

FCS Comms Provider 16 - Thursday 8 September 2016



Liberalising the mobile market

The International MVNOx Association (iMVNOx)



The iMVNOx Association - Our objectives

To represent and serve the interests of our MVNO, MVNE and MVNA members

Promote MVNOs in new and existing markets.

To be an effective voice for the poorly represented and fragmented MVN_x ecosystem.

Enshrine principals through contract and codes of conduct for MVNO/E/As , host operators and the regulator.

Influence regulatory and competition decisions.

To provide real, tangible member benefits, through collaboration and shared purchasing power

Mobile Regulation & Competition Cases

What We have been involved with to date

We have been involved with:

- + The (Softbank) Sprint/T-Mobile merger in the US in 2014. In collaboration the CCA developed the 'Fairplay Framework' as a core remedy in competition case around mergers
- + Submitted to EU Competition unit on O2/H3G merger in Ireland
- + Collaborated with FCS on submissions to CMA in the BT/EE merger case
- + Heavily involved in O2/H3G UK merger case. Co-ordinated a questionnaire of issues Commission wished feedback from MVNOs. Proposed remedies to participants.
- + We are in discussions with regulators Mexico and Iran on promoting the mobile wholesale market.

Mobile Regulation

Why We Regulate

Economic:

- + Mobile operators are natural monopolies because...
 - + Small number of operators control scarce resource (Spectrum)
 - + Network effects benefit users on larger networks rather than smaller networks
 - + Economies of scale benefit larger networks over smaller networks
 - + Networks need to interconnect and incumbents can refuse (History of state monopolies as incumbents)
 - + Small numbers of large market participants can act as Oligopoly

Social:

- + Essential Service

(Ofcom seems (to me) more concerned with economics than social issues)

Mobile Regulation

Current Framework

UK Regulation

- + Tries to be Technology Agnostic – defined in terms of ECNs and ECSs (Beware definitions)
- + Principal of “you are allowed if it is not prohibited”. But there are conditions set by Ofcom, starting with General conditions. The more public, the more powerful (SMP) the greater the regulation.

Based primarily on UK Legislation (Not an exhaustive list)

- + Office of Communications Act 2002 – established Ofcom
- + Communications Act 2003 – Main Legislative act, amended 2011 ,
- + Wireless Telegraphy Act 2006 – Repeals old licensing regime, amended 2011
- + Privacy and Electronic Communications Regulations (SI 2426/2003) amended by (SI 2011/1208)
- + other SIs and tertiary rules (e.g. general conditions of entitlement, etc)

Based on the EU Telecommunications Framework – 5 Directives in 2002 modified by further Directives in 2009, plus various recommendations, guidelines, decisions **eg MTRs**

But also EU Legislation

- + Roaming Regulations (I, II, III)
- + Various recommendations from Berec regarding Roaming Regs

Mobile Regulation

Current Framework - Ofcom

Ofcom's Principal Duty (Communication Act 2003)

- + (a) to further the interests of citizens in relation to communications matters; and
- (b) to further the interests of consumers in relevant markets, where appropriate by promoting competition”

Ofcom's Regulatory Principles (Office of Communications Act 2002)

- + Ofcom will intervene where markets alone cannot achieve objectives, “bias against intervention”
- + Interventions will be evidence-based, proportionate, consistent, accountable and transparent.
- + Ofcom will always seek the least intrusive regulatory mechanisms to achieve its policy objectives.
- + Ofcom will research markets constantly and will aim to remain at the forefront of technological understanding.
- + Ofcom will consult widely with all relevant stakeholders

Ofcom's Role as Competition Authority

- + Ofcom is the competition authority for the UK communications industries.
- + However in the case of mergers and acquisition CMA is arbiter

Mobile Regulation

Current Framework

Ofcom's Community Duty – What happens here?

