



Bologna - Bruxelles, 30 October 2015

Berec
Body of European Regulators
For Electronic Communications
Riga - Latvia
By E-mail: pm@berec.europa.eu

Subject: Response to the draft report for public consultation on “*Work Programme 2016 – BEREC Board of Regulators*”

CoopVoce, the MVNO branch of Coop Italia, is pleased to provide its response to the public consultation on draft report related to “Work Programme 2016 – BEREC Board Of Regulators”.

You can find below CoopVoce contribution on the public consultation as Annex 1.

Best regards.

CoopVoce
Giorgio di Stefano
Affari Regolamentari

A handwritten signature in black ink, appearing to read "Giorgio di Stefano", written over a light blue horizontal line.

ANNEX 1

CoopVoce welcomes BEREC's initiative to consult interested parties on its draft Work Programme for the year 2016 (hereafter 'draft WP2016'), and is pleased to provide this brief contribution. In particular, we warmly welcome BEREC's reaffirmed commitment to three strategic priorities for the period 2015-2017: (1) promoting competition and investment, (2) promoting the internal market and (3) empowering and protecting end-users.

1. The *areas of key concern* for CoopVoce for 2016 and beyond are:
 - a) Ensuring that *wholesale international roaming caps and wholesale voice/sms termination rates are substantially reduced and harmonised in the short term*, in order to enable a working transitory regime on international roaming from 15 April 2016, and the abolition of retail roaming surcharges by 15 June 2017. This must occur *in a manner which enables ALL operators (including MVNOs) to compete for bundled mobile domestic and international roaming services, for data-led services, for M2M/IoT services, and supports innovation going forward*.
 - b) Ensuring that the *review* of the EU regulatory framework for electronic communications *preserves the key objectives of promotion of competition, supported by regulation where objectively justified*.
 - c) *Pragmatic approaches M2M/IoT*: Machine-to-Machine communications (M2M) and development of Internet of Things (IoT) should be stimulated by enabling diverse choice of numbering ranges and use of eSIMs without undue

restrictions, as well as preventing distortion of competition. This includes a combination of: (i) permission of extraterritorial use of national numbers, IMSIs, and other identifiers across all EU/EEA Member States, and, (ii) an EU number range supported by measures to ensure its usability in the short term (effectively enforced deadline for end-to-end connectivity, harmonised MTR/SMS MT).

2. CoopVoce considers it absolutely essential for BEREC, within the boundaries of its remit, to apply its full weight on those three key subject areas. ***We call upon BEREC to:***
 - a) Use its authority as an EU institution advising the co-legislators to help ensure that the ‘promise’ of the abolition of retail roaming surcharges by 15 June 2017 (and the transitory regime prior to that) is kept.
 - b) BUT, BEREC also needs to ensure that this is NOT done in a way which: (i) would compel market participants (including MVNOs) to create a panoply of complex “fair use restrictions” in retail contracts and/or differential treatment of a subset of roaming destinations within the EU/EEA, (ii) would result in a reduction of competition, (iii) would cause damage to end-user interests, and (iv) could cause damage to the credibility of the EU.
 - c) Assist the European Commission in objectively calculating wholesale mobile network costs, and a credible mark-up (to be objectively separately calculated) for wholesale international roaming costs on mobile networks. This needs to be done as soon as possible, in particular with a view to avoiding damage to competition being caused both during the transitory regime (from 15 April 2016) and in the proposed follow-up regime (from 15 June 2017).

- d) Help ensure, as an EU institution advising the co-legislators, that the review of the EU regulatory framework for electronic communications retains an unadulterated priority on promoting competition. This includes addressing non-competitive oligopolies in the mobile market as and where they exist, and the wholesale access conditions that can be attached to spectrum licences (Article 5 of the RSPP should not be overridden by amending the EU regulatory framework). BEREC's proposed study on mergers & acquisitions is also of direct interest to MVNOs. M2M/IoT, eSIM, numbering, universal service, and other topics covered by the European Commission's consultation on the EU framework review are also of direct interest to MVNOs.
 - e) Be pragmatic and forward-looking on M2M/IoT, in particular by enabling a multitude of numbering/addressing solutions simultaneously, including extraterritorial use.
3. CoopVoces notes in this regard that:
- a) ***MVNOs collectively serve over 10% of EU mobile users (4% in Italy).***
 - b) ***MVNO access has been the key antitrust remedy*** in recent 4 to 3 mobile mergers in Austria, Ireland and Germany (new MNOs have not materialised in these countries even as antitrust commitments and, especially in Austria, spectrum licensing conditions were aimed at stimulating new MNO market entry).
4. MVNOs strongly contribute, in Italy and in the EU, to competition and to financing mobile networks (through payment of wholesale charges which assure revenues to mobile network operators and which are recognised as being among

the most profitable business areas for mobile network operators), whilst avoiding costly duplication of network assets.

5. CoopVoce stresses that, *without substantially reduced and harmonised wholesale charges (including MTRs/SMS MT) in the short term, Europe will face:*

a) Severe competitive distortion.

b) Eviction of MVNOs from the bundle market of domestic mobile services and international roaming services, and preventing development of data-led markets.

c) *Higher overall retail pricing for consumers* (waterbed effect in home country), driven by high wholesale roaming costs.

6. On the basis of what is stated above, CoopVoce asks **BEREC to systematically keep in mind the existence and role of MVNOs, and reflect that role, when finalising the list of items in its draft WP2016, and when performing its duties relating to mobile markets**, and more generally when drafting documents, and when providing advice to EU institutions.