

Annual Report 2007



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European Telecommunications Network Operators' Association

What is ETNO



ETNO has been the voice of Europe's telecommunications network operators since 1992.

Its 41 members in 34 countries collectively account for a turnover of more than € 250 billion and one million employees. ETNO members also hold new entrant positions outside their national markets. ETNO brings together the main investors in innovative and high-quality e-communications platforms and services. With a yearly investment worth € 37 billion they represent 70% of total sector investment.

ETNO closely contributes to shaping the best regulatory and commercial environment for its members to continue rolling out innovative and high quality services and platforms for the benefit of European consumers and businesses.

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A note from the Director

The year 2007 was a milestone for ETNO. It was an important year from a policy point of view as the long-awaited proposals for the revision of the EU Regulatory Framework were tabled. The year 2007 was also highly symbolic for ETNO as it coincided with our 15th anniversary.

ETNO took this opportunity to launch a wide ranging communications campaign - entitled 'Think Again... Things have changed'.

On 26 June, more than 200 representatives from the EU Institutions, member states, industry and the press joined ETNO to celebrate our anniversary. The Think Again campaign guided ETNO activities during the year.

Over the past 15 years, consumers have benefited from an unprecedented choice of quality and innovative services. Consumers are increasingly embracing new broadband-services and technology allows them to access broadband through multiple platforms. Broadband has the potential to give Europe a leading edge in the global information society. Broadband provides solutions that can help the EU in meeting the key challenges it is facing, such as climate change or an ageing society.

In 2007, Europe experienced a further leap in broadband penetration, now exceeding 20% of population on average. Competition is thriving, with new entrants gaining more than 50% of broadband markets. There were also more worrying developments. Since 2003, revenue growth for the telecoms sector has continued to decline. While overall investment keeps growing, risky next generation access networks are being rolled out at a slow pace and the gap between Europe and its main economic partners is widening.

Challenges that the sector has to face today are totally different. The 'Think Again' campaign aimed at moving the debate forward. Discussions should not focus anymore on whether competition is good for consumers or not. The market is not dominated by former incumbents and new entrants. Many more players from totally different sectors are now directly competing on telecoms markets with more traditional operators.

The market has changed, the debate must evolve. Nobody questions the benefits of competition for consumers. The real issue is how to move one step further and achieve wherever possible competition between networks. Everybody agrees that broadband is an essential factor of growth but this is not only a question of quantity. There is an issue of quality. The essential challenge for Europe is to be able to meet consumer demand for ever increasing bandwidth.

These themes have been at the centre of ETNO activities throughout the year. The promotion of investment in next generation access networks was the main topic of ETNO's 5th Annual Conference, entitled 'Finding the Right Balance'.

ETNO continued to strongly advocate for the wide availability of legitimate online content offerings as the best way to encourage broadband take up but also to counter illegal filesharing activities.

Jointly with the World Wide Fund For Nature (WWF), ETNO drew EU policy makers' attention to the need to fully integrate ICT in any strategy to fight against climate change. Research conducted by ETNO members shows that a wider usage of broadband-based services, such as video-conferencing or teleworking facilities, could already help save up to 50 billion tons of CO2 emissions annually.

ETNO is proud of its work, together with Missing Children Europe and other industry partners, on the 116 000 pan European number for missing children.

One of the ongoing priorities for ETNO is to highlight the essential role played by its members to build the EU information society. These efforts are often overshadowed by discussions on regulatory issues. In the context of the Review, more than ever, it is essential that this positive contribution is fully taken into consideration.

Michael Bartholomew
ETNO Director



Jens Hauge TDC (left) hands over the GA Chairmanship to Luigi Gambardella Telecom Italia

Introduction by the ETNO 2008 General Assembly Chair

It is a pleasure and a great opportunity for me to chair the ETNO General Assembly in 2008 and Telecom Italia is looking forward to welcoming the ETNO community in Venice in October.

This year's General Assembly will take place at the Fondazione Cini on San Giorgio Island, a very prestigious site where was also held a previous G-7 summit.

Telecom Italia was one of the founding members of the Association. Therefore it is very gratifying for us to chair the General Assembly at a point in time where ETNO has become one of the best established and leading partners in the overall European policy debate on the future of Europe's telecommunications policy.

The 2008 ETNO General Assembly takes place in a year full of very relevant events for the telecommunications Industry, first of all the review of the European electronic communications framework. This is why, in the context of the General Assembly, the ETNO Forum – which will take place on Friday 24th - will be dedicated to this very important issue. The ETNO Forum will be the occasion to gather top level representatives from the industry and the Institutions to jointly discuss the future outcome of the review process at a point in time where the debate will be in a crucial phase.

