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From:	Presidency
To:	Delegations
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Subject:	Proposal for a Directive of the European Parliament and of the Council establishing the European Electronic Communications Code (Recast) - Examination of the Presidency text (Access)

Introduction

1. Following the discussion in WP TELE of 29 March, 12 May and 19 May and written comments from Member States **the Presidency intends to hold in WP TELE of 12 and 13 September a discussion of the Access section of the Code.** The discussion will focus on the changes set out below, but comments are welcome on all parts of the text.
2. For ease of reading, the amendments in Annex A have been made to st9325. Changes to this text are underlined. Changes to the Commission recast are in **bold** and ~~strikethrough~~. *Italics* represent text from the current framework that has been moved or reintroduced.
3. This text reflects discussions on these issues in the Working Party during the Maltese and Estonian Presidencies, as well as the progress report and guidance received during the TTE Council of 9 June.

4. This text introduces **a limited number of targeted changes** outlined in the note below. The text as discussed in the WP TELE of 19 May had, following substantial discussions, already identified good compromises in many areas. The changes proposed are therefore incremental, **seeking to establish the optimal balance within the Council** in those areas that are of most importance, including Articles 59(2) and 74.
5. Following the broader approach to institutional arrangements, the majority of articles in Access have retained the division of responsibilities between national regulatory authorities (NRAs) and competent authorities proposed by the Commission as those functions designated to NRAs are core market regulation functions, so the Presidency has removed the relevant square brackets. The one area the Presidency is proposing to substitute 'competent authority' for NRA is the Geographical Survey and designation of a 'digital exclusion area'. This informs, but does not necessarily constitute market regulation, and could therefore be performed by a competent authority rather than an NRA.
6. The Presidency aims to reach a General Approach for this file in October. With a view to this objective, **at the Working Party the Presidency will ask Member States to indicate, for each of the Articles in this section, if they could not support the proposed compromise texts.**
7. **Moreover, the Presidency invites delegations which would like to propose alternative compromises to send these in writing before 8 September so that they can be examined by all delegations before the Working Party meeting. Alternative compromises should be provided in a format that clearly identifies changes made to this Presidency proposal.**

Geographical Survey (Article 22 and recitals 60-61)

8. Following the previous changes to **Article 22**, that sought to provide protection for investment in digital exclusion zones in a way that minimises regulatory burden and is fair and non-discriminatory, this text has remained largely unchanged. Following the discussion on institutional arrangements, the text 'national regulatory authority' has been replaced with 'competent authority' throughout the article. As a consequence national regulatory authorities are added to the list of bodies in **Article 22(5)** that should take into account the survey. The additional text in **Article 22(3)** has been further clarified.
9. New text has been added in **Article 22(4)**, to specify that where penalties are imposed subsequent to the provisions of this article, the negative impact on the first network to deploy should be taken into account, particularly where public funds have been used. This is to address particular concerns about overbuild of publicly funded networks.
10. **Recitals 60 and 61** have been updated to reflect these changes.

Internal Market Procedures (Articles 32-34 and recitals 75-82)

11. Transcription errors have been corrected in **Article 32** and **recitals 76-77**.

Access to Land (Articles 43-44 and recitals 97-100)

12. The word 'specific' has been added to **Article 44(1)** to clarify the intention that the coordination is intended to be coordination of local level authorities by a relevant national level authority, rather than multiple local authorities coordinating activity, and that different competent authorities might be responsible for coordination, acting as a single point of contact or providing rules.

Access and Interconnection (Articles 59-60 and recitals 132-145)

13. In respect of **Article 59(2)** the Presidency believes the text proposed under the Maltese Presidency was close to reaching an optimal compromise position. Having reflected on comments received at the time and in writing, the Presidency proposes four changes to the second subparagraph which seek to ensure the provision is effective while ensuring a process that is proportionate and consistently applied across the Single Market.
14. First, in line with a previously tabled proposal, the circumstances under which the provision can be used is specified more clearly. Namely, the Presidency has added the text “where the obligations imposed in accordance with the previous subparagraph are insufficient to ensure adequate access and would not ensure competitive outcomes for end-users”. This makes clear that such an approach should only be taken where absolutely necessary.
15. Second, the requirement to apply obligations in consistency with the results of a market analysis process is included in order to ensure the judgement regarding the barriers to replicability is appropriately evidenced and that the SMP regime is not undermined.
16. Third, the Presidency proposes that BEREC should provide non-binding guidance, which would address concerns about how the point to which access obligations can be imposed is to be determined. This should aid NRAs in the application of this provision and increase the consistency of its application.
17. Fourth, the text preventing the imposition of obligations in the final subparagraph (previously points (a) and (b)) has returned to the Commission's original proposal, requiring that the access be provided by a wholesale only undertaking as set out in Article 77. The text proposed by the Commission specifying the scope of this limit as applying to the second subparagraph has also been reintroduced.
18. These changes have been reflected in **Recitals 139 to 141**.
19. The Presidency believes that this strikes a fair balance that both strengthens the ability of NRAs to address access issues and maintains the overall regulatory approach based on significant market power.

20. Article 59(3) contains the text included in st11681/17 regarding spectrum to be discussed on 5 September. Therefore it will not be discussed on 12 or 13 September.

Obligation of Transparency (Article 67)

21. In line with the wider approach to institutional elements, the square brackets around BEREC have been deleted in **Article 67(4)**, meaning that BEREC would provide guidelines on the minimum criteria for a reference offer.

Cost Control and Termination Rates (Articles 72-73 and recitals 177-183)

22. The drafting in **Article 72(1)** has been improved. A drafting error has been corrected in **recital 178**.

23. New text has been added in **Article 73(3)** in order to ensure the enforcement of the EU-wide termination rates.

Regulatory Treatment of New Elements (Article 74 and recital 184)

24. The Presidency has retained the proposal under the Maltese to retain the Commission's proposed text in **Article 74(1)**. The ability of NRAs to prevent any subsequent negative impact on effective competition is specified more clearly in **Article 74(2)**. New text has been introduced in **Article 74(3)** to ensure that this Article does not have a negative impact on new entrants. This is reflected in **recital 184**.

Separation and Migration (Articles 75-78 and recitals 185-191)

25. The word 'including' has been replaced with 'and' in **Article 77(1)(a)** to improve clarity. The word 'only' has been reintroduced in **Article 77(2)** to remove any ambiguity about the obligations that can be imposed by the NRAs.

- (60) Electronic communications broadband networks are becoming increasingly diverse in terms of technology, topology, medium used and ownership, therefore, regulatory intervention must rely on detailed information ~~and forecasts~~ regarding network roll-out in order to be effective and to target the areas where it is needed. That information should include plans regarding both deployment of very high capacity networks, as well as significant upgrades or extensions of existing copper or other networks which might not match the performance characteristics of very high capacity networks in all respects, such as roll-out of fibre to the cabinet coupled with active technologies like vectoring. The level of detail and territorial granularity of the information that national regulatory authorities should gather should be guided by the specific regulatory objective, and should be adequate for the regulatory purposes that it serves. Therefore, the size of the territorial unit will also vary between Member States, depending on the regulatory needs in the specific national circumstances, and on the availability of local data. Level 3 in the Nomenclature of Territorial Units for Statistics (NUTS) is unlikely to be a sufficiently small territorial unit in most circumstances. National regulatory authorities should be guided by BEREC guidelines on best practice to approach such a task, and such guidelines will be able to rely on the existing experience of national regulatory authorities in conducting geographical surveys of networks roll-out. ~~National regulatory~~ **competent** authorities ~~should~~ **may** make available tools to end-users as regards quality of service to contribute towards the improvement of their awareness of the available connectivity services.

(61) In the case of specific and well defined digital exclusion areas, national regulatory authorities should have the possibility to **invite undertakings to declare their intention to deploy very high capacity networks**, ~~organise a call for declarations of interest~~ with the aim of identifying undertakings that are willing to invest in very high capacity networks **in these areas**. **Where an undertaking declares an intention to deploy in this area, the ~~national regulatory competent~~ authority may require other undertakings to declare whether or not they intend to invest.** **This procedure will create transparency for undertakings that have expressed their interest in deploying in these areas, so that when designing their business plans they can assess the likely competition that they will face from other networks. The positive effect of such transparency relies on market participants responding truthfully and in good faith. While market participants can change their deployment plans for unforeseen, objective and justifiable reasons, ~~national regulatory authorities~~ competent authorities should be able to intervene, in particular if public funding is affected,** and if appropriate impose a sanction if they have been deliberately misled by ~~an~~ undertaking, with the objective of undermining other market participants that have taken the risk to ~~deploy deliver~~ very high capacity networks in these areas **and which consequently may result, in the case of public funding, in an ineffective use of public resources. It is important that the penalties are sufficiently dissuasive in view of the negative impact caused, in particular to publicly funded projects.** In the interests of predictable investment conditions, national regulatory authorities should be able to share information with undertakings expressing interest in deploying very high-speed networks on whether other types of network upgrades, including those below 100 Mbps download speed, are present or foreseen in the area in question.

- (75) The Commission should be able, after ~~consulting the Communications Committee~~ ⇒ taking utmost account of the opinion of BEREC ⇐, to ~~require~~ **invite** a national regulatory authority to withdraw a draft measure where it concerns definition of relevant markets or the designation or not of undertakings with significant market power, and where such decisions would create a barrier to the single market or would be incompatible with ~~Community~~ ☒ Union ☒ law and in particular the policy objectives that national regulatory authorities should follow. This procedure is without prejudice to the notification procedure provided for in Directive ~~98/34/EC~~ 2015/1535/EU and the Commission's prerogatives under the Treaty in respect of infringements of ~~Community~~ ☒ Union ☒ law.
- (76) The national consultation provided for under Article ☒ 24 ☒ ~~6 of Directive 2002/21/EC (Framework Directive)~~ should be conducted prior to the ~~Community~~ ☒ Union ☒ law consultation provided for under Articles ~~7~~ ☒ ~~34~~ ☒ ~~32~~ and ~~7a~~ ☒ ~~35~~ ☒ ~~33~~ of ~~that~~ ☒ this ☒ Directive, in order to allow the views of interested parties to be reflected in the ~~Community~~ ☒ Union ☒ law consultation. This would also avoid the need for a second ~~Community~~ ☒ Union ☒ law consultation in the event of changes to a planned measure as a result of the national consultation.
- (77) It is important that the regulatory framework is implemented in a timely manner. When the Commission has taken a decision requiring a national regulatory authority to withdraw a planned measure, national regulatory authorities should submit a revised measure to the Commission. A deadline should be laid down for the notification of the revised measure to the Commission under Article ~~7~~ ☒ ~~34~~ ☒ ~~32~~ of Directive 2002/21/EC (~~Framework Directive~~) in order to allow market players to know the duration of the market review and in order to increase legal certainty.
- (78) The ~~Community~~ ☒ Union ☒ mechanism allowing the Commission to require national regulatory authorities to withdraw planned measures concerning market definition and the designation of operators having significant market power has contributed significantly to a consistent approach in identifying the circumstances in which *ex ante* regulation may be applied and those in which the operators are subject to such regulation. ~~Monitoring of the market by the Commission and, in particular, the experience of the procedure~~ ☒ procedures ☒ under Article 7 ☒ and 7a ☒ of Directive 2002/21/EC (Framework Directive) has shown that inconsistencies in the national regulatory authorities' application of remedies, ~~even~~ under similar market conditions, ~~could~~ undermine the internal market in electronic communications. Therefore the Commission ⇒ and BEREC ⇐ ~~may~~ ⇒ should ⇐ participate in ensuring ⇒, within their respective responsibilities, ⇐ a higher level of consistency in the application of remedies ~~by adopting opinions on~~ ☒ concerning ☒ draft measures proposed by national regulatory authorities. ⇒ In addition, where BEREC shares the Commission's concerns, the Commission should be able to require a national regulatory authority to withdraw a draft measure. ⇐ In order to benefit from the expertise of national regulatory authorities on the market analysis, the Commission should consult BEREC prior to adoption of its decisions and/or recommendations.

