for missing telecom rules implementation deadline](#)

**Commission asks Court of Justice to fine five Member States for missing telecom rules implementation deadline**

31 May 2012 — The European Commission has decided to refer five Member States - Belgium, The Netherlands, Poland, Portugal, and Slovenia - to the EU Court of Justice because they have still not implemented the revised EU telecoms rules into their national laws. The official deadline for doing so was 25 May 2011. The Commission has also suggested the Court impose a daily penalty payment on each Member State which would be paid as from the date of the Court's ruling until full transposition of the rules into national law is notified. The other 22 countries which have implemented EU telecoms rules guarantee more competitive markets for consumers and businesses and give EU customers new rights, such as switching their phone operator in one day without changing the number or being informed without delay when their personal data is stolen online.

See also: [Commission acts to ensure that European legislation is fully and properly implemented](#)

## June 2012

**Commission consults on draft Guidelines for broadband networks**

1 June 2012 — The European Commission is inviting comments on the application of EU state aid rules to the public funding of broadband networks. The key issue for discussion is how to adapt the current Guidelines to the objectives of the EU Digital Agenda. In line with the Commission's state aid modernisation package, the proposed changes aim to ensure that state aid policy in the broadband sector focuses on facilitating well-designed aid targeted at market failures and objectives of common European interest, streamlining rules and taking faster decisions. Comments on the draft guidelines should be submitted by 3 September. On the basis of the comments received, the Commission intends to adopt definitive Broadband Guidelines in December 2012.

See also: [Frequently Asked Questions](#)

**New Regulation to enable cross-border electronic signatures and to get more value out of electronic identification in Digital Single Market**

4 June 2012 — The European Commission has proposed new rules to enable cross-border and secure electronic transactions in Europe. The proposed Regulation will ensure people and businesses can use their own national electronic identification schemes (e-IDs) to access public services in other EU countries where e-IDs are available. It also creates an internal market for e-Signatures and related online trust services across borders, by ensuring these services will work across borders and have the same legal status as traditional paper based processes. This will give full effect to the major potential savings of eProcurement.

See also: [Electronic identification, signatures and trust services: Questions & Answers](#)

**Electronic identification, signatures and trust services**

4 June 2012 — Questions & Answers

**Commission puts on hold German telecoms regulator's plans to regulate high bandwidth leased lines**

4 June 2012 — The European Commission has put on hold, pending further investigations, plans of the German telecoms regulator (BNetzA) to set price levels for dedicated secure lines of ultra-fast broadband lines that are rented out to competitors- so-called "very high bandwidth leased lines", which the incumbent German telecoms operator, Deutsche Telecom (DT), can charge alternative operators.

**Smartphone app to ensure stress-free travel this summer**

5 June 2012 — Just in time for the summer holidays, the EURO 2012 Football Championship and the London 2012 Olympics, the European Commission has launched an application for smartphones explaining how to use the European Health Insurance Card. The Card gives people access to state-provided healthcare in case of illness or an accident during travel and temporary stays in 31 European countries. The Card is available – free of charge - from national health insurance providers. It guarantees access to urgent treatment under the same conditions and at the same cost (free in some countries) as people insured in that country.

**RSPG Meeting – 06 June 2012****Transport and Telecommunications Council – 7 and 8 June 2012**

06/06/2012 - The EU's Council of transport ministers met in Luxembourg on 7 June under the Danish Presidency. From the European Commission, Vice-President Siim Kallas, responsible for transport and mobility, will present agenda items on the Connecting Europe Facility, measures concerning noise restrictions in EU airports, the results of the Blue Belt Pilot project as well as the implementation of the European Electronic Toll Service (EETS). On 8th June the telecommunications part of the Council held an orientation debate on telecommunication guidelines and re-use of Public Sector Information (PSI). The Commission was represented by Vice President Neelie Kroes, responsible for the Digital Agenda.

**Next Generation Internet Protocol takes off**

06/06/2012 - Internet Protocol version 6 (IPv6) was formally launched worldwide, coexisting alongside Internet Protocol version 4 (IPv4). Deploying IPv6 is a key action under the Digital Agenda for Europe. This is because unless the existing Internet infrastructure is upgraded to IPv6, the Internet would slow down as a result of its own success, which would in turn lead to fewer possibilities to drive innovation in the field of new Internet services and applications.

