

The Ofcom geographically differentiated approach to wholesale broadband market analysis: A suitable blueprint for Europe?

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Regulatory Studies

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Ofcom approach could be a starting point to set European criteria

- The EC has approved Ofcom market review approach based on separation of different geographic markets
 - Consistent with European regulatory framework
 - Fits well with the situation of UK bitstream market in 2007
- Ofcom's approach has many features to be a good foundation for a common European methodology
 - Better suited to actual market situation than legacy national markets
 - It uses objective, technical criteria to define and analyse markets
 - Its criteria are not dependent on UK specificities, and can therefore be measured and applied in the other European countries
 - It takes into account both structural (user density) and behavioural (operators footprint) parameters
 - It is workable for an average NRA

But the Ofcom approach could greatly benefit from some adjustments

Acknowledge the difference between infrastructure and LLU based competitors

- Infrastructure based competitors are fully independent of incumbent providers
- Allows consistent criteria for markets 5 & 4 (12 & 11)
- Allows sound treatment of future NGN investments

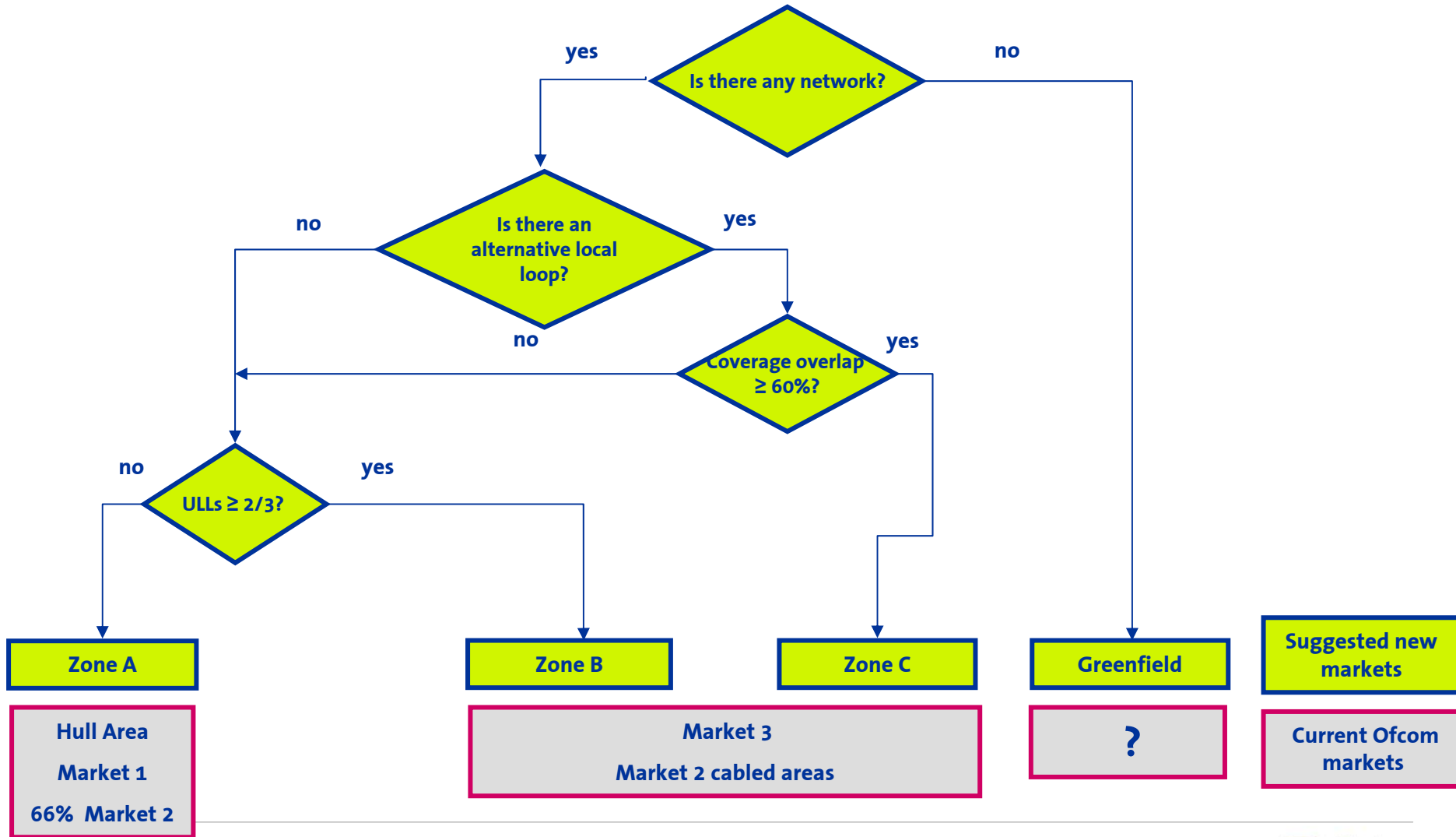
Stress technology neutrality

- Explicitly include wireless networks in the analysis
 - Wireless might not be relevant (yet) in the UK in 2007...
 - ...but it was so in some European countries: WiFi operators held 40% share of Czech broadband market

Explicitly address greenfield areas

- All operators face the same competitive opportunities and barriers
- Greenfield areas should therefore be deemed equivalent to emerging markets

Our suggestion: how markets 5 (former 12) and 4 (former 11) could be analysed



Suggested new markets
Current Ofcom markets

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