To **promote competition**

- + Provision of electronic communications networks and services
- + Provision and availability of services and associated facilities
- + Supply of directories
- + To contribute towards development of European internal market
- + To promote the interests of all EU citizens
- + To not favour (as far as reasonably practicable) any form of network, service or means of provision over another

To encourage **network access and interoperability** so as to secure:

- + Efficient and sustainable competition in markets for electronic communications services, networks
- + Maximum benefit for customers and providers of associated facilities
- + To encourage compliance with technical standards so as to secure: Service interoperability & Freedom of choice for customers

Mobile Regulation

Ofcom Strategic Review of Digital Market

“Once every 10 year review”

Biggest concern - Universal Fixed & Mobile Services (mainly a fibre/broadband issue).

On mobile - “competition will drive network innovation and investment”. Will intervene to prevent **consumer** harm. Concern about bundling and concentration – may need “Fundamental rethink”

Other issues: 5G, Transparent consumer QoS & penalties, Easier switching (mobile and bundled plays), protect vulnerable customers

Mobile Regulation

Opportunities to Liberalise (What about Brexit?)

- Roaming Regulation still important – operators are pan European, Ofcom is still part of Berec
- National Roaming – multi-operator plays
- Ofcom Strategic Review follow up
- Ofcom & CMA co-ordination
- Technical issues and solutions (unbundling the airways, 5G)

Mobile Regulation

Unbundling the airways

- What to do:
- Ofcom Review & Brexit gives an opportunity to MAKE A NOISE
- Organise – doesn't have to be one voice, diversity of opinion is inevitable and to be valued
- Be proactive – gather information and comments on market movements as early as possible

What The iMVNOx can do for you?

What do you want 'your' trade association to do for you?

Represent your interests with regards to the

- + Ofcom's strategic review
- + Roaming Regulations
- + Mergers and Competition cases
- + Ensuring Data protection & privacy is not non discriminatory and proportionate
- + Access to single market issues

Proactively approach Ofcom to influence change

Meet ups; events; seminars on regulatory and competition issues

Provide code of practice to ensure customers feel protected and build confidence in Communication Providers



The iMVNOx is a member run, member led,
non-profit, global organisation...



...so join today and let us know what you would like us to do for you



Contact: Mike Millar, Global Director Regulatory Affairs
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Appendix 1 - Who can join?

Anyone with an interest or involvement in the MVNO ecosystem

Members (MVNx)

Members have full voting rights

MVNO

MVNsp (MVNA/E)

Partners & Alliances

Supporting and consulting, but without voting rights

Suppliers/vendors of
products/services

Other industry associations

Industry regulators

Wholesale departments of MNOs

Appendix 2 - The iMVNOx principles

Supporting the MVNO ecosystem

MVNOs should not be hostages to their host networks

- + Networks should not be able to simply 'turn-off' the service at the end of a contract
- + MVNOs should be able to migrate from host network at the end of the original term of the contract
- + Networks should not be able to enforce exclusivity
- + MVNOs should be able to resell

MVNO needs should be taken into account when telecommunication legislation is drafted

- + MVNOs should be part of industry codes of practice
- + And MNOs should enable MVNOs to comply with regulations

The iMVNOx principles

Supporting the MVNO ecosystem

MVNOs should have a place at the table when discussing technical standards

- + And MVNOs should get access to the latest technology and services in a fair and reasonable timescale

MVNOs should be encouraged to provide competition in the market

MVNOs should be encouraged to provide innovation in the market

MVNOs should conduct their business in a fair and ethical fashion

Benefits of Principals

We want to influence...

Regulators

- + Improve regulation by providing a better understanding of existing market tensions
- + Prepare foundation better regulation in new markets

Wholesale MNOs

- + Provides a basis for wholesale to contribute to competition issues
- + More consistent approaches to MVNOs
- + Better understanding of MVNOs needs and pain points

MVNOs

- + Better prepared for contract negotiations, avoid pitfalls
- + Promote better image and re habilitate with users and investors

Appendix 3 - iMVNOx Initiatives

Code of Practice

Self-regulating, industry wide, code of practice for MVNOs

- + A set of 'opt-in' standards for the MVNX industry
- + Build confidence in the MVNX ecosystem for carriers, new entrants, investors and, most importantly, consumers