**Commission queries Czech regulator's plans to regulate access to its broadband networks**

(11/06/2012) The European Commission has decided to further investigate the proposal by the Czech telecoms regulator (ČTÚ) to partially lift obligations on the main Czech telecoms operator Telefónica to give alternative operators access to its infrastructure, so they can also offer broadband. Without this access, the choice of operators offering high-speed Internet in the Czech Republic would be limited and consumers might have to pay higher prices for higher speed Internet connections. The Commission has serious doubts whether ČTÚ's proposal not to impose regulation on wholesale broadband access in municipalities where Telefónica allegedly faces more intense competition from alternative infrastructures is compatible with EU telecoms rules. The Commission also believes that ČTÚ's plans could affect trade in the EU as the conditions for access to Telefónica's copper and fibre network in the Czech Republic can determine the cost of Internet services offered by other operators in the other Member States. The Commission has therefore suspended ČTÚ's plans and started a so-called 'Phase 2' investigation

**Commission clears state aid to an ultra-fast broadband network in Birmingham**

(12/06/2012) The European Commission has found a proposal by the United Kingdom to grant around €6 million of public financing for the construction of an ultra-fast broadband network in the city of Birmingham to be in line with EU state aid rules, in particular because it will be genuinely open to all operators and will therefore promote competition.

**Commission calls on Dutch regulator to look again at termination rate plans**

13 June 2012 — The European Commission has decided to require the Dutch telecoms regulator (OPTA) to amend or withdraw a fixed and mobile termination rates proposal which would negatively affect consumers in the Netherlands. Termination rates are the rates which telecoms networks charge each other to deliver calls between

their respective networks. These costs are ultimately included in call prices paid by consumers and businesses. This is the first time that the Commission has issued a recommendation under Article 7a of the Telecoms Directive.

#### **Online Engagement Digital Agenda Assembly 2012**

15 June 2012 — The Digital Agenda Assembly will be held in Brussels, 21-22 June and more than 1000 members keep discussing on the online discussion platform which Neelie Kroes launched on 19 April in preparation, both for the aforementioned meeting, as well as the review of the Digital Agenda for Europe later in the year. The 40 members making the most interesting contributions have been invited to the Assembly in Brussels. Amongst others, there is an active online discussion group of **High Speed Connections**, featuring a lively debate on how next generation broadband could contribute to create jobs also in rural areas. In the **Security group** a survey is ongoing for identifying the most appropriate incentives to **ICT security investment**. A recent discussion on **Social Media**, analyses the way the European Parliament has attracted thousands of followers and fans on most popular networks. The group on **Data** hosts many lively discussions from the reuse of “Open Apps” to the importance of sensor data. If you are interested in these or other issues discussed in the platform, **join and contribute to the debate** !

Contact: [INFSO-DAA2012@ec.europa.eu](mailto:INFSO-DAA2012@ec.europa.eu)

#### **Annual scoreboard confirms need for structural economic reform across Europe and surplus of ICT jobs; big trend towards mobile services and technology**

(18/06/2012) Europe's citizens, businesses and innovators are generating enough digital demand to put Europe into sustainable economic growth, but failure to supply enough fast internet, online content, research and relevant skills is undermining this potential. Greater data consumption and a shift to mobile technologies (such as smartphones) and mobile services (such as 3G internet, music streaming and webmail) are the most significant trends in the information & communications technologies (ICT) sector, which now accounts for 8 million jobs and 6% of EU GDP.

See also: **Telecoms services improving, but regulatory divergences should be addressed to support further innovation**

#### **Commission queries Finnish telecoms regulator's plans not to impose strict price control for wholesale broadband markets**

(19/06/2012) The European Commission has decided to further investigate whether the Finnish telecoms regulator, FICORA, should allow regional Finnish telecoms operators to give alternative operators access to their broadband networks without proper pricing regulation. The Commission has, inter alia, serious doubts whether FICORA's decision not to impose cost-oriented prices for access to fibre networks of dominant operators in Finland contravenes EU telecoms rules. In the Commission's view, FICORA's decision could have a negative effect on competition and the future development of fibre and copper networks. Current prices for fibre local loops are already high. This suggests that dominant operators, without proper regulation, are in a position to charge access rates at excessive levels. As a consequence of the proposed regulatory approach, those operators who would normally immediately obtain access to regulated fibre-based products, may have to open dispute settlement procedures (delaying the price implementation) or wait for FICORA's intervention. In both scenarios market entries may be significantly delayed. The Commission has therefore suspended UKE's plans and started a 3 month investigation.