

# Telecoms reform to bolster better and faster connectivity across EU approved by member states

The swift and extensive roll-out of 5G and other next generation technologies throughout Europe, stronger consumer protection and a capped rate for international calls within the EU – all these are covered by the **comprehensive set of new rules for the electronic communications sector** that EU countries' ambassadors approved today on behalf of the Council. A provisional agreement on the '**European Electronic Communications Code**' and on a **revised remit for the Body of European Regulators for Electronic Communication (BEREC)** was reached with the European Parliament on 5 June 2018.

This reform will frame the development of the electronic communications sector for the next ten years and beyond. I am confident that it will stimulate healthy competition and increased investment in 5G and fibre networks, so that every citizen and business in the EU can enjoy very high quality connectivity and an increasing choice of innovative digital services.

*Ivaylo Moskovski, Bulgarian Minister for Transport, Information Technology and Communications*

## **European Electronic Communications Code**

**Consumers** will benefit from a similar, higher level of **protection** for electronic communications services across Europe. Targeted exceptions to full harmonisation are designed to ensure that the level of protection is not lowered in any country. The strengthened consumer rules will make it easier to switch between providers and offer better protection for people who subscribe to bundled services, for example.

To ensure that end-users are equally protected regardless of the type of services they use to communicate, 'electronic communications services' will also cover **services provided over the internet** such as messaging apps and email (also known as 'over-the-top', or 'OTT', services). Certain characteristics of the service – rather than the underlying technology – will determine which rules of the directive will apply. For example, an obligation to provide certain information in contracts will only concern services which are provided against remuneration.

A review mechanism will ensure that end-user rights remain robust and up-to-date as business models and consumer behaviour change.

Affordable and adequate internet access will be included in the list of

**universal services** that must be available to all consumers, irrespective of their location or income. People with disabilities should have equal internet access.

Following positive experiences in some countries, all member states will have to set up a **public warning system** to send alerts to citizens on their mobile phones in the event of a natural disaster or other major emergency in their area. This 'reverse 112' system will have to be in place within 3.5 years of the directive entering into force.

To **promote investment, in particular in 5G**, member states will, as a general rule, provide operators with regulatory predictability over a period of at least 20 years regarding spectrum licencing for wireless broadband. Decisions on renewals of rights will have to be taken in a timely manner. Member states will also have to make available new frequency bands for 5G that will allow faster internet connections and increased connectivity throughout Europe.

The directive will update current rules on **operators' access to networks** to encourage competition and make it easier for companies to invest in new, very high capacity infrastructure (capable of download speeds of at least 100 Mbps), including in more remote areas. The text allows authorities to reduce the level of regulation to some extent where markets are competitive, but introduces safeguards to ensure that market regulation remains effective.

Rules on 'significant market power' (SMP) will be complemented with **symmetric regulation** of all providers of electronic communications networks in some very specific situations to ensure competition in all cases. In addition, national regulatory authorities will have more tools to address issues that may arise in certain market circumstances, such as duopolistic situations.

With this agreement, the Council and the Parliament succeeded in meeting the June 2018 deadline that EU leaders set for this priority dossier at the European Council in October 2017.

## **BEREC regulation**

In line with its new mandate, BEREC will play a significant role in helping EU countries to roll out very high capacity networks and will contribute to the smooth application of the regulatory measures laid down in the Code.

As BEREC's current structure has worked so well, there was no need for a major overhaul of BEREC. The dual structure of BEREC and the BEREC Office will therefore be maintained, and the BEREC Office will continue to have legal personality and the status of an EU decentralised agency.

The BEREC regulation also includes provisions on **cheaper 'intra-EU calls'**, which will complement last summer's abolition of roaming surcharges in the EU. Under the new rules, the retail price of mobile or fixed calls placed from the consumer's home country to another EU country will be capped at 19 cents per minute. Similarly, the cap for intra-EU text messages will be 6 cents per message. The beneficiaries will be consumers, as businesses usually negotiate their rates with operators. As is the case with roaming,

derogations are possible in exceptional circumstances. The new caps will kick in as soon as 15 May 2019.

## **Next steps in the legislative process**

Once the agreed texts have undergone legal and linguistic finalisation, they must be formally adopted, first by the Parliament and then by the Council (agreement at first reading). Following adoption, the legal acts will be published in the EU's Official Journal. This is expected to take place at the end of this year.

For the Code, member states will then have two years to adopt the necessary provisions to put the directive into practice. An additional one-year transition period will apply to the harmonised end-user provisions. The BEREC regulation will enter into force 20 days after publication.

The full texts of the draft directive and the draft regulation will soon be available on this webpage.

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