- (79) Having regard to the short time-limits in the ~~Community~~ Union consultation mechanism, powers should be conferred on the Commission to adopt recommendations and/or guidelines to simplify the procedures for exchanging information between the Commission and national regulatory authorities, for example in cases concerning stable markets, or involving only minor changes to previously notified measures. Powers should also be conferred on the Commission in order to allow for the introduction of a notification exemption so as to streamline procedures in certain cases.
- ~~(80) National regulatory authorities should be required to cooperate with each other, with BEREC and with the Commission in a transparent manner to ensure the consistent application, in all Member States, of the provisions of this Directive and the Specific Directives. This cooperation could take place, inter alia, in the Communications Committee or in a group comprising European regulators. Member States should decide which bodies are national regulatory authorities for the purposes of this Directive and the Specific Directives.~~
- (81) The discretion of national regulatory authorities needs to be reconciled with the development of consistent regulatory practices and the consistent application of the regulatory framework in order to contribute effectively to the development and completion of the internal market. National regulatory authorities should therefore support the internal market activities of the Commission and those of BEREC.
- (82) Measures that could affect trade between Member States are measures that may have an influence, direct or indirect, actual or potential, on the pattern of trade between Member States in a manner which might create a barrier to the single market. They comprise measures that have a significant impact on operators or users in other Member States, which include, *inter alia*: measures which affect prices for users in other Member States; measures which affect the ability of an undertaking established in another Member State to provide an electronic communications service, and in particular measures which affect the ability to offer services on a transnational basis; and measures which affect market structure or access, leading to repercussions for undertakings in other Member States.
- (83) In carrying out its reviews of the functioning of ~~the~~ this Framework Directive ~~and the Specific Directives~~, the Commission should assess whether, in the light of developments in the market and with regard to both competition and consumer protection, there is a continued need for the provisions on sector-specific *ex ante* regulation ~~laid down in Articles 8 to 13a of Directive 2002/19/EC (Access Directive) and Article 17 of Directive 2002/22/EC (Universal Service Directive)~~ or whether those provisions should be amended or repealed.
- (97) It should be ensured that procedures exist for the granting of rights to install facilities that are timely, non-discriminatory and transparent, in order to guarantee the conditions for fair and effective competition. This Directive is without prejudice to national provisions governing the expropriation or use of property, the normal exercise of property rights, the normal use of the public domain, or to the principle of neutrality with regard to the rules in Member States governing the system of property ownership.

- (98) Permits issued to undertakings providing electronic communications networks and services allowing them to gain access to public or private property are essential factors for the establishment of electronic communications networks or new network elements. Unnecessary complexity and delay in the procedures for granting rights of way may therefore represent important obstacles to the development of competition. Consequently, the acquisition of rights of way by authorised undertakings should be simplified. National regulatory authorities should be able to coordinate the acquisition of rights of way, making relevant information accessible on their websites.
- (99) It is necessary to strengthen the powers of the Member States as regards holders of rights of way to ensure the entry or roll-out of a new network in a fair, efficient and environmentally responsible way and independently of any obligation on an operator with significant market power to grant access to its electronic communications network. Improving facility sharing can significantly improve competition and lower the overall financial and environmental cost of deploying electronic communications infrastructure for undertakings, particularly of new access networks, and serve public health, public security and meet town and country planning objectives. National regulatory Competent authorities should be empowered to require that the holders of undertakings which have benefitted from the rights to install facilities on, over or under public or private property share such facilities or property (including physical co-location) in order to encourage efficient investment in infrastructure and the promotion of innovation, after an appropriate period of public consultation, during which all interested parties should be given the opportunity to state their views, in the specific areas where such general interest reasons impose such sharing. That can be the case for instance where the subsoil is highly congested or where a natural barrier needs to be crossed. Such sharing or coordination arrangements may include rules for apportioning the costs of the facility or property sharing and should ensure that there is an appropriate reward of risk for the undertakings concerned. National regulatory Competent authorities should in particular be able to impose the sharing of network elements and associated facilities, such as ducts, conduits, masts, manholes, cabinets, antennae, towers and other supporting constructions, buildings or entries into buildings, and a better coordination of civil works on environmental or other public-policy grounds. On the contrary, it should be for national regulatory authorities to define rules for apportioning the costs of the facility or property sharing, to ensure that there is an appropriate reward of risk for the undertakings concerned. In the light of the obligations imposed by Directive 2014/61/EU, the competent authorities, particularly local authorities, should also establish appropriate coordination procedures, in cooperation with national regulatory authorities, with respect to public works and other appropriate public facilities or property which may include procedures that ensure that interested parties have information concerning appropriate public facilities or property and ongoing and planned public works, that they are notified in a timely manner of such works, and that sharing is facilitated to the maximum extent possible.

↓ 2002/21/EC recital 23

⇒ new

~~Facility sharing can be of benefit for town planning, public health or environmental reasons, and should be encouraged by national regulatory authorities on the basis of voluntary agreements. In cases where undertakings are deprived of access to viable alternatives, compulsory facility or property sharing may be appropriate. It covers inter alia: physical co-location and duct, building, mast, antenna or antenna system sharing. Compulsory facility or property sharing should be imposed on undertakings only after full public consultation.~~

↓ 2002/21/EC recital 24

⇒ new

(100) Where mobile operators are required to share towers or masts for environmental reasons, such mandated sharing may lead to a reduction in the maximum transmitted power levels allowed for each operator for reasons of public health, and this in turn may require operators to install more transmission sites to ensure national coverage. ⇒ Competent authorities should seek to reconcile the environmental and public health considerations in question, taking due account of the precautionary approach set out in Council Recommendation No 1999/519/EC. ⇐

↓ 2002/20/EC recital 29

~~This Directive should be without prejudice to Member States' obligations to provide any information necessary for the defence of Community interests within the context of international agreements. This Directive should also be without prejudice to any reporting obligations under legislation which is not specific to the electronic communications sector such as competition law.~~

(129) ~~Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive)¹ lays down the objectives of a regulatory framework to cover electronic communications networks and services in the Community, including fixed and mobile telecommunications networks, cable television networks, networks used for terrestrial broadcasting, satellite networks and Internet networks, whether used for voice, fax, data or images. Such networks may have been authorised by Member States under Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive)² or have been authorised under previous regulatory measures. The provisions of this Directive ☒ as regards access and interconnection ☒ apply to those networks that are used for the provision of publicly available electronic communications services. This Directive covers access and interconnection arrangements between service suppliers. Non-public networks do not have ☒ access or interconnection ☒ obligations under this Directive except where, in benefiting from access to public networks, they may be subject to conditions laid down by Member States.~~

~~Services providing content such as the offer for sale of a package of sound or television broadcasting content are not covered by the common regulatory framework for electronic communications networks and services.~~

- (130) The term ‘access’ has a wide range of meanings, and it is therefore necessary to define precisely how that term is used in this Directive, without prejudice to how it may be used in other ~~Community~~ ☒ Union ☒ measures. An operator may own the underlying network or facilities or may rent some or all of them.
- (131) In an open and competitive market, there should be no restrictions that prevent undertakings from negotiating access and interconnection arrangements between themselves, in particular on cross-border agreements, subject to the competition rules of the Treaty. In the context of achieving a more efficient, truly pan-European market, with effective competition, more choice and competitive services to ~~consumers~~ ⇒ end-users ⇐, undertakings which receive requests for access or interconnection ⇐ from other undertakings which are subject to general authorisation in order to provide electronic communications networks or services to the public ⇐ should in principle conclude such agreements on a commercial basis, and negotiate in good faith.

¹ [See page 33 of this Official Journal](#)

² [See page 21 of this Official Journal](#)

- (132) In markets where there continue to be large differences in negotiating power between undertakings, and where some undertakings rely on infrastructure provided by others for delivery of their services, it is appropriate to establish a framework to ensure that the market functions effectively. National regulatory authorities should have the power to secure, where commercial negotiation fails, adequate access and interconnection and interoperability of services in the interest of end-users. In particular, they ~~may~~ can ensure end-to-end connectivity by imposing proportionate obligations on undertakings that are subject to the general authorisation and that control access to end-users. Control of means of access may entail ownership or control of the physical link to the end-user (either fixed or mobile), and/or the ability to change or withdraw the national number or numbers needed to access an end-user's network termination point. This would be the case for example if network operators were to restrict unreasonably end-user choice for access to Internet portals and services.
- (133) In the light of the principle of non-discrimination, national regulatory authorities should ensure that all operators, irrespective of their size and business model, whether vertically integrated or separated, can interconnect on reasonable terms and conditions, with the view to providing end-to-end connectivity and access to the global Internet.
- (134) National legal or administrative measures that link the terms and conditions for access or interconnection to the activities of the party seeking interconnection, and specifically to the degree of its investment in network infrastructure, and not to the interconnection or access services provided, may cause market distortion and may therefore not be compatible with competition rules.
- (135) Network operators who control access to their own customers do so on the basis of unique numbers or addresses from a published numbering or addressing range. Other network operators need to be able to deliver traffic to those customers, and so need to be able to interconnect directly or indirectly to each other. ~~The existing~~ It is therefore appropriate to lay down rights and obligations to negotiate interconnection ~~should therefore be maintained. It is also appropriate to maintain the obligations formerly laid down in Directive 95/47/EC requiring fully digital electronic communications networks used for the distribution of television services and open to the public to be capable of distributing wide-screen television services and programmes, so that users are able to receive such programmes in the format in which they were transmitted.~~
- (136) Interoperability is of benefit to end-users and is an important aim of this regulatory framework. Encouraging interoperability is one of the objectives for national regulatory authorities as set out in this framework, which also provides for the Commission to publish a list of standards and/or specifications covering the provision of services, technical interfaces and/or network functions, as the basis for encouraging harmonisation in electronic communications. Member States should encourage the use of published standards and/or specifications to the extent strictly necessary to ensure interoperability of services and to improve freedom of choice for users.

- (137) Currently both end-to-end connectivity and access to emergency services depend on end-users adopting number-based interpersonal communications services. Future technological developments or an increased use of number-independent interpersonal communications services could entail a lack of sufficient interoperability between communications services. As a consequence significant barriers to market entry and obstacles to further onward innovation could emerge and appreciably threaten both effective end-to-end connectivity between end-users and effective access to emergency services.
- (138) In case such interoperability issues arise, the Commission may request a BEREC report which should provide a factual assessment of the market situation at the Union and Member States level. On the basis of the BEREC report and other available evidence and taking into account the effects on the internal market, the Commission should decide whether there is a need for regulatory intervention by national regulatory authorities. If the Commission considers that such regulatory intervention should be considered by National Regulatory Authorities, it may adopt implementing measures specifying the nature and scope of possible regulatory interventions by NRAs, including in particular measures to impose the mandatory use of standards or specifications on all or specific providers. The terms 'European standards' and 'international standards' are defined in Article 2 of Regulation (EU) No 1025/2012.³ National regulatory authorities should assess, in the light of the specific national circumstances, whether any intervention is necessary and justified to ensure end-to-end-connectivity or access to emergency services, and if so, impose proportionate obligations in accordance with the Commission implementing measures.
- (139) In situations where undertakings are deprived of access to viable alternatives to non-replicable assets **wiring and cables inside buildings or up to the first distribution or concentration point just outside**, national regulatory authorities should be empowered to impose access obligations to all operators, without prejudice to their respective market power. In this regard, national regulatory authorities should take into consideration all technical and economic barriers to future replication of networks. The mere fact that more than one such infrastructure already exists should not necessarily be interpreted as showing that its assets are replicable. The first distribution **or concentration** point should be identified **by national regulatory authorities** by reference to objective criteria. **If necessary in combination with such access obligations, undertakings may also rely on the obligations to provide access to physical infrastructure, inter alia inspection chambers, manholes, buildings or entries to buildings, based on Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks.**

³ Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council [OJ L 364 of 14.11.2012, p.12]

(140) It is important that when national regulatory authorities assess which concentration or distribution point to impose obligations on they choose a concentration point close to end-users. Selecting a concentration point nearer end-users will be more beneficial to infrastructure competition and the roll-out of very high speed networks. In this way choosing a concentration point in a building or just outside a building will be the first point that a national regulatory authority should assess. It could be justified to extend access obligations to wiring and cables beyond the first concentration point in exceptional circumstances in areas with lower population density, while confining such obligations to points as close as possible to end-users, where it is demonstrated that replication would also be impossible **impracticable** beyond that first concentration point **for an economically viable operator and to ensure competitive outcomes for end-users, including in terms of choice, price and network quality.** Obligations are unlikely to be necessary where end-users can be reached on the basis of wholesale access products that are imposed on operators with significant market power, or that are commercially provided on fair and reasonable terms. Obligations are more likely to be necessary in geographical areas where the case for alternative infrastructure rollout is made more risky, for example by low population density or the limited number of multi-dwelling buildings. National regulatory authorities should also consider whether such obligations may unintentionally strengthen the position of operators with significant market power. National regulatory authorities should be able to impose access to active network components used for service provision on such infrastructure if access to passive elements would be economically inefficient or physically impracticable, and if the national regulatory authority considers that, absent an intervention, access obligation would be frustrated.