On the margin of the 2008 General Assembly, Telecom Italia and ETNO are organising a CEO Summit event, which will be the first global ICT event to bring together leading European and international players in the ICT sector, as well as key officials from the European institutions and regulators from Europe and the United States.

It is our belief that - with the development of next generation networks and the creation of a global interconnected marketplace - international policies are needed to encourage technological innovation and investment for new products and consumer services. This is why the CEO summit meeting will be a special opportunity for market players along the ICT value chain to share – with a particular focus on policy implications - their vision on issues such as convergence of networks and services, industry consolidation, new business models, content development and availability, and net neutrality.

As chair of the General Assembly, I wish to encourage ETNO members to continue or even strengthen their active participation in all ETNO activities. Strong member participation in the Association is fundamental for the success of our companies.

Finally, I wish to express my gratitude to the work done by the ETNO Office, ETNO's Director and the Executive Board in carrying out our Work Programme for 2008. Our common effort contributes to the success of the Association and therefore to achieve the policy objectives ETNO defends.

Luigi Gambardella,
Vice-President Relations with International Institutions,
Telecom Italia



Introduction by Chair of ETNO Executive Board

The Review of the EU regulatory framework for e-communications has been a major topic for ETNO in 2007. During the year, the association has taken a constructive and open part in the debate as the voice of European leading telecommunications operators, who are also Europe's main new entrants and major players on world markets.

Throughout the year, ETNO's priority was to propose concrete measures to meet tomorrow's challenges for our sector.

New Web 2.0 applications such as social networking or legitimate content-sharing platforms are further revolutionising consumer habits. Europe will have to face an unprecedented growth in data traffic, expected to grow six-fold by 2010, what is being termed the "exaflood"^[1] from 161 to 988 exabyte^[2]. With new service developments, standard bandwidth requirements will evolve from 10 to 50 Mbps and more, in the years to come. In this growing demand context an investment up to €300 Bn will be needed to upgrade the existing EU infrastructure to fibre^[3].

Next generation access networks are therefore essential for Europe to face these challenges and to remain competitive in the global information space. Moreover, the next generation environment represents an opportunity for increased competition and consumer choice. Rapid technological developments enable consumers to access broadband through multiple platforms. The next generation access networks can potentially lead to the emergence of a truly infrastructure-based competition. We must seize the opportunity. All players must be encouraged to invest in their networks.

Europe is however still lagging behind its main economic partners in the roll out of new access networks, based on technologies such as fibre. A study carried out for ETNO in 2007 by Professor Waverman LECG, has shown that intense access regulation does negatively impact on investment in new and alternative access networks. While access obligations can lead to increased short-term service competition, in the long term they risk leading to technological stagnation and reduced consumer choice. This risk could be further aggravated with the inclusion of such a costly and far reaching remedy as functional separation.

The regulatory framework needs to be adapted in order to tackle the NGN challenge and foster risky investment. Preventive ex-ante regulation must be transitory by nature. Access regulation designed for the old legacy infrastructure should therefore not be automatically transposed to new networks built in a competitive environment. Instead of systematically extending regulatory obligations, ETNO urged EU policy makers to explore measures which would be more conducive to investment and innovation.

Access to new generation access networks which are built in a competitive environment and do not rely on legacy infrastructure, should primarily be the result of commercial agreements. ETNO has insisted on the need to encourage regulators to identify different competitive realities within a given national market. Geographical segmentation will promote platform competition and investment, and represents a gradual model towards deregulation. Regulatory intervention should be strictly limited to cases where infrastructure competition is not likely to emerge.

Considering that the cost of deploying new fibre network is mostly linked to civil works, duct and facility sharing is an essential instrument to lower market entry barriers that should be considered for all ducts capable of carrying telecoms services.

In line with today's vivid competition on the markets, this Review exercise should clearly accelerate the transition towards a market primarily driven by general competition law and where all players have the right incentives to invest and innovate.

ETNO members unanimously share the European Commission's commitment to consumer welfare. ETNO's 41 members in 34 countries account for more than 70% of total investment in the telecoms sector, which increased slightly in 2007. Investment growth has been mainly driven by ETNO members throughout the EU.

ETNO will continue to advocate for a revised EU Regulatory Framework that strikes the right balance to enable ETNO members to continue investing and innovating to enhance citizens' and consumers' welfare.

