

# *Regulatory framework for 3G mobile communications in the EU*

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# The new regulatory package

*Services Directive (90/388/EEC)*  
*extended to: Satellite (94/46/EC)*  
*Cable (95/51/EC)*  
*Mobile (96/2/EC)*  
*Full Competition (96/19/EC)*  
*Cable Ownership (1999/64/EC)*

*ONP Framework Directive (90/387/EEC)*  
*amended by 97/51/EC)*  
*Licensing Directive (97/13/EC)*  
*GSM Directive (87/372/EEC)*  
*ERMES Directive (90/544/EC)*  
*DECT Directive (91/287/EEC)*  
*S-PCS Decision (97/710/EC)*  
*UMTS Decision (99/128/EC)*

*European Emergency Number Decision (91/396/EC)*  
*International Access Code Decision (92/264/EEC)*  
*ONP Leased Lines Directive (92/44/EEC)*  
*amended by 97/51/EC)*  
*TV Standards Directive (95/47/EC)*  
*Interconnection Directive (97/33/EC)*  
*amended by 98/61/EC)*  
*Voice Telephony Directive (98/10/EC)*  
*Telecoms Data Protection Directive (97/66/EC)*

**Liberalisation Directive**

**Framework Directive**

**Authorisation Directive**

**Access & Interconnection  
Directive**

**Universal Service & Users'  
Rights Directive**

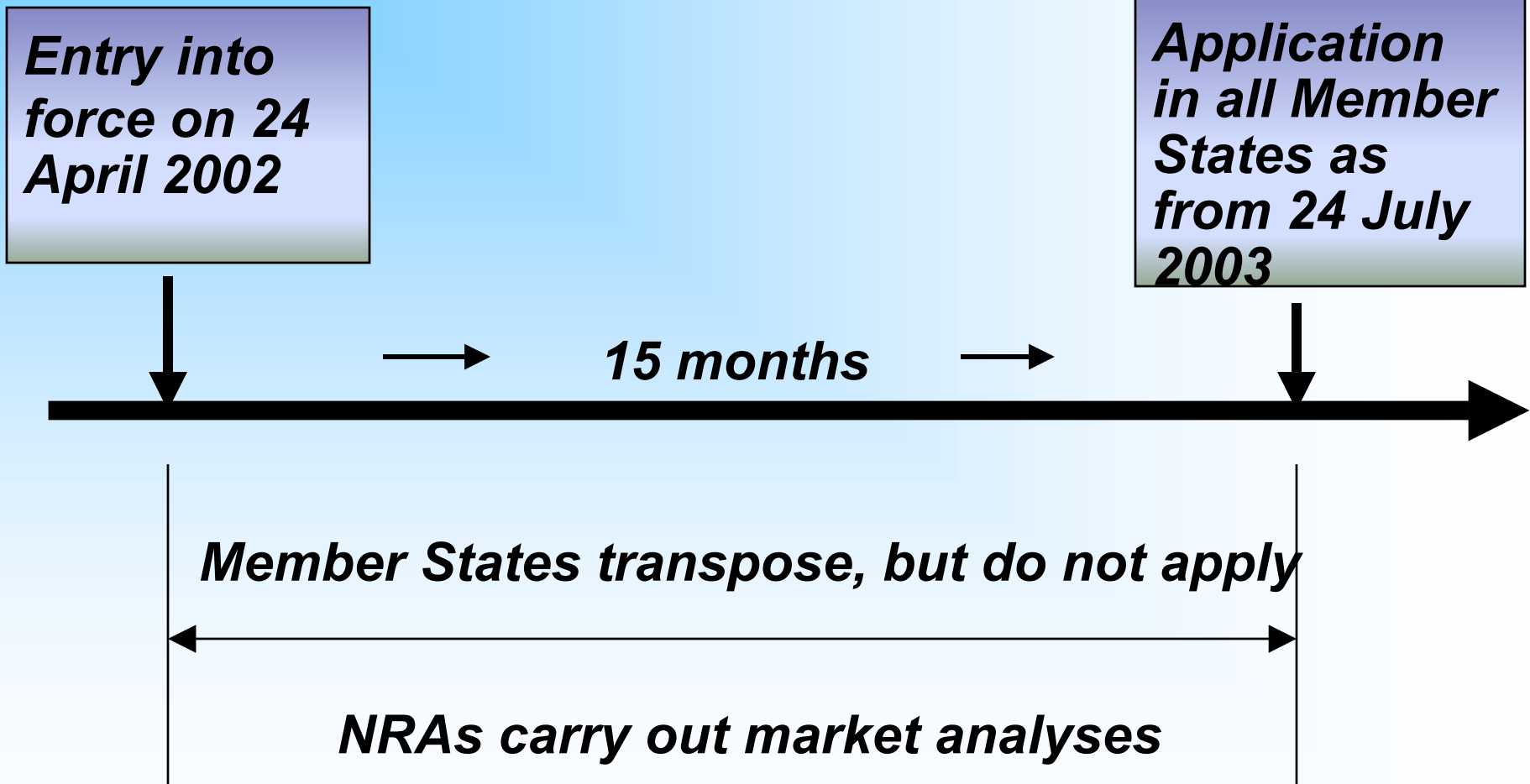
**Data Protection Directive**

**Spectrum Decision**

# *New regulatory framework*

- **Licensing Directive** replaced by new **Authorisation Directive**, to be transposed into national law and applicable in all Member States as from **24 July 2003**
- **UMTS Decision** will expire on **22 January 2003** pursuant to the 'sunset clause' described in Art. 14
- The European Commission has **not** proposed an extension of the UMTS Decision to the European Parliament and Council

