



Internet Telephony Services Providers' Association

31st January 2006

European Commission call for input on the forthcoming review of the EU regulatory framework for electronic communications and services (including Recommendation on Relevant Markets)

Introduction

ITSPA welcomes the opportunity to provide initial input at this early stage of the process of the review of the regulatory framework for electronic communications and services (including the Recommendation on Relevant Markets).

General

Overall, ITSPA is pleased with the functioning of the current regulatory framework. However, the current communications landscape is evolving rapidly and ITSPA believes the environment in 2009/2010 when the "new" Regulatory Framework will be in force will be considerably different. The current framework thus needs to be updated and "future proofed". Hence, ITSPA believes that new technologies, such as VoIP, must be considered as a core aspect of the regulatory review. Furthermore, any assumptions made about the marketplace in 2010 must take into consideration sustainable growth and incentives for growth.

ITSPA considers that in 2010, there will be one voice market, although the rate at which this may be achieved is likely to vary across the Member States.

ITSPA is firmly committed to effective self-regulation and has a core goal of promoting and ensuring responsible behaviour by VoIP providers. ITSPA believes that a light touch regulation of the VoIP sector is essential to promoting innovation by European companies, leading to more choice and better services for the consumer as well as encouraging a competitive communications market.

At the same time, although ITSPA is in favour of deregulation, ITSPA believes that it is of fundamental importance that ex ante regulation remains applicable to non-replicable facilities to ensure a level playing field.



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ITSPA believes more harmonisation is still required at EU level for cross border services such as VoIP. ITSPA is concerned that the lack of harmonisation in the regulation of VoIP and numbering issues, for example, is leading to increasing uncertainty.

Specific topics

Investment

ITSPA would urge the Commission to note that investment is currently also being driven at the services-level. Therefore, the Commission should not focus solely on infrastructure competition. For this reason, it is also crucial to have a regulatory framework in place that prevents and unlocks bottlenecks, if necessary.

ITSPA would also reiterate its disagreement with the concept of regulatory holidays.

Emerging Bottlenecks

It is crucial to achieving a truly competitive market that new, emerging bottlenecks are identified at an early stage. ITSPA believes that these could include: number portability, numbering, Quality of Service, access to core networks, directory services, naked DSL, and network neutrality for example. ITSPA would also point out that many of these bottlenecks are already an issue for VoIP providers (for instance number portability) and it is therefore crucial that the opportunity is grasped now to open up these bottlenecks from the outset of NGNs.

Definitions

ITSPA believes that key definitions within the regulatory framework need to be reviewed in light of changes in consumer expectations and the technological landscape. Specifically, ITSPA believes the PATS and ECS definitions need to be updated.

Universal Service

ITSPA believes VoIP is an enabler of Universal Service provided that broadband connections are in place. However, as VoIP services do require certain guaranteed speeds, SMP obligations should remain in place to ensure all citizens have access to these communications technologies. We would also point out, on the other hand, that the need to ensure access for all through Universal Service means that caution with regards deregulation is also necessary.

ITSPA would also reaffirm its conviction that the new IP world will open the door to the provision of equivalent services for all end-users and that it is crucial any amendments to the framework



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with regards terminal equipment and services are flexible enough to enable the development and deployment of these services.

Joint Dominance

ITSPA has identified the issue of joint dominance as increasingly being a factor that merits consideration by regulators and the Commission. The current framework is centred upon the notion of intervention in markets where there is a single, dominant player. However, this approach may not be workable in an oligopolistic environment. In the UK, for example, ITSPA is increasingly concerned about the company created by the merger of the two largest cable television companies. This has been demonstrated by their refusal to route 056 numbers – a number range opened by Ofcom specifically for VoIP services to promote competition and consumer choice.

It is also important that joint dominance is not mistaken as “competition” in the market.

About ITSPA

The Internet Telephony Services Providers' Association was established in 2004 in the UK to represent the VoIP sector. ITSPA aims not only to encourage the innovation and development of the VoIP industry through the promotion of self-regulation and competition, but also to promote the benefits of the technology to consumers. ITSPA has the objective of ensuring consumers receive a first-class service and to reassure them that any product or service bought from a company displaying the ITSPA logo comes with a high standard of consumer protection, which is properly policed and includes a dispute resolution procedure. Further information on ITSPA and its members, can be found on our website here: <http://www.itspa.org.uk>.

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