Alfredo Acebal
Director EU and International Regulatory Affairs, Telefónica
ETNO Executive Board Chair

[1] Bret Swanson, The Coming Exaflood, Wall Street Journal, January 20, 2007

[2] Exabytes = 109 Gygabytes = 1018 bytes, IDC White Paper "The Expanding Digital Universe", March 2007

[3] Upgrading existing BB infrastructure for EU-12 (50% FTTH, 40% FTTC) and new EU-12 (50% FTTH, 25% FTTC), McKinsey & Company analysis, February 2008

ETNO 2007 highlights

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10th Anniversary of ETNO Sustainability Charter

29 January - On the occasion of the 10th anniversary of the ETNO Environmental and Sustainability Charter and of the publication of its 2006 Sustainability Report, ETNO held a half-day workshop on ICT and sustainability.



FROM LEFT TO RIGHT:
Danilo Riva, Peter Johnston, Michael Bartholomew, Rt Hon Elliot Morley

The event gathered key stakeholders from the European Commission, the ICT industry and NGOs. All speakers underlined that only a few industry Charters are surviving dynamic changes in the market. ETNO can therefore be proud of its Environmental and Sustainability Charter which after ten years continues to receive a lot of attention and attract new signatories.

Keynote speakers included Dr. Luis Neve, Senior Manager of Deutsche Telekom Corporate Sustainability and Citizenship and GeSI Chair; Peter Johnston, DG Information Society; and Rt Hon Elliot Morley, UK MP, Prime Minister Special representative to the Gleneagles Dialogue.

A panel debate on the contribution of ICT for sustainable development was organised with the participation of WWF, INTUG, EICTA and GSM Europe. ETNO also organised a press briefing to present the Sustainability Report and present the ETNO-WWF partnership on climate change.

On this occasion, ETNO welcomed Eircom as the 20th signatory to the ETNO Sustainability Charter and granted Danilo Riva, Chairman of ETNO Sustainability Working Group, with "A Recognition of Achievement" for his dedication to ETNO's environmental and sustainability activities.

ETNO and UNI promote diversity at work

In the context of the European Year of Equal Opportunities for all, ETNO and UNI-Europa, published a joint report entitled "Diversity at work" prepared with the support of the European Commission.

The report identifies best practices among EU telecoms operators to avoid discrimination on the basis of sex, race, religion, age, disability, sexual orientation and to enable a better work life balance.

Best practices outlined in the report include measures and special programmes to:

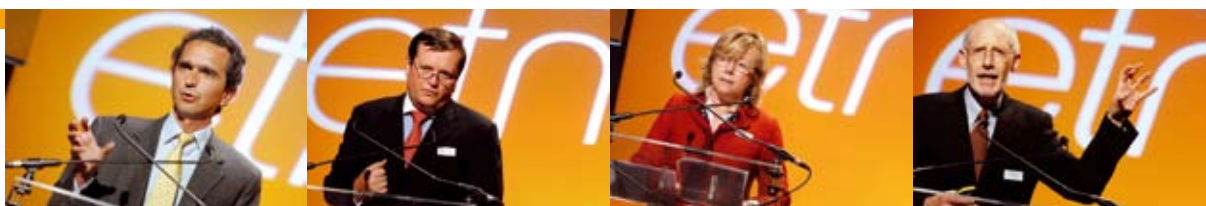
- raise employees' awareness about diversity;
- allow a better work/ life balance through home working facilities, paid time off for parents with hospitalized children, flexible working hours for parents or nursing mothers, provision of paid parental leave for fathers;
- ensure equal representation of men and women in all grades, including equal pay audits and mentoring programmes;
- reflect ethnic and religious diversity of Europe's society through non-discriminatory recruitment policies, internal support programmes for employees from minority ethnic groups, creation of customers' services in minority languages;
- facilitate participation of employees with disabilities and adapt services and marketing to disabled customers' needs;
- ensure no discrimination on the ground of sexual orientation, for example, by granting parental leave to employees living in same-sex partnerships.

The report has been widely disseminated across Europe to ETNO and UNI members as well as to the EU Institutions and other industry sectors. The report is available in Czech, English, French, German, Italian, Polish and Spanish.





"Think again ... Things have changed"



From left to right: Pierre Danon, Miroslav Majoros, Pilar del Castillo, Robert Pepper

ETNO 15th Anniversary event and Think Again campaign

"Think again ... Things have changed" was the underlying motto of a new campaign launched by ETNO to mark the 15th anniversary of the association.

The campaign which ran through main EU printed and online media aimed at underlining the technological changes over the past 15 years and highlighting the positive role played by ETNO members in building the information society. A new web site was also launched for the occasion.

The ETNO "Think Again ... Things have changed" campaign culminated with the ETNO Anniversary event hosted on 26 June in the Arsenal in Brussels, a 19th century militaro-industrial complex turned into a contemporary cultural centre. More than 200 people from the EU Institutions, industry and member states attended the event placed under the banner of technological change and diversity of services offered by ETNO members.

