



Subject: GSME comments to the proposed ERG-IRG Work Programme 2005

17 January 2005

GSME welcomes the opportunity to submit comments on the consultation of the 2005 ERG/IRG Work Programme and would like to make the following comments.

1. IRG/ERG relationship

GSME still sees the relationship between the IRG and ERG as unclear. The groups are almost identical in their composition and in their functions but have different rules of working.

However, ERG is the official unique entity created to assess and assist the European Commission in the electronic communications field. That is why it is quite surprising, after the study of the ERG/IRG Work Program 2005, to see that **IRG fully shares the ERG responsibilities and tasks - this is without any legal basis justifying the IRG or giving it a role in the procedures established by the new regulatory framework approved in 2002.** If IRG and ERG members are almost identical and there is currently an overlap on the work they undertake, there is no justification for this coexistence. There is no legal basis to support the IRG assuming a shared responsibility with ERG.

GSME considers that, for the benefit of clarity and transparency, there should be only one entity with responsibility for these matters.

2. Level of transparency

GSME is of the opinion that there is a need for the ERG to continue to improve its level of transparency. It is true that the ERG publishes the agenda and conclusions of its meetings, needless to say this information whilst welcome, is very general. Whilst it may not be appropriate to make available all documents discussed at the meeting it would greatly improve transparency and the opportunity for more considered responses to public consultations procedures.

In order to increase the level of knowledge of the mobile market, the quality of the information and the exchanges between ERG and the industry, **GSME considers it beneficial to establish more informal cooperation between ERG and the sector**, believing that these exchanges of opinion could only benefit ERG work and also the European market development.

In the same way, **GSME would appreciate more transparency from ERG's activities and more knowledge about the work done in the subgroups created within ERG** (calendar, activities, etc...), as up to now there is no information about the working activities of these subgroups.

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Other committees created by the New Regulatory Framework try to work closely with the industry and its representative associations to increase their effectiveness. As an example the Communications Committee (COCOM) are able to invite industry to their meetings and to share the documents studied with them. This can therefore involve all the agents present in the European Electronic Communications market in its ongoing development. The Mobile industry like other players in the sector is ready to cooperate and to share their understanding with the ERG if this would lead to more productive outcomes for the development of the European market.

As last remark GSME would highlight the fact that regarding the timeframes of the different deliverables of the ERG work programme, **there are no closing dates mentioned for every report covered in the 2005 ERG work plan**. An indication of even an approximate date for the conclusion of every item would give more transparency to the ERG tasks and would also indicate what the priorities are for the ERG.

3. Coverage of the 2005 work programme

3.1 General aspects

GSME fully supports the reduction of subjects that should be studied by ERG during this year as the 2004 list was too wide to adequately address the topics and draw the correct conclusions on each topic. Therefore, this decrease of topics is considered positive by GSME. However, it seems to GSME that this reduction of topics is not linked with a decreased of a regulatory intervention, as ERG is focusing its action for 2005 on some emerging markets (VoIP, broadband market...).

GSME would like to remind that ERG activities must take into account the principles established in the new Directives, that is to say, to adopt a deregulatory model, less interventionist, limiting intervention to where it is strictly needed and when competition rules cannot deal with the problem detected in a specific market. Parallel to this, ERG must bear in mind the need to encourage efficient investment and promote innovation in order to assure a healthy and sustainable development of the European electronic communications market for the future.

3.2. International roaming

As in previous years, the ERG has indicated the international roaming services as a high priority in its tasks for 2005, wanting to develop a common position and a joint action plan to reduce international roaming charges. However, the ERG should recognise that the market for international roaming has evolved significantly over the past year and is continuing to do so. The deployment of new technologies and traffic direction mechanisms, together with the evolution of roaming tariffing strategies and recent market developments (such as the launch of strategic alliances), has resulted in significant competition in this market. Most European mobile operators are in the process of or already have negotiating discount agreements to bring roaming prices down and pass on these benefits to consumers via attractive and transparent retail roaming offers. Furthermore, new technologies such as "Voice-over-IP", in particular in the context of WLAN hotspots are expected to put additional pressure on the prices.

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In view of the rapid changes taking place, we strongly believe there is no need for the ERG's Work Programme to address this market in 2005. Ultimately, untimely and inappropriate regulatory intervention could endanger the correct development of this market going forwards. Far from assisting the situation, intervention at this stage could unintentionally cap or slow down the increasing level of competition in this area.

The ERG will, of course, be aware that the issue of whether there are any concerns in respect of commercial practices relating to previous years is currently being addressed by the European Competition Authorities.

Conclusions

GSME considers it necessary to solve the ongoing confusion of IRG-ERG division of work, understanding that ERG is the sole body enfranchised by the current regulatory framework.

GSME also wants to encourage the ERG to include in its 2005 objectives, intentions to increase the level of transparency. This should also consider ways to increase the level of dialogue and cooperation with all the players in the European electronic communications market.

GSME strongly believes there is no need for the ERG's Work Programme to address the roaming market in 2005. Untimely and inappropriate regulatory intervention could endanger the correct development of this market going forwards.

GSME would like to underline its willingness to work with the ERG in order to share views and knowledge of the current situation in the mobile market and for the benefit of the future development of the electronic communications market.

GSM Europe
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