(141) In such cases, in order to comply with the principle of proportionality, it can be appropriate for national regulatory authorities to exclude certain categories of owners or undertakings, or both, from obligations going beyond the first ~~distribution~~ **concentration point, which should be determined by national regulatory authorities,** on the grounds that an access obligation not based on significant market power would risk compromising their business case for recently deployed network elements. ~~Structurally separated~~ Undertakings should not be subject to such access obligations if they offer an effective alternative access on a commercial basis to a very high capacity network, **on fair and reasonable terms and conditions, including as regards price.**

- (142) Sharing of passive or active infrastructure used in the provision of wireless electronic communications services, or the joint roll-out of such infrastructures, in compliance with competition law principles can be particularly useful to maximise very high capacity connectivity throughout the Union, especially in less dense areas where replication is impracticable and end-users risk being deprived of such connectivity. National regulatory authorities should, exceptionally, be enabled to impose such sharing or joint roll-out, or localised roaming access, in compliance with Union law, if they demonstrate the benefits of such sharing or access in terms of overcoming very significant barriers to replication and of addressing otherwise severe restrictions on end-user choice or quality of service, or both, or on territorial coverage, and taking into account several elements, including in particular the need to maintain infrastructure roll-out incentives.
- (143) While it is appropriate in some circumstances for a national regulatory authority to impose obligations on operators that do not have significant market power in order to achieve goals such as end-to-end connectivity or interoperability of services, it is however necessary to ensure that such obligations are imposed in conformity with the EU regulatory framework and, in particular, its notification procedures. **Such obligations must only be imposed where justified in order to secure the objectives of this Directive, and where they are objectively justified, transparent, proportionate and non-discriminatory for the purpose of promoting efficiency, sustainable competition, efficient investment and innovation, and giving the maximum benefit to end-users, and imposed in conformity with the relevant notification procedures.**
- (144) Competition rules alone may not be sufficient to ensure cultural diversity and media pluralism in the area of digital television. ~~Directive 95/47/EC provided an initial regulatory framework for the nascent digital television industry which should be maintained, including in particular the obligation to provide conditional access on fair, reasonable and non-discriminatory terms, in order to make sure that a wide variety of programming and services is available.~~ Technological and market developments make it necessary to review ~~these~~ obligations ⇨ to provide conditional access on fair, reasonable and non-discriminatory terms ⇐ on a regular basis, either by a Member State for its national market or the Commission for the ~~Community~~ ☒ Union ☒, in particular to determine whether there is justification for extending obligations to ~~new gateways, such as~~ electronic programme guides (EPGs) and application programme interfaces (APIs), to the extent that is necessary to ensure accessibility for end-users to specified digital broadcasting services. Member States may specify the digital broadcasting services to which access by end-users must be ensured by any legislative, regulatory or administrative means that they deem necessary.

(145) Member States may also permit their national regulatory authority to review obligations in relation to conditional access to digital broadcasting services in order to assess through a market analysis whether to withdraw or amend conditions for operators that do not have significant market power on the relevant market. Such withdrawal or amendment should not adversely affect access for end-users to such services or the prospects for effective competition.

~~In order to ensure continuity of existing agreements and to avoid a legal vacuum, it is necessary to ensure that obligations for access and interconnection imposed under Articles 4, 6, 7, 8, 11, 12, and 14 of Directive 97/33/EC of the European Parliament and of the Council of 30 June 1997 on interconnection in telecommunications with regard to ensuring universal service and interoperability through application of the principles of open network provision (ONP)⁴, obligations on special access imposed under Article 16 of Directive 98/10/EC of the European Parliament and of the Council of 26 February 1998 on the application of open network provision (ONP) to voice telephony and on universal service for telecommunications in a competitive environment⁵, and obligations concerning the provision of leased line transmission capacity under Council Directive 92/44/EEC of 5 June 1992 on the application of open network provision to leased lines⁶, are initially carried over into the new regulatory framework, but are subject to immediate review in the light of prevailing market conditions. Such a review should also extend to those organisations covered by Regulation (EC) No 2887/2000 of the European Parliament and of the Council of 18 December 2000 on unbundled access to the local loop⁷.~~

⁴ ~~OJL 199, 26.7.1997, p. 32. Directive as last amended by Directive 98/61/EC (OJL 268, 3.10.1998, p. 37).~~

⁵ ~~OJL 101, 1.4.1998, p. 24.~~

⁶ ~~OJL 165, 19.6.1992, p. 27. Directive as last amended by Commission Decision No 98/80/EC (OJL 14, 20.1.1998, p. 27).~~

⁷ ~~OJL 366, 30.12.2000, p. 4.~~

~~The review should be carried out using an economic market analysis based on competition law methodology. The aim is to reduce *ex ante* sector specific rules progressively as competition in the market develops. However the procedure also takes account of transitional problems in the market such as those related to international roaming and of the possibility of new bottlenecks arising as a result of technological development, which may require *ex ante* regulation, for example in the area of broadband access networks. It may well be the case that competition develops at different speeds in different market segments and in different Member States, and national regulatory authorities should be able to relax regulatory obligations in those markets where competition is delivering the desired results. In order to ensure that market players in similar circumstances are treated in similar ways in different Member States, the Commission should be able to ensure harmonised application of the provisions of this Directive. National regulatory authorities and national authorities entrusted with the implementation of competition law should, where appropriate, coordinate their actions to ensure that the most appropriate remedy is applied. The Community and its Member States have entered into commitments on interconnection of telecommunications networks in the context of the World Trade Organisation agreement on basic telecommunications and these commitments need to be respected.~~

~~Directive 97/33/EC laid down a range of obligations to be imposed on undertakings with significant market power, namely transparency, non-discrimination, accounting separation, access, and price control including cost orientation. This range of possible obligations should be maintained but, in addition, they should be established as a set of maximum obligations that can be applied to undertakings, in order to avoid over-regulation. Exceptionally, in order to comply with international commitments or Community law, it may be appropriate to impose obligations for access or interconnection on all market players, as is currently the case for conditional access systems for digital television services.~~

- (146) There is a need for *ex ante* obligations in certain circumstances in order to ensure the development of a competitive market, \Rightarrow the conditions of which favour the deployment and take-up of very high capacity connectivity and the maximisation of end-user benefits \Leftarrow . The definition of significant market power ~~in the Directive 97/33/EC of the European Parliament and of the Council of 30 June 1997 on interconnection in telecommunications with regard to ensuring universal service and interoperability through application of the principles of open network provision (ONP)⁸ has proved effective in the initial stages of market opening as the threshold for *ex ante* obligations, but now needs to be adapted to suit more complex and dynamic markets. For this reason, the definition used in this Directive is equivalent to the concept of dominance as defined in the case law of the Court of Justice and the Court of First Instance of the European Communities.~~
- (147) Two or more undertakings can be found to enjoy a joint dominant position not only where there exist structural or other links between them but also where the structure of the relevant market is conducive to coordinated effects, that is, it encourages parallel or aligned anti-competitive behaviour on the market.
- (148) It is essential that *ex ante* regulatory obligations should only be imposed \Rightarrow on a wholesale market \Leftarrow ~~where there is not effective competition, i.e. in markets~~ where there are one or more undertakings with significant market power, \Rightarrow with a view to ensure sustainable competition on a related retail market \Leftarrow , and where national and Community \boxtimes Union \boxtimes competition law remedies are not sufficient to address the problem. ~~It is necessary therefore for the Commission \boxtimes has \boxtimes to draw up guidelines at Community \boxtimes Union \boxtimes level in accordance with the principles of competition law for national regulatory authorities to follow in assessing whether competition is effective in a given market and in assessing significant market power. National regulatory authorities should analyse whether a given product or service market is effectively competitive in a given geographical area, which could be the whole or a part of the territory of the Member State concerned or neighbouring parts of territories of Member States considered together. An analysis of effective competition should include an analysis as to whether the market is prospectively competitive, and thus whether any lack of effective competition is durable. Those guidelines will \boxtimes should \boxtimes also address the issue of newly emerging markets, where de facto the market leader is likely to have a substantial market share but should not be subjected to inappropriate obligations. The Commission should review the guidelines regularly, \Rightarrow in particular on the occasion of a review of the existing legislation, taking into account evolving case law, economic thinking and actual market experience and with a view \Leftarrow to ensuring that they remain appropriate in a rapidly developing market. National regulatory authorities will need to cooperate with each other where the relevant market is found to be transnational.~~

⁸ ~~OJ L 199, 26.7.1997, p. 32. Directive as amended by Directive 98/61/EC (OJ L 268, 3.10.1998, p. 37).~~

- (149) In determining whether an undertaking has significant market power in a specific market, national regulatory authorities should act in accordance with ~~Community~~ Union law and take into the utmost account the Commission guidelines on market analysis and the assessment of significant market power .
- (150) National regulatory authorities should define relevant geographic markets within their territory taking into utmost account the Commission Recommendation on Relevant Product and Service Markets adopted in accordance with this Directive and taking into account national and local circumstances. Therefore, national regulatory authorities should at least analyse the markets that are contained in the Recommendation, including those markets that are listed but no longer regulated in the specific national or local context. National regulatory authorities should also analyse markets that are not contained in that Recommendation, but are regulated within the territory of their jurisdiction on the basis of previous market analyses, or other markets, if they have sufficient grounds to consider that the three criteria test provided in this Directive may be met.
- (151) Transnational markets can be defined when it is justified by the geographic market definition, taking into account all supply-side and demand-side factors in accordance with competition law principles. BEREC is the most appropriate body to undertake such analysis, benefiting from the extensive collective experience of national regulatory authorities when defining markets on a national level. **National circumstances should be taken into account when an analysis of potential transnational markets is undertaken.** If transnational markets are defined and warrant regulatory intervention, concerned national regulatory authorities should cooperate to identify the appropriate regulatory response, including in the process of notification to the Commission. They can also cooperate in the same manner where transnational markets are not identified but on their territories market conditions are sufficiently homogeneous to benefit from a coordinated regulatory approach, such as for example in terms of similar costs, market structures or operators or in case of transnational or comparable end-user demand.
- (152) In some circumstances geographic markets are defined as national or sub-national, for example due to the national or local nature of network roll-out which determines the boundaries of undertakings' potential market power in respect of wholesale supply, but there still is a significant transnational demand from one or more categories of end-users. That can in particular be the case for demand from business end-users with multisite facility operations in different Member States. If that transnational demand is not sufficiently met by suppliers, for example if they are fragmented along national borders or locally, a potential internal market barrier arises. Therefore, BEREC should be empowered to provide guidelines to national regulatory authorities on common regulatory approaches to ensure that transnational demand can be met in a satisfactory way, permitting efficiencies and economies of scale despite the fragmented supply side. BEREC's guidelines should shape the choices of national regulatory authorities in pursuing the internal market objective when imposing regulatory obligations on SMP operators at the national level.

- (153) If national regulatory authorities have not followed the common approach recommended by BEREC to meet the identified transnational demand, with the consequence that transnational end-user demand is not efficiently met, and that avoidable barriers to the internal market arise, it could be necessary to harmonise the technical specifications of wholesale access products capable of meeting a given transnational demand, taking into account the BEREC guidelines.
- (154) The objective of any *ex ante* regulatory intervention is ultimately to produce benefits for end-users in terms of price, quality and choice by making retail markets effectively competitive on a sustainable basis. It is likely that national regulatory authorities will gradually be able to find many retail markets to be competitive even in the absence of wholesale regulation, especially taking into account expected improvements in innovation and competition.
- (155) For national regulatory authorities the starting point for the identification of wholesale markets susceptible to *ex ante* regulation is the analysis of corresponding retail markets. The analysis of effective competition at the retail and at the wholesale level is conducted from a forward-looking perspective over a given time horizon, and is guided by competition law, including the relevant case-law of the Court of Justice, as appropriate. If it is concluded that a retail markets would be effectively competitive in the absence of *ex ante* wholesale regulation on the corresponding relevant market(s), this should lead the national regulatory authority to conclude that regulation is no longer needed at the relevant wholesale level.
- (156) During the gradual transition to deregulated markets, commercial agreements between operators will gradually become more common, and if they are sustainable and improve competitive dynamics, they can contribute to the conclusion that a particular wholesale market does not warrant *ex ante* regulation. A similar logic would apply in reverse, to unforeseeable termination of commercial agreements on a deregulated market. The analysis of such agreements should take into account that the prospect of regulation can be a motive for network owners to enter into commercial negotiations. With a view to ensure adequate consideration of the impact of regulation imposed on related markets when determining whether a given market warrants *ex ante* regulation, national regulatory authorities should ensure markets are analysed in a coherent manner and where possible, at the same time or as close as possible to each other in time.

