

The implementation of the European Directives in Italy

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The implementation process

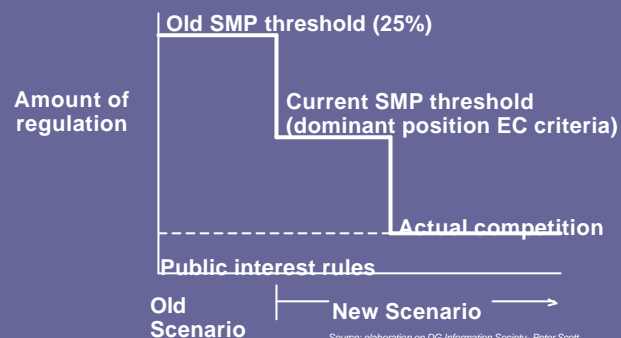
- Italy implemented the *Telecoms Package* by Legislative Decree No. 259 of 1 August 2003.
- The “Electronic Communications Code” (*Code*) is in force since 16 September 2003.
- The Code further liberalizes the telecoms market, allocating competences between the NRA and the Ministry and setting the conditions to foster the development of broad band services throughout Italy.

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Innovations: Less Regulation...



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Innovations: ... More Competition Rules – No more issues?

- “An undertaking shall be deemed to have SMP if, either individually or jointly with others, it enjoys a position equivalent to dominance, thus a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and consumers” (Section 17.2 of the Code).
- Identification of markets: e.g., call termination markets limited to individual operators? Could each operator have SMP on its network?
- Definition of broad band access to the Internet?

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Innovations: No More Licenses

YESTERDAY

INDIVIDUAL LICENSES (voice telephony, mobile services, public networks, S-PCS, certain satellite services)

GENERAL AUTHORIZATIONS (VAS, Internet, CUG etc.)

TODAY

GENERAL AUTHORIZATION

Supplemented by regulatory decisions for specific undertakings in relation to:

Rights to use frequency

Rights to use numbers

Rights of way

SMP obligations

USO

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Innovations: Spectrum Use

- Radio frequencies may be used under general authorizations, if:
 - ✓ it is possible; and
 - ✓ the risk of interferences is negligible.
- If it is necessary to grant individual rights of use, then:
 - ✓ this is done, upon authorized operators' request;
 - ✓ through public, transparent and non-discriminatory procedures;
 - ✓ conditions for transfer of rights of use must be specified;
 - ✓ grants in 6 weeks or 8 months (in case comparative bidding procedures).

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Innovations: Spectrum Trading (1)

- "Member States may make provision for undertakings to transfer rights to use radio frequencies with other undertakings" (Article 9.3 Framework Directive), provided that:
 - ✓ advance notice is given to NRA;
 - ✓ any transfer takes place in accordance with procedures laid down by NRA;
 - ✓ any transfer is made public.
- NRA shall ensure that competition is not distorted as a result of any such transaction.

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Innovations: Spectrum Trading (2)

- Rights of use of frequencies may be transferred if:
 - ✓ there is limited band availability
 - ✓ they were allocated to a fixed number of operators
 - ✓ transferee is a similar network technology operator
- Notification to Ministry and NRA for consent
- Ministry, after consultation with NRA, grants or denies consent within 90 days from notification
- No competition distortion (Antitrust intervention)
- No change of type of use if harmonized bands

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Innovations: More Broad Band (1)

- Broadband is “*the technological environment composed of applications, contents, services and infrastructures which allows the use of digital technologies at high interactivity levels*” (Section 1.1(o) of the Code).
- The spread of BB services in Italy is among the main objectives of the Code, to be achieved by:
 - ✓ Guaranteeing, in a scalable manner, the access to and interconnection with BB electronic communication networks so as to ensure sustainable competition, innovation and consumers benefit;
 - ✓ Making sure that Regions and Local Entities (within State fundamental principles) establish advanced levels for BB networks and services;

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Innovations: More Broad Band (2)

- The spread of BB services in Italy is among the main objectives of the Code, to be achieved by:
 - ✓ Granting State aids for the purchase of terminal equipment and for the usage of BB networks and services; and
 - ✓ Promoting minimum BB availability levels in health agencies, training bodies, industries and trade businesses as well as hotels and tourist infrastructures.
- The Ministry and NRA must foster competition also by encouraging efficient and sustainable investments in BB services and networks.

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Questions?

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