The anniversary event was opened with short Think Again films illustrating ETNO members' wealth of innovation and services and contribution to society. High level policy makers, including Pilar del Castillo Vera, MEP, the ERG 2007 Chair Roberto Viola and Malcolm Johnson, ITU Director gave their vision of the challenges for the next fifteen years and insisted on the important role ETNO had played over the years. Several CEOs joined ETNO's 15th anniversary, including Eircom's Executive Chairman, Pierre Danon and Miroslav Majoros, Slovak Telekom CEO.

The other main highlight of the event was a round table session on the future of the telecoms sector by 2022. Robert Pepper, CISCO, gave an overview of the main technological changes since the creation of ETNO, insisting on the significant increase in data traffic over the past 15 years. A round table debate took place between representatives of various segments of the ICT industry, including KPN, Telekom Austria, Hutchinson 3G and Microsoft. Alfredo Acebal, Chairman of the ETNO Executive Board concluded the event, which was followed by a lively and animated networking cocktail during which TV commercials of ETNO member companies from all over the EU and well beyond were projected.

116 000 Industry Guidelines

ETNO initiated Industry Guidelines for the implementation of the 116 000 pan-European hotline number for missing children in cooperation with Missing Children Europe.

This initiative follows the European Commission's decision of 15 February 2007 to reserve national numbers starting with '116' for pan-European services of social value and to attribute the first one - 116 000 - to hotline services for missing children.

By agreeing to the Industry Guidelines, the telecoms providers engaged to make the 116 000 hotline number operational with minimal delays, once assigned by national authorities, and to conclude necessary interconnection agreements to ensure that operators can carry the calls to the new numbers.



ETNO was joined by the industry associations Cable Europe, ECTA and GSM Europe. The guidelines were signed on 8 June in the presence of Rudolf Strohmeier, Head of the Cabinet of Commissioner Reding.

LECG Study

In the context of the Review of the EU Regulatory Framework, ETNO commissioned a study to London-based LECG on the impact of access regulation on infrastructure-based competition.

The findings were presented by Professor Len Waverman from London Business School and LECG at an ETNO workshop on 14 September attended by more than 60 experts from the European Commission, the European Parliament, the telecoms industry and the academic world.

The LECG study was the first analysis which quantifies the impact of access regulation on the deployment of alternative access infrastructure in Europe, and hence on the emergence of infrastructure-based competition.

The study reveals that intense access regulation of the existing DSL platform results in a reduction of the subscriber share of alternative broadband infrastructure (such as cable networks or fibre-to-the-premises).

Key Findings:

- More intense access regulation negatively affects the share of alternative access networks
- Even a modest reduction (such as 10 percent) in LLU prices can cause a significant decline in the share of alternative access infrastructure in the total broadband market
- This can have a large impact on innovation and investments in alternative networks
- The direct lost investment is in the order of 10 billion Euros
- This impact of intense access regulation also has several dynamic consequences that will be realised in the long-run
- Weakened inter-platform competition will reduce the competitive imperative for operators to invest in new access technologies (NGNs) in the future



"As the debate on the review begins, policy makers should not view access regulation as a costless panacea for a perceived lack of competition. The application of access regulation and its extension to new networks must be scrutinised in the light of costs in terms of lost investment and reduced infrastructure-based competition", said Professor Leonard Waverman of the London Business School and LECG, who led the study.

ETNO 5th Annual Conference: "Finding the Right Balance"

More than 300 delegates from the telecoms industry, the EU institutions, member states, academics and the press attended the ETNO 5th Annual Conference on 22 November.

Coinciding with the release of the EC proposals for the Review one week earlier, the conference was the first real debate on the proposals between all stakeholders.

Highlights:

Didier Bellens, Belgacom CEO and Bojan Dremelj, Telekom Slovenije CEO called for the new regulatory approach to take into account risky investment in the new networks. Mr Dremelj stressed that regulating should not be detrimental to growth and investment. *"Telecoms are an essential pillar of the EU's jobs and Growth Strategy. Are we not cutting the branch we are sitting on?"*, concluded Mr Dremelj. Bellens stressed that the huge investment operators make in new bandwidth capacity benefit many other sectors. He also raised concern over the EU's "helicopter view", which assumes that all markets are the same.

Rudolf Fischer, CEO Telekom Austria TA AG, said: *"Creating sustainable competition requires both equal treatment in different technologies and regulatory decisions that take into account regional differences. "No changes to the framework" or even calling for more regulation - as proposed by the Commission - is definitely no solution to address the investment backlog we're currently experiencing in Europe due to regulatory uncertainties. We need a regulatory framework that reassures investors".*



Catherine Trautmann, Member of the EP and Vice-Chair of the ITRE Committee noted that the European Parliament could not accept a rushed calendar for the adoption of the package. She also called for a cooperative approach where all interests are taken into account. On functional separation, Mrs. Trautmann said that putting this solution at the forefront of EU policies, only on the basis of one European experience (in the UK), was not acceptable.