(157) When assessing wholesale regulation to solve problems at the retail level, national regulatory authorities should take into account that several wholesale markets can provide wholesale upstream inputs for a particular retail market, and conversely, one wholesale market can provide wholesale upstream inputs for a variety of retail markets. Furthermore, competitive dynamics in a particular market can be influenced by markets that are contiguous but not in a vertical relationship, such as can be the case between certain fixed and mobile markets. National regulatory authorities should conduct that assessment for each individual wholesale market considered for regulation, starting with remedies for access to civil infrastructure, as such remedies are usually conducive to more sustainable competition including infrastructure competition, and thereafter analysing any wholesale markets considered susceptible to *ex ante* regulation in order of their likely suitability to address identified competition problems at retail level. When deciding on the specific remedy to be imposed, national regulatory authorities should assess its technical feasibility and carry out a cost-benefit analysis, having regard to its degree of suitability to address the identified competition problems at retail level. National regulatory authorities should consider the consequences of imposing any specific remedy which, if feasible only on certain network topologies, could constitute a disincentive for the deployment of very high capacity networks in the interest of end-users. At each stage of the assessment, before the national regulatory authority determines whether any additional remedy should be imposed on the significant market power operator, it should seek to determine whether the retail market concerned would be effectively competitive in the light of any relevant commercial arrangements or other wholesale market circumstances, including other types of regulation already in force, such as for example general access obligations to non-replicable assets or obligations imposed pursuant to Directive 2014/61/EU, and of any regulation already deemed appropriate by the national regulatory authority for an operator with significant market power. Even if such differences do not result in the definition of distinct geographic markets, they may justify differentiation in the appropriate remedies imposed in the light of the ~~differing~~ **differing** intensity of competitive constraints.

(158) *Ex ante* regulation imposed at the wholesale level, which is in principle less intrusive than retail regulation, is considered sufficient to tackle potential competition problems on the related downstream retail market or markets. The advances in the functioning of competition since the regulatory framework for electronic communications has been in place are demonstrated by the progressive deregulation of retail markets across the Union. Further, the rules relating to the imposition of *ex ante* remedies on undertakings with significant market power should be simplified and be made more predictable, where possible. Therefore, the power of imposition of *ex ante* regulatory controls based on significant market power in retail markets should be repealed.

- (159) When a national regulatory authority withdraws wholesale regulation it should define an appropriate period of notice to ensure a sustainable transition to a de-regulated market. In defining such period, the national regulatory authority should take into account the existing agreements between access providers and access seekers that have been entered into on the basis of the imposed regulatory obligations. In particular, such agreements can provide a contractual legal protection to access seekers for a determined period of time. The national regulatory authority should also take into account the effective possibility for market participants to take up any commercial wholesale access or co-investment offers which can be present in the market and the need to avoid an extended period of possible regulatory arbitrage. Transition arrangements established by the national regulatory authority should consider the extent and timing of regulatory oversight of pre-existing agreements, once the notice period starts.
- (160) In order to provide market players with certainty as to regulatory conditions, a time limit for market reviews is necessary. It is important to conduct a market analysis on a regular basis and within a reasonable and appropriate time frame. ~~The time frame should take account of whether the particular market has previously been subject to market analysis and duly notified.~~ Failure by a national regulatory authority to analyse a market within the time limit may jeopardise the internal market, and normal infringement proceedings may not produce their desired effect on time. Alternatively, the national regulatory authority concerned should be able to request the assistance of BEREC to complete the market analysis. For instance, this assistance could take the form of a specific task force composed of representatives of other national regulatory authorities.
- (161) Due to the high level of technological innovation and highly dynamic markets in the electronic communications sector, there is a need to adapt regulation rapidly in a coordinated and harmonised way at ~~Community~~ Union level, as experience has shown that divergence among the national regulatory authorities in the implementation of the ~~EU~~ regulatory framework may create a barrier to the development of the internal market.
- (162) However, in the interest of greater stability and predictability of regulatory measures, the maximum period allowed between market analyses should be extended from three to five years, provided market changes in the intervening period do not require a new analysis. In determining whether a national regulatory authority has complied with its obligation to analyse markets and notified the corresponding draft measure at a minimum every five years, only a notification including a new assessment of the market definition and of significant market power will be considered as starting a new five-year market cycle. A mere notification of new or amended regulatory remedies, imposed on the basis of a previous and unrevised market analysis will not be considered to have satisfied that obligation. **The validity of obligations imposed by a national regulatory authority based on a market analysis laid down in this directive is not dependent upon whether that national regulatory authority has complied with the obligation to conduct market analysis at regular intervals.**

- (163) The imposition of a specific obligation on an undertaking with significant market power does not require an additional market analysis but a justification that the obligation in question is appropriate and proportionate in relation to the nature of the problem identified \Rightarrow on the market in question, and on the related retail market \Leftarrow .
- (164) When assessing the proportionality of the obligations and conditions to be imposed, national regulatory authorities should take into account the different competitive conditions existing in the different areas within their Member States \Rightarrow having regard in particular to the results of the geographical survey conducted in accordance with this Directive \Leftarrow .
- (165) When \boxtimes considering whether to $\langle \boxtimes \rangle$ imposing remedies to control prices, \boxtimes and if so in what form $\langle \boxtimes \rangle$, national regulatory authorities should seek to allow a fair return for the investor on a particular new investment project. In particular, there may be risks associated with investment projects specific to new access networks which support products for which demand is uncertain at the time the investment is made.
- (166) Reviews of obligations imposed on operators designated as having significant market power during the timeframe of a market analysis should allow national regulatory authorities to take into account the impact on competitive conditions of new developments, for instance of newly concluded voluntary agreements between operators, such as access and co-investment agreements, thus providing the flexibility which is particularly necessary in the context of longer regulatory cycles. A similar logic should apply in case of unforeseeable termination of commercial agreements. If such termination occurs in a deregulated market, a new market analysis may be necessary.
- (167) Transparency of terms and conditions for access and interconnection, including prices, serve to speed up negotiation, avoid disputes and give confidence to market players that a service is not being provided on discriminatory terms. Openness and transparency of technical interfaces can be particularly important in ensuring interoperability. Where a national regulatory authority imposes obligations to make information public, it may also specify the manner in which the information is to be made available, ~~covering for example the type of publication (paper and/or electronic)~~ and whether or not it is free of charge, taking into account the nature and purpose of the information concerned.
- (168) In light of the variety of network topologies, access products and market circumstance that have arisen since 2002, the objectives of Annex II of the Directive 2002/19/EC, concerning local loop unbundling, and access products for providers of digital television and radio services, can be better achieved and in a more flexible manner, by providing guidelines on the minimum criteria for a reference offer to be developed by and periodically updated by BEREC. Annex II of the Directive 2002/19/EC should therefore be removed.
- (169) The principle of non-discrimination ensures that undertakings with market power do not distort competition, in particular where they are vertically integrated undertakings that supply services to undertakings with whom they compete on downstream markets.

- (170) In order to address and prevent non-price related discriminatory behaviour, equivalence of inputs (EoI) is in principle the surest way to achieve effective protection from discrimination. On the other hand, providing regulated wholesale inputs on an EoI basis is likely to trigger higher compliance costs than other forms of non-discrimination obligations. Those higher compliance costs should be measured against the benefits of more vigorous competition downstream, and of the relevance of non-discrimination guarantees in circumstances where the operator with significant market power is not subject to direct price controls. In particular, national regulatory authorities might consider that the provision of wholesale inputs over new systems on an EoI basis is more likely to create sufficient net benefits, and thus be proportionate, given the comparatively lower incremental compliance costs to ensure that newly built systems are EoI-compliant. On the other hand, national regulatory authorities should also **consider whether obligations are proportionate taking into account the implementation costs for affected undertakings and** weigh up possible disincentives to the deployment of new systems, relative to more incremental upgrades, in the event that the former would be subject to more restrictive regulatory obligations. In Member States with a high number of small-scale SMP operators, the imposition of EoI on each of these operators can be disproportionate.
- (171) Accounting separation allows internal price transfers to be rendered visible, and allows national regulatory authorities to check compliance with obligations for non-discrimination where applicable. In this regard the Commission published Recommendation ~~98/322/EC of 8 April 1998 on interconnection in a liberalised telecommunications market (Part 2 — accounting separation and cost accounting)~~⁹ 2005/698/EC of 19 September 2005 on accounting separation and cost accounting systems.
- (172) Civil engineering assets that can host an electronic communications network are crucial for the successful roll-out of new very high capacity networks because of the high cost of duplicating them, and the significant savings that can be made when they can be reused. Therefore, in addition to the rules on physical infrastructure laid down in Directive 2014/61/EU, a specific remedy is necessary in those circumstances where civil engineering assets are owned by an operator designated with significant market power. Where civil engineering assets exist and are reusable, the positive effect of achieving effective access to them on the roll-out of competing infrastructure is very high, and it is therefore necessary to ensure that access to such assets can be used as a self-standing remedy for the improvement of competitive and deployment dynamics in any downstream market, to be considered before assessing the need to impose any other potential remedies, and not just as an ancillary remedy to other wholesale products or services or as a remedy limited to undertakings availing of such other wholesale products or services. National regulatory authorities should value reusable legacy civil engineering assets on the basis of the regulatory accounting value net of the accumulated depreciation at the time of calculation, indexed by an appropriate price index, such as the retail price index, and excluding those assets which are fully depreciated, over a period of not less than 40 years, but still in use.

⁹ ~~OJL 141, 13.5.1998, p. 6.~~

- (173) National regulatory authorities should, when imposing obligations for access to new and enhanced infrastructures, ensure that access conditions reflect the circumstances underlying the investment decision, taking into account, *inter alia*, the roll-out costs, the expected rate of take up of the new products and services and the expected retail price levels. Moreover, in order to provide planning certainty to investors, national regulatory authorities should be able to set, if applicable, terms and conditions for access which are consistent over appropriate review periods. ⇒ In the event that price controls are deemed appropriate, ⇐ ~~Such~~ terms and conditions ~~can~~ ~~may~~ include pricing arrangements which depend on volumes or length of contract in accordance with ~~Community~~ ~~Union~~ ~~law~~ and provided they have no discriminatory effect. Any access conditions imposed should respect the need to preserve effective competition in services to consumers and businesses.
- (174) Mandating access to network infrastructure can be justified as a means of increasing competition, but national regulatory authorities need to balance the rights of an infrastructure owner to exploit its infrastructure for its own benefit, and the rights of other service providers to access facilities that are essential for the provision of competing services.
- (175) In geographic areas where two access networks can be expected on a forward-looking basis, end-users are more likely to benefit from improvements in network quality, by virtue of infrastructure-based competition, than in areas where only one network persists. The adequacy of competition on other parameters, such as price and choice, is likely to depend on the national and local competitive circumstances. Where at least one of the network operators offers wholesale access to any interested undertaking on reasonable commercial terms permitting sustainable ~~competition~~ **competitive outcomes for end-users** on the retail market, national regulatory authorities are unlikely to need to impose or maintain SMP-based wholesale access obligations, beyond access to civil infrastructure, therefore reliance can be placed on the application of general competition rules. This applies *a fortiori* if both network operators offer reasonable commercial wholesale access. In both such cases, it may be more appropriate for national regulatory authorities to rely on specific monitoring on an *ex post* basis. Where on a forward-looking basis, three access network operators are present or are expected to be present and to sustainably compete in the same retail and wholesale markets (e.g. as can be the case for mobile, and as can occur in some geographic areas for fixed-line networks, especially where there is effective access to civil infrastructure and/or co-investment, such that three or more operators have effective control over the necessary access network assets to meet retail demand), national regulatory authorities will be less likely to identify an operator as having SMP, unless they make a finding of collective dominance, or if each of the undertakings in question has significant market power in distinct wholesale markets, such as in the case of voice call termination markets. The application of general competition rules in such markets characterised by sustainable and effective infrastructure-based competition should be sufficient.

