PosteMobile
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Body of European Regulators
for Electronic Communications
(BEREC)

E-mail sent to the address pm@berec.europa.eu

Subject: Public Consultation on draft BEREC Report on enabling Internet of Things

Dear Sirs,

PosteMobile wants to provide its response to the public consultation on draft BEREC Report on enabling Internet of Things.

You can find below PosteMobile contribution on the public consultation (Annex 1).

Please, do not hesitate to contact us for any further clarification you may have.

Best regards

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Department

Questions to stakeholders

1. How do you evaluate the three options mentioned in section 2.2.1.4 (extra-territorial use of national E.164 and E.212 numbers, use of global ITU numbering resources, use of a European numbering scheme) for the provision of M2M services? Which of these solutions is preferable to address the need for global marketing of connected devices? Should these solutions be used complementarily?

PM believes that the long term solution for numbering related to M2M services is the use of a European numbering scheme that could provide enough capacity to allow existing and new providers and will make M2M fully recognizable in the roaming environment. It will also remove the potential discrimination that smaller operators, that are not part of large groups or alliances, are facing now. However, a new numbering scheme will require some time to be implemented taking into account that the following steps are required:

- technical feasibility analysis by CEPT

- EU level harmonization decision

- Technical and operational implementation including new or updated roaming agreements

Therefore, a short term solution is necessary and the extra-territorial use of national E.164 and E.212 numbers is the only one that could allow large groups/alliances and smaller operators to continue offering M2M services. It should be noted that this is the current de facto standard in the M2M industry with the majority of operators using it even though it is not fully recognized in the regulatory environment. Some kind of regulatory framework, possibly with a Recommendation, providing legal certainty and removing any remaining national regulatory obstacles is necessary. At the moment, E.164 and E.212 numbers are used in two ways:

- Single IMSI SIM: simple permanent roaming where a foreign SIM (i.e. with foreign E.212 numbers associated to a foreign or national E.164 number) is used extra-territorially and fully recognized as a roaming customer

- Multi IMSI SIM: the device has a SIM with one local IMSI used for the majority of national services and one or more additional foreign IMSI to be used abroad or in situations where there is no coverage. In the latter scenario, the SIM "roams nationally" by using the international roaming option of the foreign IMSI.

PosteMobile believes that both solutions should be allowed by the regulatory framework and that remaining regulatory obstacles (for example, the prohibition foreseen in Italy of using foreign IMSIs in conjunction with national mobile numbers) should be removed.

The management M2M platforms is complex and expensive task with substantial economies of scale deriving from the management of the revised or new roaming agreements, the IT systems and SIM cards provisioning. For these reasons M2M platforms are more and more centralized at

supranational level via alliances or large groups with the participation of multiple operators. However, for smaller operators participation to these platforms could be expensive. PosteMobile believes that reducing these charges and make them more scalable will be essential to make sure that M2M services could developed and expanded. Access price reduction might result from market competition, but some oversight and possibly intervention from regulators will be necessary if this will not happen.

2. How do you regard the market situation in the M2M sector with regard to permanent roaming and national roaming?

Some M2M service such as smart meters that are usually located under difficult signal reception situations (indoor and/or remote locations) require a level of radio coverage which must be better than what one single operator can offer. This could be achieved via national roaming agreements. However, this is proving to be difficult or impossible for obvious competitive reasons. No operator is willing to provide national roaming to its competitors as this will favour them in the bidding for M2M contracts. There could also be certain antitrust issues that could arise. In addition, in the case of MVNOs, some wholesale contracts might specifically forbid national roaming agreements with other national operators that are not the MVNO host. This factor could put MVNOs in a competitive disadvantage. For these reasons, PosteMobile believes that national roaming is unlikely to be the solution to achieve the level of coverage required by some M2M services, unless regulatory intervention will take place. National regulatory authorities should require operators to offer national roaming services to other operators to achieve maximum development of M2M services. National roaming should be restricted to M2M services avoid competitive distortions.

Permanent international roaming is being used and is likely to be used in the future as a substitute to national roaming to achieve maximum coverage. The new EU TSM Regulation, that will enter into force before the end of the year, specifically excludes M2M services using permanent roaming from the remits of the Regulation. This should avoid that the provisions in the Regulation, that were designed to favour travelling EU customers, could be abused by M2M permanent roaming.

3. Which solution – OTA provisioning of SIM or MNC assignment to M2M users – do you think is preferable to facilitate switching between connectivity providers in the M2M sector? Which advantages, which disadvantages are attached to the two solutions?

PosteMobile believes that the OTA provisions of SIM is the long term solution to facilitate the switching between operators once the contract with client has ended. The technical solution is now mature and ready to be implemented by SIM manufacturers and operators. The standardization process at ETSI level is also well advanced.