"ETNO should not be seen as totally opposed to the package which contains good steps such as spectrum and the list of relevant markets. However, it is highly regrettable that the main challenge for Europe – how to accelerate the roll-out of next generation access networks – is not addressed", said Michael Bartholomew, in his introductory remarks.



FROM LEFT TO RIGHT: Bojan Dremelj, Catherine Trautmann, Didier Bellenis, Rudolf Fischer, Eliseu Crespo, Alfredo Acebal.



Other keynote speakers included **Eliseu Crespo, Counsellor to the Portuguese Minister for Public Works, Transport and Communications** and **Matjaz Jansa, Slovenian Ministry of Economy**. The latter insisted on the need for any regulatory approach to reflect the dynamic nature of the sector. Functional separation, he said, can be a last resort solution but other options such as sharing infrastructure could be a better approach. He also highlighted the importance of addressing the digital divide.

The conference was divided into three main sessions. The first session moderated by Philippe Defraigne from Cullen International looked at the "New Market Trends and Technologies". The second panel was devoted to a debate on Future Policy Vision moderated by Peter O'Donnell. Participants in the debate included **Fabio Colasanti, Director General DG INFSO, Wolfgang Kopf, Deutsche Telekom, Ian Hargreaves, OFCOM,** and **Professor Len Waverman from the London Business School**. **Malcolm Harbour, MEP** moderated the third panel on the regulatory challenges of the review.

In his concluding remarks, **Alfredo Acebal, Chairman of ETNO Executive Board**, highlighted that the key challenge Europe has to face is the roll-out of new networks to respond to huge increase in data traffic. He also concluded that ETNO members were Europe's main new entrants and that ETNO's views should not be presented as purely 'incumbents' views'.

About 20 journalists attended the press conference held by ETNO on this occasion. The ETNO positions on the review proposals, also echoed by several ETNO members' CEOs present, were largely reported in the European press.

ETNO General Assembly

The Review of the EU Regulatory Framework, ETNO climate change strategy and Internet governance were the main themes for discussion at the 31st General Assembly hosted by TDC in Copenhagen on 25 and 26 October.



Mr Henning Dyremose, Chairman of the Board of TDC and of the Confederation of Danish Industries, insisted on the visible and constructive role of ETNO in many areas including regulation, environmental policy and social dialogue.

The General Assembly was also the occasion of a Forum devoted to functional separation which analysed the situation in different member states.

ETNO members elected **Telekom Austria** to the Executive Board of the association. **Telefonica**, **TeliaSonera** and **Portugal Telecom** were re-confirmed as members of the board. The members re-elected **Alfredo Acebal, Director of EU and International Regulatory Affairs and Director of Telefonica's Brussels Office** as Chairman of the ETNO Executive Board for a third term. ETNO members also welcomed **Starcomm Limited**, a UK based e-communications service provider, as a new associate member to ETNO.

At the end of the General Assembly, ETNO members issued a joint statement calling for a clear policy to encourage the deployment of next generation access networks, essential for Europe's consumers and businesses to access new innovative services. They regretted that the debate on the possible inclusion of a new remedy such as functional separation and institutional issues overshadowed other measures that would be more conducive to innovation and risky investment in new access infrastructure.

Jens Hauge handed over the General Assembly Chairmanship to Luigi Gambardella, Vice-President, Public and Economic Affairs Relations, Telecom Italia. The next ETNO General Assembly will be hosted and chaired by Telecom Italia on 23-24 October 2008 in Venice. The General Assembly meeting will be followed by an ETNO CEO round table.

ETNO interventions at external conferences and events

- **Brussels, 6 December**
ETP Annual Event
- **Brussels, 29 November**
ECTA Annual Conference.
- **27 November**
European Internet Foundation (EIF) Debate on the Review.
- **27 November**
NHH European Regulatory Conference in Budapest
- **Brussels, 30-31 October**
8th Telecom Regulation and Competition Law
- **Capri, 18-19 October**
ERG-EPRA Workshop on the convergence of media and telecommunication sectors: the implications for regulation
- **Brussels, 4 October**
CEPS Task For on Achieving the Internal Market for E-Communications
- **Geneva, 21-22 June**
ITU/EBU Meeting of High-Level Experts on Competitive Platforms for the Delivery of Digital Content
- **7 June**
Launch of a new CEPS task force on achieving the internal market for telecoms
- **5 June**
EP mini-hearing on the EU regulatory framework
- **Amsterdam, 22-24 May**
Fixed-Mobile Convergence and Quadruple Play World Congress
- **Brussels, 27 March**
Ofcom European Seminar on Regulatory challenges posed by next generation access networks
- **London, 5-6 March**
Financial Times Digital Media and Broadcasting Conference.
- **Amsterdam, 6-8 February**
Cable Congress 2007, Session on 'Securing Content'.
- **Geneva, 15 January**
ITU workshop: the Future of Voice





The Review of the EU Regulatory Framework and the revision of the List of relevant markets

The review of the EU telecoms rules has marked the telecoms policy agenda throughout the year 2007.