(176) ~~Mandating access to network infrastructure can be justified as a means of increasing competition, but national regulatory authorities need to balance the rights of an infrastructure owner to exploit its infrastructure for its own benefit, and the rights of other service providers to access facilities that are essential for the provision of competing services.~~ Where obligations are imposed on operators that require them to meet reasonable requests for access to and use of networks elements and associated facilities, such requests should only be refused on the basis of objective criteria such as technical feasibility or the need to maintain network integrity. Where access is refused, the aggrieved party may submit the case to the dispute resolutions procedure referred to in Articles ~~20 27~~ and ~~21 28~~ of Directive 2002/21/EC (Framework Directive). An operator with mandated access obligations cannot be required to provide types of access which ~~are~~ it is not within its powers to provide. The imposition by national regulatory authorities of mandated access that increases competition in the short term should not reduce incentives for competitors to invest in alternative facilities that will secure more sustainable competition and/or higher performance and end-user benefits in the long-term. **For example, national regulatory authorities might decide not to impose access obligations if this contributes significantly to the deployment of very high capacity networks in the interests of users when sustainable service competition could be safeguarded in other ways.**~~The Commission has published a Notice on the application of the competition rules to access agreements in the telecommunications sector¹⁰ which addresses these issues. National regulatory authorities may impose technical and operational conditions on the provider and/or beneficiaries of mandated access in accordance with Community Union law. In particular the imposition of technical standards should comply with Directive 1535/2015/EU 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules of Information Society Services¹¹.~~

¹⁰ ~~OJ C 265, 22.8.1998, p. 2.~~

¹¹ ~~OJ L 241, 17.9.2015, p. 1-15.~~

- (177) Price control may be necessary when market analysis in a particular market reveals inefficient competition. ~~The regulatory intervention may be relatively light, such as an obligation that prices for carrier selection are reasonable as laid down in Directive 97/33/EC, or much heavier such as an obligation that prices are cost oriented to provide full justification for those prices where competition is not sufficiently strong to prevent excessive pricing.~~ In particular, operators with significant market power should avoid a price squeeze whereby the difference between their retail prices and the interconnection \boxtimes and/or access \boxtimes prices charged to competitors who provide similar retail services is not adequate to ensure sustainable competition. When a national regulatory authority calculates costs incurred in establishing a service mandated under this Directive, it is appropriate to allow a reasonable return on the capital employed including appropriate labour and building costs, with the value of capital adjusted where necessary to reflect the current valuation of assets and efficiency of operations. The method of cost recovery should be appropriate to the circumstances taking account of the need to promote efficiency, ~~and~~ sustainable competition \Rightarrow and deployment of very high capacity networks \Leftarrow and \boxtimes thereby \boxtimes maximise consumer \Rightarrow end-user \Leftarrow benefits, \Rightarrow and should take in account the need to have predictable and stable wholesale prices for the benefit of all operators seeking to deploy new and enhanced networks, in accordance with Commission guidance¹². \Leftarrow
- (178) Due to uncertainty regarding the rate of materialisation of demand for the provision of next-generation broadband services it is important in order to promote efficient investment and innovation to allow those operators investing in new or upgraded networks a certain degree of pricing flexibility. To prevent excessive prices in markets where there are operators designated as having significant market power, pricing flexibility should be accompanied by additional safeguards to protect competition and end-user interests, such as strict non-discrimination obligations, measures to ensure technical and economic replicability of downstream products, and a demonstrable retail price constraint resulting from infrastructure competition or a price anchor stemming from other regulated access products, or both. Those competitive safeguards do not prejudice the identification by national regulatory authorities of other circumstances under which it would be appropriate not to impose regulated access prices for certain wholesale inputs, such as where high price elasticity of end-user demand makes it unprofitable for the operator with significant market power to charge prices appreciably above the competitive level **or where lower population density reinforces reduces the incentives for the development of very high capacity networks and the national regulatory authority establishes that effective and non-discriminatory access is ensured through obligations imposed in accordance with this directive.**
- (179) Where a national regulatory authority imposes obligations to implement a cost accounting system in order to support price controls, it may itself undertake an annual audit to ensure compliance with that cost accounting system, provided that it has the necessary qualified staff, or it may require the audit to be carried out by another qualified body, independent of the operator concerned.

¹² Commission Recommendation 2013/466/EU of 11 September 2013 on consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment, OJ L 251, 21.9.2013, p. 13.

- (180) The charging system in the Union for wholesale voice call termination is based on Calling Party Network Pays. An analysis of demand and supply substitutability shows that currently or in the foreseeable future, there are as yet no substitutes at wholesale level which might constrain the setting of charges for termination in a given network. Taking into account the two-way access nature of termination markets, further potential competition problems include cross-subsidisation between operators. These potential competition problems are common to both fixed and mobile voice call termination markets. Therefore, in the light of the ability and incentives of terminating operators to raise prices substantially above cost, cost orientation is considered the most appropriate intervention to address this concern over the medium term. **Future market developments may alter the dynamics of these markets to the extent that regulation would no longer be necessary.**
- (181) In order to reduce the regulatory burden in addressing the competition problems relating to wholesale voice call termination coherently across the Union, this Directive should lay down a common approach as a basis for setting price control obligations, to be completed by a binding ~~common cost~~ methodology to be determined ~~by the Commission and by technical guidance which should be developed by BEREC~~ **in an implementing act.**
- (182) In order to simplify their setting and facilitate their imposition where appropriate, wholesale voice call termination rates in fixed and mobile markets in the Union ~~shall~~ **should** be set by means of a ~~delegated~~ **an implementing** act. This Directive should lay down the detailed criteria and parameters on the basis of which the values of voice call termination rates are set. ~~In applying that set of criteria and parameters, the Commission should take into account, inter alia, that only those costs which are incremental to the provision of wholesale call termination service should be covered; that spectrum fees are subscriber- and not traffic-driven and should therefore be excluded and that additional spectrum is mainly allocated for data and therefore not relevant for the call termination increment; that it is recognised that while in mobile networks a minimum efficient scale is estimated at the level of at least 20% market share, in the fixed networks smaller operators can achieve the same efficiencies and produce at the same unit costs as the efficient operator, independently of their size. When setting the exact maximum rate, the Commission should include appropriate weighting to take into account the total number of end-users in each Member State, where this is required on account of remaining cost divergences. When the Commission determines that rate, the experience of BEREC and the national regulatory authorities in building suitable cost models will be invaluable and should be taken into account.~~

- (183) This Directive sets maximum wholesale voice call termination rates for fixed and mobile networks below which the initial delegated act will establish the exact rate to be applied by national regulatory authorities. The initial rate will be further updated. Based on the bottom-up pure LRIC models applied by national regulators to date and applying the above criteria the voice termination rates currently vary from 0.4045 €cent per minute to 1.226 €cent per minute in mobile networks and between 0.0430 €cent per minute and 0.1400 €cent per minute in fixed networks in the most local layer of interconnection (calculated as a weighted average between peak and off-peak rates). The variation in rates is due to different local conditions and relative price structures currently existing as well as to the different timing of the model calculations across Member States. In addition, in fixed networks the level of cost efficient termination rates depends also on the network layer where the termination service is provided.
- (184) Due to current uncertainty regarding the rate of materialisation of demand for very high capacity broadband services as well as general economies of scale and density, co-investment agreements offer significant benefits in terms of pooling of costs and risks, enabling smaller-scale operators to invest on economically rational terms and thus promoting sustainable, long-term competition, including in areas where infrastructure-based competition might not be efficient. Where an operator with significant market power makes an open call for co-investment on fair, reasonable and non-discriminatory terms in new network elements which significantly contribute to the deployment of very high capacity networks **and provide an opportunity to operators of different sizes and financial capacity to become infrastructure co-investors**, the national regulatory authority should typically be able to refrain from imposing obligations pursuant to this Directive on the new network elements, subject to further review in subsequent market analyses. **National regulatory authorities should be able to continue imposing obligations in favour of new entrants, in particular companies that could not have responded to the initial co-investment offer because they were not present in the market, unless at the time of market entry they are able to negotiate commercial wholesale offers from one or more of the co-investors. A failure by co-investors to provide viable wholesale offers to new entrants should be considered by national regulatory authorities in their subsequent analysis of potential single or joint significant market power. Such obligations to the benefit of new entrants should be of transitional nature until they achieve a scale which would allow them to negotiate a viable co-investment agreement.** Provided due account is taken of the prospective pro-competitive effects of the co-investment at wholesale and retail level, national regulatory authorities can still consider it appropriate, in light of the existing market structure and dynamics developed under regulated wholesale access conditions, and in the absence of a commercial offer to that effect, to safeguard the rights of access seekers who do not participate in a given co-investment through the maintenance of existing access products or – where legacy network elements are dismantled in due course – through imposition of access products with comparable functionality to those previously available on the legacy infrastructure. **Furthermore, obligations imposed on operators irrespective of market power pursuant to this Directive or to the Directive on measures to reduce the cost of deploying high-speed electronic communications networks (2014/61/EU) will continue to apply. Obligations in relation to co-investment agreements are without prejudice to the application of Union law.**

- (185) The purpose of functional separation, whereby the vertically integrated operator is required to establish operationally separate business entities, is to ensure the provision of fully equivalent access products to all downstream operators, including the operator's own vertically integrated downstream divisions. Functional separation has the capacity to improve competition in several relevant markets by significantly reducing the incentive for discrimination and by making it easier to verify and enforce compliance with non-discrimination obligations. In exceptional cases, functional separation may be justified as a remedy where there has been persistent failure to achieve effective non-discrimination in several of the markets concerned, and where there is little or no prospect of infrastructure competition within a reasonable time frame after recourse to one or more remedies previously considered to be appropriate. However, it is very important to ensure that its imposition preserves the incentives of the concerned undertaking to invest in its network and that it does not entail any potential negative effects on consumer welfare. Its imposition requires a coordinated analysis of different relevant markets related to the access network, in accordance with the market analysis procedure set out in Article ~~6746 of Directive 2002/21/EC (Framework Directive)~~. When undertaking the market analysis and designing the details of this remedy, national regulatory authorities should pay particular attention to the products to be managed by the separate business entities, taking into account the extent of network roll-out and the degree of technological progress, which may affect the substitutability of fixed and wireless services. In order to avoid distortions of competition in the internal market, proposals for functional separation should be approved in advance by the Commission.
- (186) The implementation of functional separation should not prevent appropriate coordination mechanisms between the different separate business entities in order to ensure that the economic and management supervision rights of the parent company are protected.
- (187) Where a vertically integrated undertaking chooses to transfer a substantial part or all of its local access network assets to a separate legal entity under different ownership or by establishing a separate business entity for dealing with access products, the national regulatory authority should assess the effect of the intended transaction, ~~including any access commitments offered by this undertaking~~ ~~on all existing regulatory obligations imposed on the vertically integrated operator in order to ensure the compatibility of any new arrangements with this Directive 2002/19/EC (Access Directive) and Directive 2002/22/EC (Universal Service Directive)~~. The national regulatory authority concerned should undertake a new analysis of the markets in which the segregated entity operates, and impose, maintain, amend or withdraw obligations accordingly. To this end, the national regulatory authority should be able to request information from the undertaking.

- (188) Binding commitments can add predictability and transparency to the process of voluntary separation by a vertically integrated undertaking which has been designated as having significant market power in one or more relevant markets, by setting out the process of implementation of the planned separation, for example by providing a roadmap for implementation with clear milestones and predictable consequences if certain milestones are not met. National regulatory authorities should consider the commitments made from a forward-looking perspective of sustainability, in particular when choosing the period for which they are made binding, and should have regard to the value placed by stakeholders in the public consultation on stable and predictable market conditions.
- (189) The commitments can include the appointment of a monitoring trustee, whose identity and mandate should be approved by the national regulatory authority and the obligation on the operator offering them to provide periodic implementation reports.
- (190) Network owners that do not have retail market activities and whose business model is therefore limited to the provision of wholesale services to others, can be beneficial to the creation of a thriving wholesale market, with positive effects on retail competition downstream. Furthermore, their business model can be attractive to potential financial investors in less volatile infrastructure assets and with longer term perspectives on deployment of very high capacity networks. Nevertheless, the presence of a wholesale-only operator does not necessarily lead to effectively competitive retail markets, and wholesale-only operators can be designated with significant market power in particular product and geographic markets. The competition risks arising from the behaviour of operators following wholesale-only business models might be lower than for vertically integrated operators, provided the wholesale-only model is genuine and no incentives to discriminate between downstream providers exist. The regulatory response should therefore be commensurately less intrusive, **but should preserve in particular the possibility to introduce obligations in relation to price.** On the other hand, national regulatory authorities must be able to intervene if competition problems have arisen to the detriment of end-users. **An undertaking active on a wholesale market which supplies services solely to retail markets other than households and SME's should not be regarded as vertically integrated with respect to the latter segment, and should therefore be regarded as a vertically separate undertaking.**
- (191) To facilitate the migration from legacy copper networks to next-generation networks, which is in the interests of end-users, national regulatory authorities should be able to monitor network operators' own initiatives in this respect and to establish, where necessary, an appropriate migration process, for example by means of prior notice, transparency and acceptable comparable access products, once the intent and readiness by the network owner to switch off the copper network is clearly demonstrated. In order to avoid unjustified delays to the migration, national regulatory authorities should be empowered to withdraw access obligations relating to the copper network once an adequate migration process has been established.