# *Timeline: new regulatory package*



# *New Committees and Groups*

- **Communications Committee**
  - Established by the Framework Directive
  - Advisory and regulatory roles
- **Radio Spectrum Committee**
  - Established by the Spectrum Decision
  - Advisory and regulatory roles
- **European Regulators Group**
  - Created by a separate Commission Decision (29 July 2002 )
  - Aim: seek consistent application of rules in all Member States
- **Radio Spectrum Policy Group**
  - Created by a separate Commission Decision (26 July 2002)
  - Advisory role

# *UMTS Decision: purpose*

Decision No 128/1999/EC of 14  
December 1998

- Art 1: The **aim** of this decision shall be to facilitate the rapid and coordinated **introduction of compatible UMTS networks and services** in the Community on the basis of internal market principles and in accordance with commercial demand

# *UMTS Decision: actions*

- Art 3.1: Member States shall take all actions necessary in order to **allow** the coordinated and progressive **introduction** of UMTS **services** on their territory **by 1st January 2002** at the latest and in particular shall establish an **authorisation system** for UMTS no later than **1st January 2000**
- Art 3.3: Member States shall ensure that the provision of UMTS is organised in **frequency bands harmonised by CEPT** and pursuant to European standards approved or developed by ETSI. Member States shall ensure that licences allow **trans-national roaming** in the Community

# *UMTS Decision: outcome*

- All EU15 Member States have already **implemented** the UMTS Decision and have awarded 3G licenses, assigning frequencies in accordance with the relevant CEPT ERC Decisions
- In total, **62 licenses** have been awarded in the EU15 Member States by the end of June 2002. **Fourteen** of these licenses were secured by **new entrants**
- **Not all 3G licenses offered** in Belgium, France, Greece, Ireland and Luxembourg **have been assigned**



# *Licensing Directive*

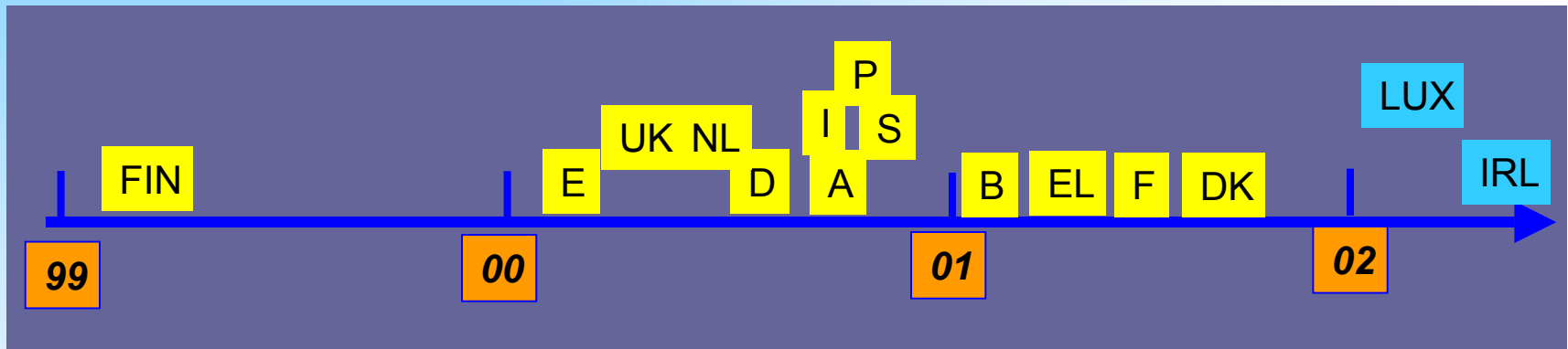
Directive 97/13/EC of 10 April 1997

- Art.10.1: Member States may **limit the number of individual licences** for any category of telecom services and for the establishment and/or **operation of telecommunications infrastructure**, only to the extent required to ensure the **efficient use of radio frequencies** ...
- Art.10.3: Member States shall grant such individual licences on the basis of **selection criteria** which must be objective, non-discriminatory, detailed, transparent and proportionate. Any such selection must give due weight to the need to **facilitate the development of competition** and to **maximize benefits for users**

# *Licensing Directive (continued)*

- The Licensing Directive and the UMTS Decision provided the legal basis for the 3G licensing process ..... but it was up to the national administrations and regulatory authorities to establish their own licensing approach
- Recital 2: ... recognizes as a key factor for this regulatory framework in the Union the establishment, in accordance with the principle of subsidiarity, of common principles for general authorisations and individual licensing regimes in the Member States ...