The solution of assigning MNC directly to M2M users does not seem to be feasible and future proof taking into account the limited number of MNC available at the moment in each country. The current configuration of MNC foresees only about 100 of them per country. The revision of the configuration to increase the number of digits in the MNC dedicated to the operator from two digits to three (leading to about 1000 MNCs per country) will require significant technical changes, operational costs and

re-testing of roaming services. The resulting number of MNCs might also be still insufficient taking into account the foreseen growth of M2M services which will definitely lead to more than 1000 customers per country. In addition, a specific switching process among operators will be required and coordination among all the parties involved will be necessary at least at EU level.

PosteMobile believes that for the moment no additional regulatory obligation is required to facilitate switching between operators taking into account that M2M services are still in their infancy and it is likely that customers will put easy switching as a requirement in the choice of their M2M provider. A regulatory requirement at this stage could become a burden that might slow down the development of M2M services.

It should also be noted that, if the regulatory requirements becomes too stringent, M2M providers that use platforms and numbering which are outside the remits of EU regulation, but that in practice provide services to EU customers, could be favoured compared to EU providers that are subject to those rules.

PosteMobile believes that a number portability obligation is not necessary taking into account that the nature of M2M services makes phone numbers not relevant. M2M devices do not need to be reached by the general public via phone numbers and voice/sms based M2M services constitute only a small fraction of the total M2M market. The requirement for number portability would only increase operational costs and complexity.

4. Do you think there is a need to adapt Art. 13a of the Framework Directive to address security concerns in the M2M context? If so, which adaptations do you consider to be useful?

PosteMobile believes that Art. 13a of the Framework Directive need some adjustements in order to achieve a better regulation for the variety of situations in which the M2M or IOT services can be used. We agree with the statement carried out by the paper about the opportunity of differentiation of the security requirements, paying attention to the kind of services and the kind of data that were processed by machine equipments. We believe that it could be ineffective adopt the same rule if we need to process information that does not have relations with a "critical" data in terms of exposure (e.g. unauthorized access) or unsafe processing. For instance if the M2M service regards a big amounts of sensor dedicated to monitoring the temperature in a farmland it is not necessary implement deep security protection. Another important point of attention is the low cost of the equipments that cannot allow to apply a strong security measures. Otherwise, if we would have to process personal data showing attitude, interests or something else exposing individuals at risk of an intrusion in his privacy, we would have to be careful: in this last case, of course, we think that every reasonable effort should be expected from the regulation and the services providers would be required to understand the potential impact on privacy and the steps they may need to take to identify and reduce the associated risks.

At the same time, we consider that the requirements are sufficiently general to cover security issues that mostly M2M services could face. At this time the risk related with the use of every kind of connections, even if private network or segregated one, is, at least, no more serious than any security concern of complex IT platforms on premises or into the cloud. The nature of most M2M services may reduce the threat of external attacks because of the closed architectural solution. Meanwhile

the principal connectivity on which the M2M services relies on is the mobile's networks that belongs to the "critical infrastructure" and have to already fulfill the highest security standards.

An internationally harmonized approach is desirable and it is desiderable that at least all obligations apply to M2M services should be addressed at European legislation but it should be addressed public security and national sovereignty.

5. Do you think there is a need to adapt the Privacy Directive and ePrivacy Directive to address privacy concerns in the M2M context? If so, which adaptions? Do you think that the reform of the Privacy Directive as foreseen in the Council's General Approach of 15 June 2015 on the future General Data Protection Regulation goes in the right direction?

PosteMobile believes that it is not really necessary to adapt the Privacy Directive and ePrivacy Directive in relation to M2M even though both belong to a different era compared whit the actual technological environment. We would like to stress the fact that every time we have to deal with new services we should pay as much attention as possible to avoid rules having a negative impact mainly in terms of development, competitiveness and growth of the marketplace. Our suggestion, at this stage, in order to create the conditions for a growth of the portfolio's offer, is to prevent applying sector specific privacy regulation and, instead, apply general privacy rules, mostly to avoid unnecessary over regulation when the technical or commercial context changes and to prevent discrimination between actors that fall under the sector specific rules and the others that are "de-regulated". Moreover, the extraterritorial nature of many M2M services will be at odds with the national rules that will come from the implementation of the revised Directive at national level. If some new rule has to be defined, we hope that it will consider the importance of differentiating between the general process of information that is, in some way, non personal data (meaning data that are not directly related with a data subject or not so easy to be connected with him), that could represent a significant amount of collected data, and the situation in which the connection may be direct. Only in this last situation the privacy rule should definitely guarantee the right of private life, which can only be interfered with when it is necessary to meet a legitimate social need.

We also would like to stress that the upcoming General Data Protection Regulation will set common rules at EU level without the need of national transposition are more likely to be future-proof and sufficient to cope with the varied and pan-European nature of most M2M services.

6. What is the impact of open and proprietary standards on the development of the M2M sector? What are the advantages and disadvantages of open and proprietary standards, taking in account that M2M services may be provided on private or public networks?

PosteMobile supports the development of open standards in the M2M sector too. This will in the long term reduce the costs of the equipment and platforms for all the actors involved.