Geographical surveys of network deployments

1. ~~{National regulatory authorities}~~ **Competent authorities** shall conduct a geographical survey of the reach of electronic communications networks capable of delivering broadband ("broadband networks") within three years from [deadline for transposition of the Directive] and shall update it at least every three years .

This geographical survey shall ~~consist of~~:

- a) ~~include~~ a survey of the current geographic reach of broadband networks within their territory, in particular for conducting the tasks required by Articles 62 and 65 and by Article 81, as well as for imposing obligations in accordance with Article 66 and for the surveys required for the application of State aid rules; and
- b) ~~This geographical survey may also include~~ a ~~three-year~~ forecast **of up to three years** of the reach of broadband networks within their territory, relying **in particular** on the information gathered in accordance with point (a), where this is ~~available and~~ relevant.

This forecast shall reflect the economic prospects of the electronic communications networks sector and investment intentions of operators at the time when the data is gathered, in order to allow the identification of available connectivity in different areas. This forecast shall include information on planned deployments by any undertaking or public authority, in particular to include very high capacity networks and significant upgrades or extensions of legacy broadband networks to at least the performance of next-generation access networks. For this purpose, ~~{national regulatory authorities}~~ **competent authorities** shall request undertakings to provide relevant information regarding planned deployments of such networks **to the extent that it is available and can be provided with reasonable effort. The {national regulatory authority} may shall decide to what extent it would be appropriate to rely on all or part of the information gathered in the context of such forecast for conducting the tasks required by Articles 62 and 65 and by Article 81, as well as for imposing obligations in accordance with Article 66.**

The information collected in the **geographical** survey shall be at an appropriate level of local detail and shall include sufficient information on the quality of service and parameters thereof. ~~{National regulatory authorities}~~ **Competent authorities** shall ensure that confidential information gathered in the context of a geographical survey are treated in accordance with Article 20.

2. ~~[National regulatory authorities]~~ **Competent authorities** may designate a "digital exclusion area" corresponding to an area with clear territorial boundaries where, on the basis of the information gathered pursuant to paragraph 1, it is determined that for the duration of the relevant forecast period **defined by the ~~[national regulatory authority]~~ competent authority**, no undertaking or public authority has deployed or is planning to deploy a very high capacity network or has significantly upgraded or extended its network to a performance of at least 100 Mbps download speeds, or is planning to do so. ~~[National regulatory authorities]~~ **Competent authorities** shall publish the designated digital exclusion areas.

3. Within a designated digital exclusion area, ~~[national regulatory authorities]~~ **competent authorities** may **invite** ~~issue a call open to any~~ undertakings to declare their intention to deploy very high capacity networks over the duration of the relevant forecast period. **In cases where this invitation results in a declaration by an undertaking to invest within the digital exclusion area, the ~~[national regulatory authority]~~ competent authority may require other undertakings to declare ~~their any~~ intention to deploy very high capacity networks in this area.** The ~~[national regulatory authority]~~ **competent authority** shall specify the information to be included in such submissions, in order to ensure at least a similar level of detail as that taken into consideration in the forecast envisaged in paragraph 1(b). It shall also inform any undertaking expressing its interest whether the designated digital exclusion area is covered or likely to be covered by an NGA network offering download speeds below 100 Mbps on the basis of the information gathered pursuant to paragraph 1(b).

4. When ~~[national regulatory authorities]~~ **competent authorities** take measures pursuant to paragraph 3, they shall do so according to an efficient, objective, transparent and non-discriminatory procedure, whereby no undertaking is a priori excluded. ~~Failure to provide information pursuant to paragraph 1(b) or to respond to the call for interest pursuant to paragraph 3 may be considered as misleading information pursuant to Articles 20 or 21.~~ **When imposing penalties pursuant to Article 29 on an operator deploying very high capacity networks in a designated digital exclusion area, competent authorities shall have regard to any negative impact that is suffered by the first network to deploy in the area, in particular where it has benefitted from the allocation of public funds.**

5. Member States shall ensure that **national regulatory authorities**, local, regional and national authorities with responsibility for the allocation of public funds for the deployment of electronic communications networks, for the design of national broadband plans, for defining coverage obligations attached to rights of use for radio spectrum and for verifying availability of services falling within the universal service obligation in their territory take into account the results of the **geographical** surveys and of the designated digital exclusion areas ~~conducted in accordance with~~ **pursuant to** paragraphs 1, 2 and 3, and that ~~[national regulatory authorities]~~ **competent authorities** supply such results subject to the receiving authority ensuring the same level of confidentiality and protection of business secrets as the originating authority. These results shall also be made available to BEREC and the Commission upon their request and under the same conditions.

6. ~~[National regulatory authorities]~~ **Competent authorities** may make available information tools to end-users, in order to assist them to determine the availability of connectivity in different areas, with a level of detail which is useful to support their choice in terms of connectivity services, in line with ~~[national regulatory authority's]~~ **competent authorities'** obligations regarding the protection of confidential information and business secrets.

7. By [date] in order to contribute to the consistent application of geographical surveys and forecasts, BEREC shall, after consulting stakeholders and in close cooperation with the Commission, issue guidelines to assist ~~[national regulatory authorities]~~ **competent authorities** on the consistent implementation of their obligations under this Article.

TITLE IV: INTERNAL MARKET PROCEDURES

Article ~~7~~32

Consolidating the internal market for electronic communications

1. In carrying out their tasks under this Directive ~~and the Specific Directives~~, national regulatory authorities shall take the utmost account of the objectives set out in Article ~~8~~3, including in so far as they relate to the functioning of the internal market.
2. National regulatory authorities shall contribute to the development of the internal market by working with each other and with the Commission and BEREC in a transparent manner so as to ensure the consistent application, in all Member States, of the provisions of this Directive ~~and the Specific Directives~~. To this end, they shall, in particular, work with the Commission and BEREC to identify the types of instruments and remedies best suited to address particular types of situations in the marketplace.
3. Except where otherwise provided in recommendations or guidelines adopted pursuant to Article ~~7~~34 upon completion of the consultation, ~~if referred to in~~ **required, under** Article ~~6~~23, where a national regulatory authority intends to take a measure which:
 - (a) falls within the scope of Articles ~~5~~59, 62, 65 or 66 ~~45 or 46~~ of this Directive, ~~or Articles 5 or 8 of Directive 2002/19/EC (Access Directive)~~; and
 - (b) would affect trade between Member States;

it shall make the draft measure accessible to the Commission, BEREC, and the national regulatory authorities in other Member States, at the same time, together with the reasoning on which the measure is based, in accordance with Article ~~5~~20(3), and inform the Commission, BEREC and other national regulatory authorities thereof. National regulatory authorities, BEREC and the Commission may make comments to the national regulatory authority concerned only within one month. The one-month period may not be extended.

4. Where an intended measure covered by paragraph 3 aims at:
- (a) defining a relevant market which differs from those defined in the Recommendation in accordance with Article ~~15~~ 62(1); or
 - (b) deciding whether or not to designate an undertaking as having, either individually or jointly with others, significant market power, under Article ~~1665~~(3) or ~~(5)~~ (4);

and would affect trade between Member States, and the Commission has indicated to the national regulatory authority that it considers that the draft measure would create a barrier to the single market or if it has serious doubts as to its compatibility with ~~Community~~ Union law and in particular the objectives referred to in Article ~~83~~, the draft measure shall not be adopted for a further two months. This period may not be extended. The Commission shall inform other national regulatory authorities of its reservations in such a case.

5. Within the two-month period referred to in paragraph 4, the Commission may:
- (a) take a decision requiring the national regulatory authority concerned to withdraw the draft measure; and/or
 - (b) take a decision to lift its reservations in relation to a draft measure referred to in paragraph 4.

The Commission shall take utmost account of the opinion of BEREC before issuing a decision. The decision shall be accompanied by a detailed and objective analysis of why the Commission considers that the draft measure should not be adopted, together with specific proposals for amending the draft measure.

6. Where the Commission has adopted a decision in accordance with paragraph 5, requiring the national regulatory authority to withdraw a draft measure, the national regulatory authority shall amend or withdraw the draft measure within six months of the date of the Commission's decision. When the draft measure is amended, the national regulatory authority shall undertake a public consultation in accordance with the procedures referred to in Article ~~623~~, and shall re-notify the amended draft measure to the Commission in accordance with the provisions of paragraph 3.

7. The national regulatory authority concerned shall take the utmost account of comments of other national regulatory authorities, BEREC and the Commission and may, except in cases covered by paragraphs 4 and 5(a), adopt the resulting draft measure and, where it does so, shall communicate it to the Commission.

8. The national regulatory authority shall communicate to the Commission and BEREC all adopted final measures which fall under ~~Article 7~~ paragraph (3)(a) and (b) of this Article .

9. In exceptional circumstances, where a national regulatory authority considers that there is an urgent need to act, in order to safeguard competition and protect the interests of users, by way of derogation from the procedure set out in paragraphs 3 and 4, it may immediately adopt proportionate and provisional measures. It shall, without delay, communicate those measures, with full reasons, to the Commission, the other national regulatory authority, and BEREC. A decision by the national regulatory authority to render such measures permanent or extend the time for which they are applicable shall be subject to the provisions of paragraphs 3 and 4.

Article ~~7~~^a33

Procedure for the consistent application of remedies

1. Where an intended measure covered by Article ~~7~~^a32(3) aims at imposing, amending or withdrawing an obligation on an operator in application of Article ~~16~~ 65 in conjunction with Article ~~5~~ 59 and Articles ~~967 to 13~~ 74 ~~of Directive 2002/19/EC (Access Directive), and Article 17 of Directive 2002/22/EC (Universal Service Directive),~~ the Commission may, within the period of one month provided for by Article ~~7~~^a32(3) ~~of this Directive~~, notify the national regulatory authority concerned and BEREC of its reasons for considering that the draft measure would create a barrier to the single market or its serious doubts as to its compatibility with ~~Community~~ Union law. In such a case, the draft measure shall not be adopted for a further three months following the Commission's notification.

In the absence of such notification, the national regulatory authority concerned may adopt the draft measure, taking utmost account of any comments made by the Commission, BEREC or any other national regulatory authority.

2. Within the three month period referred to in paragraph 1, the Commission, BEREC and the national regulatory authority concerned shall cooperate closely to identify the most appropriate and effective measure in the light of the objectives laid down in Article ~~83~~, whilst taking due account of the views of market participants and the need to ensure the development of consistent regulatory practice.

3. Within six weeks from the beginning of the three month period referred to in paragraph 1, BEREC shall, acting by a majority of its component members, issue an opinion on the Commission's notification referred to in paragraph 1, indicating whether it considers that the draft measure should be amended or withdrawn and, where appropriate, provide specific proposals to that end. This opinion shall be reasoned and made public.

4. If in its opinion, BEREC shares the serious doubts of the Commission, it shall cooperate closely with the national regulatory authority concerned to identify the most appropriate and effective measure. Before the end of the three month period referred in paragraph 1, the national regulatory authority may:

- (a) amend or withdraw its draft measure taking utmost account of the Commission's notification referred to in paragraph 1 and of BEREC's opinion and advice;
- (b) maintain its draft measure.

5. *Where BEREC does not share the serious doubts of the Commission or does not issue an opinion, or where the national regulatory authority amends or maintains its draft measure pursuant to paragraph 4, the Commission may, within one month following the end of the three month period referred to in paragraph 1 and taking utmost account of the opinion of BEREC if any:*

- (a) issue a recommendation ~~requiring~~ **inviting** the national regulatory authority concerned to amend or withdraw the draft measure, including specific proposals to that end and providing reasons justifying its recommendation, in particular where BEREC does not share the serious doubts of the Commission;
- (b) take a decision to lift its reservations indicated in accordance with paragraph 1.
- ~~(c) take a decision requiring the national regulatory authority concerned to withdraw the draft measure, where BEREC shares the serious doubts of the Commission. The decision shall be accompanied by a detailed and objective analysis of why the Commission considers that the draft measure should not be adopted, together with specific proposals for amending the draft measure. In this case, the procedure referred to in Article 32 (6) shall apply *mutatis mutandis*.~~

↓ 2009/140/EC Art. 1.7 (adapted)

6. Within one month of the Commission issuing the recommendation in accordance with paragraph 5(a) or lifting its reservations in accordance with paragraph 5(b) ~~⊗~~ of this Article ~~⊗~~ , the national regulatory authority concerned shall communicate to the Commission and BEREC the adopted final measure.