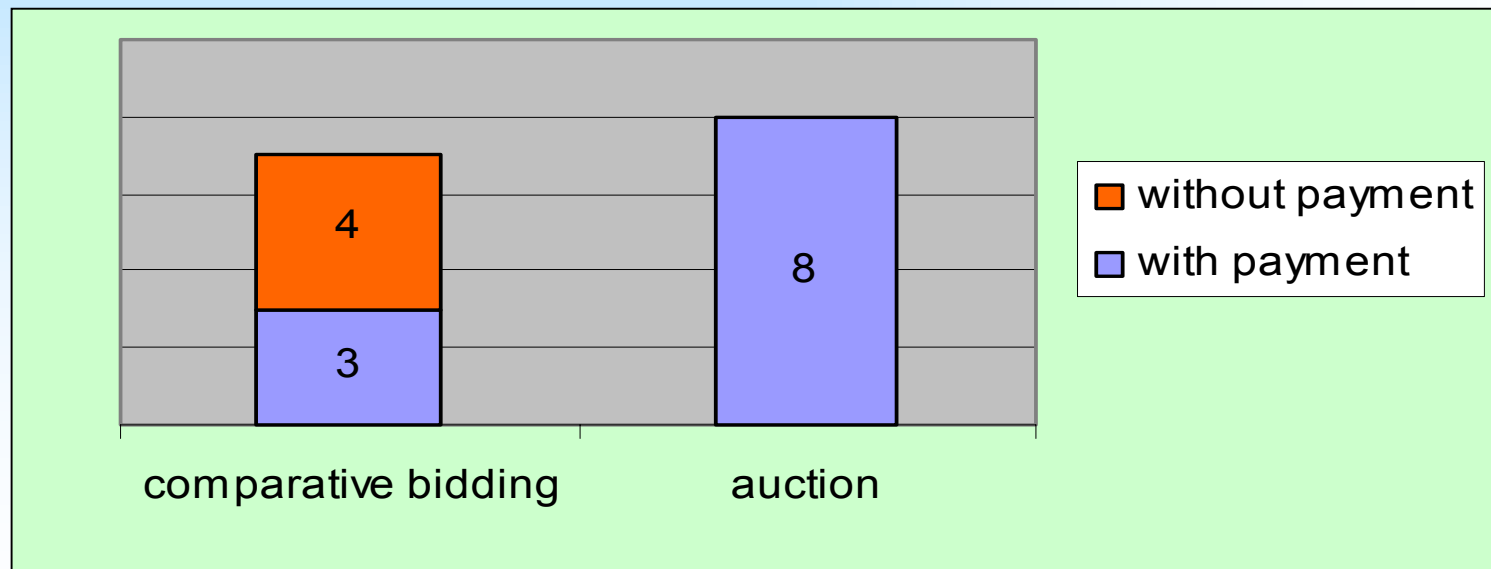
# *Timing of 3G licensing in the EU15*



- There has been a significant change of financial environment and market conditions over the 3G licensing period

# ***Method of 3G licensing in the EU 15***

- Community legislation set out principles, but did not impose specific licensing methods
- Differences in payment approaches
- Both auctions and comparative bidding (beauty contest) are compatible with EU legislation



# *Method for 3G licensing*

- The **Licensing Directive** set out principles, but did not impose specific licensing methods
- Auctions and comparative bidding (beauty contest) were compatible with EU legislation
  - Auctions in **eight** Member States
  - Comparative bidding in **seven** Member States
- Schedule of payments and the form of bidding have differed among Member States

# *Regulatory fragmentation*

- method of licensing: beauty contest vs. auctions
- timing of licensing
- number of licenses; new entrants
- license duration (15-20 years)
- deployment obligations
- sharing / access conditions (national roaming)
- spectrum assignment: 10 or 15 MHz FDD + 5 MHz TDD
- cost of licenses

# *Outstanding issues*

- 3G licensing issues and radio spectrum aspects e.g. additional IMT-2000 frequency bands in the 2500-2690 MHz range will continue to be relevant beyond the expiry date of the UMTS Decision
- Outstanding issues will be dealt with in the context of the new regulatory framework within the recently established Committees and Groups

# *Accession and candidate countries*

- **Poland, Slovenia, Czech Republic and Slovakia:** have issued 3G licenses
- **Estonia and Latvia:** preparing to invite bids for 3G licenses in the near future
- **Hungary, Lithuania, Cyprus and Malta:** have not yet decided on a course of action
- **Romania:** preparing to invite bids for 3G licenses in the near future
- **Bulgaria and Turkey:** have not yet decided on a course of action