Following a first call for input in December 2005 and a Communication in June 2006, the European Commission published its long awaited proposals for the review of the EU Regulatory Framework and a new recommendation on the list of relevant markets on 13 November 2007. Throughout the year, ETNO has been actively voicing its members' views and priorities, through various fora and conferences.

ETNO insisted on the need for the review to build on increasing competition and rapid technological changes to accelerate the transition towards competition law and encourage the roll-out of the much needed next generation access networks.

ETNO underlined that the proposed remedy of functional separation is not the right solution to encourage risky investment in new networks and that on the contrary it risks encouraging reliance on existing infrastructure. Other measures, such as duct sharing or geographical segmentation of markets, would be more conducive to investment and to lower market entry barriers.

On the list of relevant markets, ETNO welcomed the removal of most retail markets as an important step for innovation and consumer choice. At the same time, the association regretted the increase of the scope of existing wholesale regulation, despite vivid competition on the markets.

Next Generation Networks

The deployment of next generation access networks and its regulatory implications is gaining more and more attention from EU policy makers.

They became increasingly aware that Europe is facing unprecedented increase of data traffic and that new services constantly challenge levels of broadband speeds and bandwidth currently available. NGN deployment has always been a key priority for ETNO. Through many fora and bilateral contacts, ETNO consistently invited policy makers to avoid systematically applying remedies designed for legacy networks to a totally new environment. However today, Europe is still lagging behind the other main regions of the world in the deployment of high speed broadband access networks.

Technological development today allows consumers to access broadband services through multiple platforms. ETNO has been continuously insisting on the need for the Review to fully exploit these technological developments and foster competition between networks wherever possible.

Access to next generation networks which are built in a competitive environment should primarily be the result of commercial negotiations and regulatory intervention should focus only on those cases where competition between networks is not likely to emerge.



Data retention

Following the formal adoption of the EU Data Retention Directive in March 2006, Member States were given until September 2007 to transpose the provision into their national law.



They also had the possibility to opt for an additional delay for the implementation of the provisions specifically pertaining to Internet data.

Through its expert group on data protection issues, ETNO has been closely monitoring the transposition at national levels of the Data Retention Directive. ETNO, together with other trade associations involved in the telecoms sector, actively participated in the expert group set up by the Commission on the implementation of the directive. The expert group which involves specialists from the industry, the Commission and member states aims at identifying and discussing the technical and practical issues raised by the implementation, particularly those relating to webmail or VoIP.

E-Accessibility

ETNO member companies devote significant innovation efforts to develop services adapted to people with special needs, contributing to the Commission's goal of creating an all-inclusive information society.

ETNO paid particular attention to EU policy and regulatory developments related to e-Accessibility issues, including accessibility of 112 emergency call number, communication services over fixed/mobile platforms, design for all products (DFA), web accessibility and access to content/media platforms by citizens with special needs. ETNO participates in the work of the INCOM sub-committee. The association has also maintained close dialogue with other industry stakeholders and with groups of users.

ETNO is closely following the EU policies on e-Inclusion. Through its e-Inclusion working group, ETNO participated in the EU Ministerial conference on e-Inclusion in Lisbon. ETNO coordinated the contribution of its member companies to the exhibition devoted to various e-communications applications for the disabled.



Distribution and production of online content services

Stimulating the growth of content online markets is one of the key pillars of the European Commission's i2010 initiative.

Content is essential for customers to take up new technologies and services. New media platforms are also representing tremendous opportunities for the distribution of content. Content has been at the top of the policy agenda with the revision of the Television without Frontiers Directive and the launch of a consultation on online content.

The Audiovisual Media Service Directive which replaces the Television without Frontiers Directive has been formally adopted in December 2007, exactly two years after the publication of the Commission initial proposals. The final text which results from a compromise between the Institutions represents a major improvement, particularly as far as the definitions are concerns. The country of origin principle which is essential for online services – pan-European by nature – remains. During the whole process, ETNO and the associations involved in the e-communications sector (ECTA, EuroISPA and GSM Europe), have actively voiced their concerns, mainly with the extension of the scope to new online services which were still at an embryo level.