This period may be extended to allow the national regulatory authority to undertake a public consultation in accordance with Article ~~623~~.

7. Where the national regulatory authority decides not to amend or withdraw the draft measure on the basis of the recommendation issued under paragraph 5(a), it shall provide a reasoned justification.

8. The national regulatory authority may withdraw the proposed draft measure at any stage of the procedure.

Article ~~7~~34

Implementing provisions

~~1.~~ After public consultation and consultation with national regulatory authorities and taking utmost account of the opinion of BEREC, the Commission may adopt recommendations and/or guidelines in relation to Article ~~7~~32 that define the form, content and level of detail to be given in the notifications required in accordance with Article ~~7~~32(3), the circumstances in which notifications would not be required, and the calculation of the time-limits.

~~2. The measures referred to in paragraph 1 shall be adopted in accordance with the advisory procedure referred to in Article 22(2).~~

CHAPTER I

⊠ ACCESS TO LAND ⊠

Article ~~4~~43

Rights of way

1. Member States shall ensure that when a competent authority considers:
 - an application for the granting of rights to install facilities on, over or under public or private property to an undertaking authorised to provide public communications networks, or
 - an application for the granting of rights to install facilities on, over or under public property to an undertaking authorised to provide electronic communications networks other than to the public,

the competent authority:

- acts on the basis of simple, efficient, transparent and publicly available procedures, applied without discrimination and without delay, and in any event makes its decision within six months of the application, except in cases of expropriation, and
- follows the principles of transparency and non-discrimination in attaching conditions to any such rights.

The abovementioned procedures can differ depending on whether the applicant is providing public communications networks or not.

2. Member States shall ensure that where public or local authorities retain ownership or control of undertakings operating public electronic communications networks and/or publicly available electronic communications services, there is an effective structural separation of the function responsible for granting the rights referred to in paragraph 1 from the activities associated with ownership or control.

~~3. Member States shall ensure that effective mechanisms exist to allow undertakings to appeal against decisions on the granting of rights to install facilities to a body that is independent of the parties involved.~~

~~Article 12~~

~~Co-location and sharing of network elements and associated facilities for providers of electronic communications networks~~

~~1. Where an undertaking providing electronic communications networks has the right under national legislation to install facilities on, over or under public or private property, or may take advantage of a procedure for the expropriation or use of property, national regulatory authorities shall, taking full account of the principle of proportionality, be able to impose the sharing of such facilities or property, including buildings, entries to buildings, building wiring, masts, antennae, towers and other supporting constructions, ducts, conduits, manholes, cabinets.~~

~~2. Member States may require holders of the rights referred to in paragraph 1 to share facilities or property (including physical co-location) or take measures to facilitate the coordination of public works in order to protect the environment, public health, public security or to meet town and country planning objectives and only after an appropriate period of public consultation, during which all interested parties shall be given an opportunity to express their views. Such sharing or coordination arrangements may include rules for apportioning the costs of facility or property sharing.~~

~~3. Member States shall ensure that national authorities, after an appropriate period of public consultation during which all interested parties are given the opportunity to state their views, also have the power to impose obligations in relation to the sharing of wiring inside buildings or up to the first concentration or distribution point where this is located outside the building, on the holders of the rights referred to in paragraph 1 and/or on the owner of such wiring, where this is justified on the grounds that duplication of such infrastructure would be economically inefficient or physically impracticable. Such sharing or coordination arrangements may include rules for apportioning the costs of facility or property sharing adjusted for risk where appropriate.~~

~~4. Member States shall ensure that competent national authorities may require undertakings to provide the necessary information, if requested by the competent authorities, in order for these authorities, in conjunction with national regulatory authorities, to be able to establish a detailed inventory of the nature, availability and geographical location of the facilities referred to in paragraph 1 and make it available to interested parties.~~

*Article 44***Co-location and sharing of network elements and associated facilities for providers of electronic communications networks**

1. Where an operator has **been granted rights of way pursuant to Article 43** ~~exercised the right under national legislation to install facilities on, over or under public or private property, or~~ has taken advantage of a procedure for the expropriation or use of property, competent authorities ~~may shall, be able to~~ impose co-location and sharing of the network elements and associated facilities installed **on this basis**, in order to protect the environment, public health, public security or to meet town and country planning objectives. Co-location or sharing of networks elements and facilities installed and sharing of property may only be imposed after an appropriate period of public consultation, during which all interested parties shall be given an opportunity to express their views and only in the specific areas where such sharing is deemed necessary in view of pursuing the objectives provided in this Article. Competent authorities ~~may shall, be able to~~ impose the sharing of such facilities or property, including land, buildings, entries to buildings, building wiring, masts, antennae, towers and other supporting constructions, ducts, conduits, manholes, cabinets or measures facilitating the coordination of public works. Where necessary, ~~national regulatory~~ **specific competent** authorities ~~shall~~ **may coordinate the procedure provided for in this article, act as a single point of contact reference and** provide rules for apportioning the costs of facility or property sharing and of civil works coordination.

~~§2.~~ Measures taken by a ~~national regulatory~~ ⇒ competent ⇐ authority in accordance with this Article shall be objective, transparent, non-discriminatory, and proportionate. Where relevant, these measures shall be carried out in coordination with ⊗ the ⊗ ~~local~~ ⇒ national regulatory ⇐ authorities.

⊗ TITLE II: ACCESS ⊗

CHAPTER I III

GENERAL PROVISIONS ⊗ , ACCESS PRINCIPLES ⊗

Article ~~357~~

General framework for access and interconnection

1. Member States shall ensure that there are no restrictions which prevent undertakings in the same Member State or in different Member States from negotiating between themselves agreements on technical and commercial arrangements for access and/or interconnection, in accordance with ~~Community~~ ⊗ Union ⊗ law. The undertaking requesting access or interconnection does not need to be authorised to operate in the Member State where access or interconnection is requested, if it is not providing services and does not operate a network in that Member State.
2. Without prejudice to Article ~~106~~ 31 of ~~Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive)~~¹³, Member States shall not maintain legal or administrative measures which oblige operators, when granting access or interconnection, to offer different terms and conditions to different undertakings for equivalent services and/or imposing obligations that are not related to the actual access and interconnection services provided without prejudice to the conditions fixed in ~~the~~ Annex I of ⊗ this ⊗ Directive ~~2002/20/EC (Authorisation Directive)~~.

¹³ See page 51 of this Official Journal.

Article ~~4~~58

Rights and obligations for undertakings

1. Operators of public communications networks shall have a right and, when requested by other undertakings so authorised in accordance with Article ~~4~~15 of ~~the~~ this ~~the~~ Directive ~~2002/20/EC~~ (~~Authorisation Directive~~), an obligation to negotiate interconnection with each other for the purpose of providing publicly available electronic communications services, in order to ensure provision and interoperability of services throughout the ~~Community~~ ~~the~~ Union ~~the~~. Operators shall offer access and interconnection to other undertakings on terms and conditions consistent with obligations imposed by the national regulatory authority pursuant to Articles ~~59, 60 and 66~~ ~~5 to 8~~.

~~2. Public electronic communications networks established for the distribution of digital television services shall be capable of distributing wide-screen television services and programmes. Network operators that receive and redistribute wide-screen television services or programmes shall maintain that wide-screen format.~~

~~23.~~ Without prejudice to Article ~~11~~ ~~21~~ of ~~the~~ this ~~the~~ Directive ~~2002/20/EC~~ (~~Authorisation Directive~~), Member States shall require that undertakings which acquire information from another undertaking before, during or after the process of negotiating access or interconnection arrangements use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored. The received information shall not be passed on to any other party, in particular other departments, subsidiaries or partners, for whom such information could provide a competitive advantage.

CHAPTER II

ACCESS AND INTERCONNECTION

Article 59

Powers and responsibilities of the national regulatory authorities with regard to access and interconnection

1. National regulatory authorities shall, acting in pursuit of the objectives set out in Article 3 ~~of Directive 2002/21/EC (Framework Directive)~~, encourage and where appropriate ensure, in accordance with the provisions of this Directive, adequate access and interconnection, and the interoperability of services, ~~exercising their responsibility in a way that promotes efficiency, sustainable competition, the deployment of very high capacity networks, efficient investment and innovation, and gives the maximum benefit to end-users.~~ ⇒ They shall provide guidance and make publicly available the procedures applicable to gain access and interconnection to ensure that small and medium-sized enterprises and operators with a limited geographical reach can benefit from the obligations imposed. ⇐

In particular, without prejudice to measures that may be taken regarding undertakings with significant market power in accordance with Article 866, national regulatory authorities shall be able to impose:

- (a) to the extent that is necessary to ensure end-to-end connectivity, obligations on ⊗ those ⊗ undertakings ⇒ that are subject to general authorisation ⇐ ⊗ and ⊗ that control access to end-users, including in justified cases the obligation to interconnect their networks where this is not already the case;
- (~~a~~b) in justified cases and to the extent that is necessary, obligations on those undertakings ⇒ that are subject to general authorisation ⇐ and that control access to end-users to make their services interoperable;
- (c) in justified cases, obligations on providers of number-independent interpersonal communications services to make their services interoperable, namely where access to emergency services or end-to-end connectivity between end-users is endangered due to a lack of interoperability between interpersonal communications services.

- (~~de~~) to the extent that is necessary to ensure accessibility for end-users to digital radio and television broadcasting services specified by the Member State, obligations on operators to provide access to the other facilities referred to in Annex II, Part II on fair, reasonable and non-discriminatory terms.

The obligations referred to in point (c) of the second subparagraph may only be imposed:

(i) to the extent necessary to ensure interoperability of interpersonal communications services and may include obligations relating to the use and implementation of standards or specifications listed in Article 39(1) or of any other relevant European or international standards; and

(ii) where the Commission, ~~on the basis~~ **taking utmost account** of a report that it had requested from BEREC, has found an appreciable threat to effective access to emergency services or to end-to-end connectivity between end-users within one or several Member States or throughout the European Union and has adopted implementing measures specifying the nature and scope of any obligations that may be imposed, in accordance with the examination procedure referred to in Article 110(4).

2. **In particular, and without prejudice to paragraph 1, ~~in~~ national regulatory authorities** shall impose obligations upon reasonable request to grant access to wiring and cables inside buildings or up to the first concentration or distribution point **as determined by the ~~national regulatory authority~~**, where that point is located outside the building. **Such obligations shall be imposed on providers of electronic communications networks ~~the owners of such wiring and cable or on undertakings that have the right to use such wiring and cables,~~** where this is justified on the grounds that replication of such network elements would be economically inefficient or physically impracticable. **National regulatory authorities may also impose such obligations on the owners of such wiring and cable, where the undertakings are not providers of electronic communications networks, on the same grounds.** The access conditions imposed may include specific rules on access **to such network elements and to associated facilities and services,** transparency and non-discrimination and for apportioning the costs of access, which, where appropriate, are adjusted to take into account risk factors.

~~In exceptional circumstances~~ Where the obligations imposed in accordance with the previous subparagraph do not ensure adequate access and competitive outcomes for end-users, and to the extent that a [national regulatory authority], in consistency with the results of the market analysis process, considers necessary to address economic or physical barriers to replication, which would otherwise not ensure competitive outcomes for end-users, National regulatory authorities it may extend to those owners or undertakings the imposition of such access obligations, on fair and reasonable terms and conditions, beyond the first concentration or distribution point, to a point that it determines to be, that is the closest to end-users capable of hosting to a concentration point as close as possible to end-users a sufficient number of end-user connections to be commercially viable for access seekers. In determining the extent of the extension beyond the concentration or distribution point, the national regulatory authority shall have regard to relevant BEREC guidelines, to the extent strictly necessary to address insurmountable economic or physical barriers to replication in areas with lower population density. If justified on physical and/or economic grounds, [national regulatory authorities] may impose active or virtual access obligations.

[National regulatory authorities] shall not impose **such** obligations *in accordance with the second subparagraph* where:

(a) a viable and similar alternative means of access to end-users is made available to any undertaking, ~~provided that the access is offered~~ on fair and reasonable terms and conditions to a very high capacity network *by an undertaking meeting the criteria listed in Article 77 paragraphs (a) and (b);* ~~and or~~

(b) in the case of recently deployed network elements, in particular by smaller local projects, the granting of that access would compromise the economic or financial viability of ~~them~~ a new network deployment in particular by smaller local projects.

