

BEREC ACTION PLAN TO ACHIEVE CONFORMITY WITH ERG COMMON POSITION ON SYMMETRY OF TERMINATION RATES – ERG (07) 83

Introduction

In 2007 ERG worked on the question of whether regulated termination rates should be symmetric between a pair of fixed network operators (each having SMP) and/or between a pair of mobile network operators (each having SMP). This culminated in the adoption of a Common Position¹, following consultation with stakeholders. Broadly, the Common Position concluded that rates should move towards symmetry subject to a reasonable transition timetable (to avoid undue disruption to the business plans of market players) and (in the mobile case) to the possibility of retaining asymmetric rates where different costs arose from different spectrum endowments.

For the purposes of the Common Position, “symmetry” was taken to encompass:

- (a) Full symmetry – where all operators of a particular class (i.e. fixed or mobile) charge the same rate
- (b) Reciprocity – where operators having similar network architectures charge the same rate but those having different network architectures charge different rates.

ERG members have committed to take the utmost account of Common Positions in their relevant regulatory decisions and to provide reasons for non-conformity. To ensure transparency about how this commitment is met in practice, ERG set up a monitoring programme to assess the degree of national conformity with each relevant Common Position and the reasons for any non-conformity. The first such exercise on symmetry was carried out in 2008 and the results reported in the report ERG (08) 45 - *Action Plan to achieve conformity with the Common Position on MTR/FTR Symmetry*. The 2008 exercise showed that much progress would be necessary before near-full conformity would be achieved. However, some NRAs were already fully in conformity and many others had developed suitable action plans.

With the advent of the new arrangements for cooperation amongst NRAs and between NRAs and European Commission arising from the revisions to the European Regulatory Framework, BEREC has, after consultation, adopted a Work programme for 2010 heavily based on the ERG Work Programme previously agreed. BEREC has accordingly carried out a follow-up monitoring exercise on symmetry. This report describes the results.

¹ ERG's Common Position on symmetry of fixed call termination rates and symmetry of mobile call termination rates (ERG (07)(83))

Fixed termination

16 of the 30 responding NRAs reported that the principle of symmetry, as defined in the Common Position, has already been adopted. 4 of these NRAs qualified their response as one or more market players are currently exempt from the symmetry requirement. In the 18 countries where complete symmetry is not currently applied, a firm date for achievement of symmetry has been set in 6. The matter has been examined in current Market reviews in 2 others. A further 2 have announced a clear policy intention to introduce symmetry. In the remaining 8, the matter remains open at least until the next Market Review. Comparing the results with those reported from the 2008 exercise, progress towards symmetry has been rather less than expected.

In those countries where symmetry will not be in place by the end of this year, various reasons were given. The most common was the need to avoid disruptions to the market by making large changes in a short time. Differences in underlying costs were also cited. Some NRAs see these differences as justifying the continuation of asymmetry for the foreseeable future, at least to a degree, while others see it as more of a timing issue. It was also noted that, in the national circumstances, current asymmetries do not have an adverse effect on competition, which has removed the urgency from the question of achieving symmetry.

Mobile termination

10 NRAs apply fully symmetric rates at present and another 12 have partly symmetric rates leaving 8 countries with asymmetric rates at present. Of the 20 currently without fully symmetric rates, 9 have taken a binding decision on a date by which symmetry will be achieved and 7 have announced a process by which such a date is expected to be set. 4 (including 2 not representing EU/EEA states) have made no firm plans.

The Common Position provides that asymmetric rates may be justified where there are cost differences arising from different spectrum endowments, such cost differences being outside the control of the operators concerned. 2 NRAs take advantage of this provision.

Assessment

Since the previous monitoring exercise in 2008, there has been some progress towards symmetry, particularly for mobile termination. In the latter case, on the basis of the decisions taken and the firm plans announced, minimal non-conformity with the Common Position will be evident in the short-medium term (most NRAs will have ended with existing asymmetries by the end of 2012).

On fixed termination however, such progress seems unlikely. Several NRAs appear to have no clear expectation that symmetric rates will be adopted in any foreseeable period.

As set out in the ERG Report on the elaboration and monitoring of common positions (ERG (09) 36), it is now appropriate to review the Common Position to assess whether it remains necessary and, if so, whether amendment is required in order to align it better with market circumstances.

FIXED TERMINATION – CONFORMITY OF NATIONAL PROVISIONS

Country	Current situation	Firm date set for symmetric rates?	Other action by NRA
Austria	Reciprocity		
Belgium	Asymmetry		Market review in progress
Bulgaria	Some rates symmetric	Yes	
Croatia	Some rates symmetric	Yes (1 Jan 2013)	
Cyprus	Asymmetry	No	
Czech Republic	Full symmetry		
Denmark	Asymmetry	No	
Estonia	Asymmetry	Yes (1 Jan 2011)	
Finland	Asymmetry	No	FICORA has issued guidelines on symmetry/asymmetry
France	Asymmetry	No	
Germany	Full symmetry		
Greece	Full symmetry		
Hungary	Asymmetry	Yes (31 Dec 2011)	
Ireland	Some rates symmetric	No	
Italy	Some rates symmetric	Yes (1 July 2010)	
Latvia	Asymmetry	No	
Lithuania	Full symmetry		
Malta	Full symmetry		
Netherlands	Full symmetry		
Norway	Full symmetry		
Poland	Asymmetry	Yes (1 Jan 2014)	Under review
Portugal	Asymmetry	No	
Romania	Full symmetry		
Slovak Republic	Asymmetry	No	
Spain	Asymmetry	No	
Sweden	Full symmetry		
Switzerland	Asymmetry	No	
Turkey	Asymmetry	No	
UK	Reciprocity		

MOBILE TERMINATION – CONFORMITY OF NATIONAL PROVISIONS

Country	Current situation	Firm date set for symmetric rates?	Other action by NRA
Austria	Full symmetry		
Belgium	Asymmetry	Yes	
Bulgaria	Some symmetric rates	Yes	
Croatia	Some symmetric rates	Yes (1 Jan 2013)	
Cyprus	Asymmetry	Yes (1 Jan 2013)	
Czech Republic	Full symmetry		
Denmark	Some symmetric rates	Yes (2012)	
Estonia	Full symmetry		
Finland	Full symmetry		
France	Some symmetric rates	No	Clear policy intention announced to move to symmetric rates
Germany	Some symmetric rates	No	Clear policy intention announced to move to symmetric rates
Greece	Full symmetry		
Hungary	Full symmetry		
Ireland	Some symmetric rates	Yes (1 Jan 2013)	
Italy	Some symmetric rates	Yes (1 July 2012)	
Latvia	Some symmetric rates		Clear policy intention announced to move to symmetric rates
Lithuania	Full symmetry		
Malta	Full symmetry		
Netherlands	Asymmetry	No	Draft decision to achieve symmetry by September 2010
Norway	Some symmetric rates	No	Clear policy intention announced to move to symmetric rates
Poland	Asymmetry	Yes (1 Jan 2013)	
Portugal	Full symmetry		

Romania	Some symmetric rates	Yes (1 July 2010)	
Slovak Republic	Asymmetry	No	
Spain	Some symmetric rates	No	Clear intention of achieving symmetrical prices. Once the current glide path expires (April 2012) CMT will revise the existing asymmetry.
Sweden	Full symmetry		
Switzerland	Asymmetry	No	
Turkey	Asymmetry	No	
UK	Some symmetric rates	No	Draft decision to impose symmetry by April 2011