

# Editorial

## Review of the Regulatory Framework for Electronic Communications

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The year 2007 will be a crucial year for the electronic communications sector in Europe. The Commission will make proposals to review the EC's electronic communications regulatory framework, which is an essential tool for both business and consumers. The objective is to pave the way for a true internal market for electronic communication services.

The framework's main goals are to promote competition, the internal market, and to protect consumer interests. The impact of the framework is positive: European consumers benefitted from more choice, lower prices, innovative services and products. But there are some areas where improvements are needed. The review thus focuses on three key aspects: better regulation for the telecom sector, more efficient spectrum management, and incentives for more competition and investment.

Less and better regulation for the telecom sector means streamlining some procedural aspects and reduce red tape. This would enhance the national regulators' ability to deal with issues of substance. The mechanism whereby the Commission works together with national regulators needs to be reinforced in order to ensure that national measures are consistent with EC rules and provide for effective remedies to deal with distortions of competition. The options available to do this range from giving the Commission review powers to ensure a more consistent approach by the national regulators to the establishment of a European authority which would be responsible, together with national authorities, for removing key competition bottlenecks and promoting pan-European services.

As far as spectrum is concerned, the move towards more efficiency is essential. The wireless industry in Europe has to

cope today with 27 different administrative systems and thus has difficulties to unleash its economic potential for European business and consumers. Possible solutions could thus include the introduction of a more market-oriented approach towards spectrum, spectrum trading across the EC in selected bands or the introduction of common authorisations for pan-European services. Again, red tape should be cut and market forces left to develop.

A crucial part of the review of the regulatory framework is the evaluation of its impact on competition and investment in those markets where specific ex ante regulation is still needed. The Commission has repeatedly stated that there is a need to increase competition in particular in key markets, such as the broadband market. The separation of infrastructure provision from service provision, to prevent a dominant company from using its market power in one area of its operations to foreclose competition in another market, is one of the measures that the Commission is considering.

It has already been put into practice in some countries and is currently being discussed as an option – even though in a more drastic way – for the energy sector.

In order for the review to be successful, the framework has to be future-proof. The new framework will lay down the rules that will apply to the sector for the next decade. This means that the legislator, whether national or supranational, should not try to regulate the future but instead pave the way for businesses and consumers to benefit from more opportunities in the coming years.



\* Mitglied des Kabinetts von Viviane Reding, Kommissarin für Informationsgesellschaft und Medien der Kommission der Europäischen Gemeinschaften.