Following a consultation in the Autumn 2006 on best ways to promote access to online content in Europe, the European Commission has announced the publication of a communication on online content which was issued early 2008. ETNO's position – also supported by most European e-Communications providers' industry – is that there is no specific need for regulatory intervention at a stage when business models are still developing and markets evolving fast. The EU has however a role to play to ease content licensing for example by ensuring more transparency in collecting society operations and allowing multi-territorial licences. The debate regarding online content largely focused on copyright-related issues. ETNO continued to emphasize that the best way to counteract illegal file-sharing of copyrighted material is through the availability of accessible, secure and price-worthy legitimate content. In the area of copyright infringement, there is also a need for adapting court-based procedures to situations created by new technology.



Radio Spectrum

Radio spectrum has been at the centre of the political debate throughout 2007.

The proposal for a more flexible and market-driven management of spectrum in Europe is one of the key pillars of the Review of the EU regulatory framework. The opening of the UHF band to mobile and wireless broadband applications has become a key political issue in view of the digital switchover from analogue to digital television.

ETNO closely followed the Commission's proposals for a more flexible and market driven spectrum management as part of the review of the EU regulatory framework. The Association generally supports the Commission's approach but insists on the need for safeguards to avoid interference and guarantee quality of services for consumers.

ETNO monitored the discussions on the opening of the UHF band to mobile and wireless broadband in view of the ITU 2007 World Radio Communication Conference that took place in Geneva from October 22 to November 16. Prior to the conference, ETNO joined forces with other players involved, including the UMTS Forum, the Next Generation Mobile Networks (NGMN) Alliance and the GSM Association and its European regional group, GSM Europe, to express disappointment with the CEPT European Common Proposal to postpone the decision on the allocation to the Mobile Service in the UHF band (470 – 862 MHz) to the WRC in 2011. ETNO is satisfied with the compromise that will enable the allocation of the UHF band to mobile and wireless applications as of 2015, although provisions would enable some countries to already open the band now.



ETNO Position Papers

DECEMBER 2007	RD273	ETNO Reflection Document on a common European approach to the use of the spectrum released by the Digital Dividend
NOVEMBER 2007	RD272	ETNO Reflection Document on the draft ERG Common Position on best practice remedies for relevant markets for "wholesale leased lines"
NOVEMBER 2007	RD271	ETNO Reflection Document on the draft ERG 2008 Work Programme
OCTOBER 2007	RD270	ETNO Reflection Document on the Consultation Paper "Possible introduction of an optional reverse charge mechanism for VAT – Impact on businesses"
OCTOBER 2007	RD269	ETNO Reflection Document in response to the TABD Industry Consultation on the Transatlantic Economic Council
OCTOBER 2007	CP082	ETNO Common Position on IPv4 Exhaustion
SEPTEMBER 2007	RD268	ETNO Reflection Document in reply to EC "Questionnaire for an EU Strategy for International Co-operation on ICT"
SEPTEMBER 2007	EC094	Expert Contribution to the CEPT / NNA / HESC Workshop on 116 implementation
AUGUST 2007	RD267	ETNO Reflection Document in reply to the consultation "Preparing for the Second Meeting of the IGF"
AUGUST 2007	EC093	ETNO Expert Contribution on "Proposals for additional 116 numbers to be included in the Decision following the public consultation" - COCOM07-31
JUNE 2007	RD266	ETNO Reflection Document on ERG consultation on Regulatory Principles of NGA ERG (07)16
JUNE 2007	EC092	ETNO Expert Contribution to ECC NNA WG on Calling Line Identification Integrity
JUNE 2007	RD265	ETNO Reflection Document on a functional separation remedy in telecoms
JUNE 2007	EC091	ETNO Expert Contribution with Initial Assessment of Numbers for CHI
MAY 2007	EC090	Expert Contribution to the ITU-SG2 Correspondence Group on Child Helplines and Emergency Harmonisation, responding to proposed contribution TD CH
MAY 2007	RD264	ETNO Reflection Document responding to the EC Public Consultation on a proposed framework for the selection and authorisation of operators to provide Mobile Satellite Services (MSS) across Europe in the 2 GHz frequency bands
MAY 2007	RD263	ETNO Reflection Document on a European Common Position for WRC-07 agenda item 1.4 concerning the band 470-862 MHz
MAY 2007	RD262	ETNO Reflection Document in Response to the Green Paper on the Review of Consumer Acquis
MAY 2007	RD261	ETNO Reflection Document in response to the ITU Consultation on Resolution 102 (Rev. Antalya, 2006)
MAY 2007	EC089	ETNO Expert Contribution to ITU commenting on International CLI
MAY 2007	RD260	ETNO Reflection Document in response to the European Commission Questionnaire on new Free Trade Agreements
MARCH 2007	CP080	ETNO Common Position on the reuse of CCA and creosote impregnated telephone poles
MARCH 2007	RD259	ETNO Reflection Document on "Baseline Security for Network Operators"
MARCH 2007	CP079	ETNO Common Position on the draft "Directive on the identification and designation of European Critical Infrastructure" and the report on "Availability and Robustness of Electronic Communications Infrastructures"
FEBRUARY 2007	RD258	ETNO Reflection Document on review of the E-Commerce Directive
FEBRUARY 2007	RD257	ETNO Reflection Document on the Audiovisual Media Services Directive proposal – Post European Parliament first reading and adoption of Council "general approach"
JANUARY 2007	RD256	ETNO Reflection Document on the EC consultation paper on modernising the value added tax treatment of vouchers and related issues
JANUARY 2007	RD255	ETNO RD on the draft ERG Common Positions on "Best practice in bitstream access remedies" and "Best practice in wholesale unbundled access including shared access"
JANUARY 2007	RD254	ETNO RD on the ERG consultation documents "Effective Harmonization within the European Electronic Communications Sector" and "Harmonisation – The Proposed Approach"
JANUARY 2007	RD253	ETNO Reflection Document on "Issues arising from discussions on Numbering Resources for Child Helpline International"



EB Meeting Bilbao, April 2008. From left to right:

Antonio Robalo de Almeida, Luigi Gambardella, Roland Doll, Kaisu Karvala, Thomas Müller, Harriet Berg, Adrian Whitchurch (BT), Victoria Gerus (Eircom), Wilfried Stratil, Alfredo Acebal, Vianney Hennes.

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Vice-Chair: Carlos Lopez Blanco, Telefonica

Executive Board

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 Stephen Crisp, BT
 Roland Doll, Deutsche Telekom
 Patrick Galvin, Eircom
 Vianney Hennes, France Telecom
 Antonio Robalo de Almeida, Portugal Telecom
 Thomas Müller, Swisscom
 Luigi Gambardella, Telecom Italia
 Harriet Berg, Telenor
 Kaisu Karvala, TeliaSonera
 Wilfried Stratil, Telekom Austria

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Chair: Thomas Müller, Swisscom
Members:
 Stephen Crisp, BT
 Luigi Gambardella, Telecom Italia
Observer: Alfredo Acebal, Telefonica

The ETNO Office

Michael Bartholomew	Director	A
Josef Leonard Debecker	Executive Manager Operations	B
Thierry Dieu	Communications Manager	C
Fiona Taylor	Senior Adviser, Public Affairs	D
Bernardo Herman	Regulatory Affairs Manager	E
Anne Vallès	HR & Financial Officer	F
Isabelle Claeys	Assistant to the Director	G
Caroline Cornet	Secretary	

ETNO Working Groups and Task Forces

(as of May 2008)

- **Regulatory Policy WG** - Chair: Ralf Nigge (Deutsche Telekom)
- **Regulatory Economics TF** - Chair: Bruno Soria (Telefonica)
- **European Information Society WG** - Chair: Michele Bellavite (Telecom Italia)
- **e-Inclusion WG** - Chair: Henk Mannekens (BT)
- **Digital Divide WG** - Chair: Paula Sunjic (Croatian Telecom)
- **Internet Governance WG** - Chair: Konstantin Kladouras (OTE)
- **Content Issues WG** - Chair: Patrik Hiselius (TeliaSonera)
- **Data Protection & Information Security WG** - Chair: Cristina Vela (Telefonica)
- **External Trade Issues WG** - Chair Tilmann Kupfer (BT)
- **Tax Issues Related to Telecom Services WG** - Chair: Dave Taylor (BT)
- **Employment, Health & Safety WG** - Chair: Laurent Zylberberg (France Telecom)
- **Sustainability WG** - Chair: Danilo Riva (Telecom Italia)
- **Fraud, Cybercrime and Network security WG**
Chair: Luis Sousa Cardoso (Portugal Telecom)
- **Frequency Management WG** - Chair: Massimiliano Simoni (Telecom Italia)
- **Benchmarking WG** - Chair: Jacques Tamisier (France Telecom)
- **Naming, Addressing and Numbering Issues WG** - Chair: Christina Kelaidi (OTE)
- **Research & Development** - Chair: Brigitte Cardinael (France Telecom)
- **ITU WG** - Chair: Dominique Würges (France Telecom)
- **Communications Managers WG**



Annual Report 2007

Electronic version

For the first year, ETNO provides you with a printed summary of activities and a full electronic version. This CD-rom will give you a complete overview of all topics covered by ETNO during the year and links to relevant position papers on ETNO public web site.

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