2a. BEREC shall publish guidelines for determining the point, beyond the first concentration or distribution point, at which a sufficient number of end-user connections is commercially viable for access seekers.

~~3. Without prejudice to Article 30, Member States shall ensure that national regulatory authorities have the power to impose on undertakings providing or authorised to provide electronic communications services or networks, **in case of duly demonstrated failure of such an undertaking to comply with any of the conditions attached to individual rights of use for radio spectrum,** obligations in relation to the sharing of passive or active infrastructure **which rely on the use of radio spectrum, to or the sharing of radio spectrum in a specific area, or** obligations to conclude localised roaming access, **provided that this possibility has been clearly set out when granting the rights of use for radio spectrum and is** agreements, or the joint roll-out of infrastructures directly necessary for the local provision of services which rely on the use of spectrum, in compliance with Union law, ~~where it is justified on the grounds that,~~~~

~~National regulatory authorities may **only impose such obligations in case of duly demonstrated failure by undertakings to comply with any of the conditions attached to their rights of use for radio spectrum and after the national regulatory authorities have been consulted with regard to the need to avoid distortion of competition.**~~

~~Any obligation imposed on undertakings pursuant to the first subparagraph shall be limited to specific geographical areas where **provided that this possibility has been clearly defined when granting the rights of use for radio spectrum and only where justified on the grounds that, in the area subject to such obligations,** the market-driven deployment of infrastructure for the provision of services or networks which rely on the use of radio spectrum is subject to very significant economic or physical obstacles, and the available connectivity is therefore severely deficient or **inexistent-absent.**~~

~~(a) the replication of such infrastructure would be economically inefficient or physically impracticable, and~~

~~(b) the connectivity in that area, including along its main transport paths, would be severely deficient, or the local population would be subjected to severe restrictions on choice or quality of service, or on both.~~

National regulatory authorities shall have regard to:

- (a) the need to maximise connectivity throughout the Union and in particular territorial areas;
- (b) the efficient use of radio spectrum;
- (c) the technical feasibility of sharing and associated conditions;
- (d) the state of infrastructure-based as well as service-based competition;
- (e) the possibility to significantly increase choice and higher quality of service for end-users;
- (f) technological innovation;
- (g) the overriding need to support the incentive of the host to roll out the infrastructure in the first place.

Such sharing, access or coordination obligations shall be subject to agreements concluded on the basis of fair and reasonable terms and conditions. In the event of dispute resolution, national regulatory authorities may inter alia impose on the beneficiary of the sharing or access obligation, the obligation to share its spectrum with the infrastructure host in the relevant area.}

~~42.~~ Obligations and conditions imposed in accordance with paragraph 1 ⇨ ,2 and 3 ⇩ shall be objective, transparent, proportionate and non-discriminatory, ⊗ they ⊗ and shall be implemented in accordance with the procedures referred to in Articles ~~236, 732 and 7a33 of Directive 2002/21/EC (Framework Directive)~~ ⇨ . [National regulatory authorities] shall assess the results of such obligations and conditions within five years from the adoption of the previous measure adopted in relation to the same operators and whether it would be appropriate to withdraw or amend them in the light of evolving conditions. [National regulatory authorities] shall notify the outcome of their assessment in accordance with the same procedures ⇩ .

~~52.~~ With regard to access and interconnection referred to in paragraph 1, Member States shall ensure that the [national regulatory authority] is empowered to intervene at its own initiative where justified in order to secure the policy objectives of Article ~~3 8 of Directive 2002/21/EC (Framework Directive)~~, in accordance with the provisions of this Directive and the procedures referred to in Articles ~~236 and 327, 2620 and 21 27 of Directive 2002/21/EC (Framework Directive)~~.

6. By [entry into force plus 18 months] in order to contribute to a consistent definition of the location of network termination points by ~~national regulatory authorities~~, BEREC shall, after consulting stakeholders and in close cooperation with the Commission, adopt guidelines on common approaches to the identification of the network termination point in different network topologies. ~~National regulatory authorities~~ shall take utmost account of those guidelines when defining the location of network termination points.

Article ~~660~~

Conditional access systems and other facilities

1. Member States shall ensure that ~~the~~ conditions laid down in Annex II, Part I, apply ~~in~~ in relation to conditional access to digital television and radio services broadcast to viewers and listeners in the ~~Community~~ ~~Union~~ ~~,~~ irrespective of the means of transmission, ~~the conditions laid down in Annex II, Part I apply.~~

2. ~~In the light of market and technological developments, the Commission may~~ ~~shall be~~ empowered to ~~adopt implementing measures~~ ~~⇒~~ delegated acts in accordance with Article 109 ~~to amend Annex II. The measures, designed to amend non-essential elements of this Directive, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).~~

3. Notwithstanding the provisions of paragraph 1, Member States may permit their national regulatory authority, as soon as possible after the entry into force of this Directive and periodically thereafter, to review the conditions applied in accordance with this Article, by undertaking a market analysis in accordance with the first paragraph of Article ~~6516 of Directive 2002/21/EC~~ ~~(Framework Directive)~~ to determine whether to maintain, amend or withdraw the conditions applied.

Where, as a result of this market analysis, a national regulatory authority finds that one or more operators do not have significant market power on the relevant market, it may amend or withdraw the conditions with respect to those operators, in accordance with the procedures referred to in Articles ~~6 23 and 327 of Directive 2002/21/EC~~ ~~(Framework Directive)~~ , only to the extent that:

(a) accessibility for end-users to radio and television broadcasts and broadcasting channels and services specified in accordance with Article ~~106~~ ~~31 of Directive 2002/22/EC~~ ~~(Universal Service Directive)~~ would not be adversely affected by such amendment or withdrawal, and

(b) the prospects for effective competition in the markets for:

(i) retail digital television and radio broadcasting services, and

(ii) conditional access systems and other associated facilities,

would not be adversely affected by such amendment or withdrawal.

An appropriate period of notice shall be given to parties affected by such amendment or withdrawal of conditions.

4. Conditions applied in accordance with this Article are without prejudice to the ability of Member States to impose obligations in relation to the presentational aspect of electronic programme guides and similar listing and navigation facilities.

CHAPTER III

MARKET ANALYSIS AND SIGNIFICANT MARKET POWER

Article ~~1461~~

Undertakings with significant market power

1. Where ~~the Specific~~ this ~~Directive~~ requires national regulatory authorities to determine whether operators have significant market power in accordance with the procedure referred to in Article ~~1665~~, paragraphs 2 and 3 of this Article shall apply.

2. An undertaking shall be deemed to have significant market power if, either individually or jointly with others, it enjoys a position equivalent to dominance, that is to say a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and ultimately consumers.

In particular, national regulatory authorities shall, when assessing whether two or more undertakings are in a joint dominant position in a market, act in accordance with ~~Community~~ Union law and take into the utmost account the guidelines on market analysis and the assessment of significant market power published by the Commission pursuant to Article ~~1562~~.

~~Criteria to be used in making such an assessment are set out in Annex II.~~

~~3. Where an undertaking has significant market power on a specific market (the first market), it may also be designated as having significant market power on a closely related market (the second market), where the links between the two markets are such as to allow the market power held in the first market to be leveraged into the second market, thereby strengthening the market power of the undertaking. Consequently, remedies aimed at preventing such leverage may be applied in the second market pursuant to Articles 9, 10, 11 and 13 of Directive 2002/19/EC (Access Directive), and where such remedies prove to be insufficient, remedies pursuant to Article 17 of Directive 2002/22/EC (Universal Service Directive) may be imposed.~~

Article ~~1562~~

Procedure for the identification and definition of markets

1. After public consultation including with national regulatory authorities and taking the utmost account of the opinion of BEREC, the Commission shall, ~~in accordance with the advisory procedure referred to in Article 22(2),~~ adopt a Recommendation on Relevant Product and Service Markets (the Recommendation). The Recommendation shall identify those product and service markets within the electronic communications sector the characteristics of which may be such as to justify the imposition of regulatory obligations set out in ~~the Specific~~ this Directives, without prejudice to markets that may be defined in specific cases under competition law. The Commission shall define markets in accordance with the principles of competition law.

The Commission shall include product and service markets in the Recommendation where, after observing overall trends in the Union, it finds that each of the **three** criteria listed in paragraph 1 of Article 65 is met.

The Commission shall regularly review the ~~R~~ecommendation.

2. The Commission shall publish, ~~at the latest on the date of entry into force of this Directive,~~ guidelines for market analysis and the assessment of significant market power (hereinafter ‘the ~~⊗~~ SMP ~~⊗~~ guidelines’) which shall be in accordance with the principles of competition law **and include guidance to national regulatory authorities on the application of the concept of significant market power to the specific context of *ex ante* regulation of electronic communications markets, taking account of the three criteria listed in paragraph 1 of Article 65.**

3. National regulatory authorities shall, taking the utmost account of the Recommendation and the ~~⊗~~ SMP ~~⊗~~ ~~⊗~~ guidelines, define relevant markets appropriate to national circumstances, in particular relevant geographic markets within their territory, in accordance with the principles of competition law. National regulatory authorities shall **also** ~~⇒~~ take into account the results of the geographical survey conducted in accordance with Article 22(1) **where relevant**. They shall ~~⇐~~ follow the procedures referred to in Articles ~~623~~ and ~~732~~ before defining the markets that differ from those identified in the Recommendation.

Article 63

Procedure for the identification of transnational markets

1. **If the Commission or at least two national regulatory authorities concerned submit a reasoned request including supporting evidence BERECE shall conduct an analysis of a potential transnational market.** After consulting stakeholders and **taking utmost account of the analysis carried out by BERECE,** ~~in close cooperation with the Commission, BERECE~~ may adopt a Decisions identifying transnational markets in accordance with the principles of competition law and taking utmost account of the Recommendation and SMP Guidelines adopted in accordance with Article 62. ~~BERECE shall conduct an analysis of a potential transnational market if the Commission or at least two national regulatory authorities concerned submit a reasoned request providing supporting evidence.~~

52. In the case of transnational markets identified ~~in the Decision referred to in Article 15(4)~~ ⇒ in accordance with paragraph 1 ⇐ , the national regulatory authorities concerned shall jointly conduct the market analysis taking the utmost account of the ~~SM~~ SMP ~~Guidelines~~ and, in a concerted fashion, shall decide on any imposition, maintenance, amendment or withdrawal of regulatory obligations referred to in ~~paragraph 2 of this~~ Article 65(4). ⇒ The national regulatory authorities concerned shall jointly notify to the Commission with their draft measures regarding the market analysis and any regulatory obligations pursuant to Articles 32 and 33. ⇐

Two or more national regulatory authorities may also jointly notify their draft measures regarding the market analysis and any regulatory obligations in the absence of transnational markets, where they consider that market conditions in their respective jurisdictions are sufficiently homogeneous.

Article 64

Procedure for the identification of transnational demand

1. BEREC shall conduct an analysis of transnational end-user demand for products and services that are provided within the Union in one or more of the markets listed in the Recommendation, if it receives a reasoned request providing supporting evidence from the Commission or from at least two of the national regulatory authorities concerned indicating that there is a serious demand problem to be addressed. BEREC may also conduct such analysis if it receives a reasoned request from market participants providing sufficient supporting evidence and considers there is a serious demand problem to be addressed. BEREC's analysis is without prejudice to any findings of transnational markets in accordance with Article 63(1) and to any findings of national or sub-national geographical markets by national regulatory authorities in accordance with Article 62(3).

That analysis of transnational end-user demand may include products and services that are supplied within product or service markets that have been defined in different ways by one or more national regulatory authorities when taking into account national circumstances, provided that those products and services are substitutable to those supplied in one of the markets listed in the Recommendation.

If BEREC concludes that a transnational end-user demand exists, is significant and is not sufficiently met by supply provided on a commercial or regulated basis, it shall, after consulting stakeholders and in close cooperation with the Commission, issue guidelines on common approaches for national regulatory authorities to meet the identified transnational demand, including, where appropriate, when they impose remedies in accordance with Article 66. National regulatory authorities shall take into utmost account these guidelines when performing their regulatory tasks within their jurisdiction.

~~2. On the basis of BEREC guidelines referred to in paragraph 1, the Commission may adopt a Decision pursuant to Article 38 to harmonise the technical specifications of wholesale access products capable of meeting such identified transnational demand, when they are imposed by national regulatory authorities on operators designated with significant market power in markets where such access products are supplied, as defined according to national circumstances. Article 38(3)(a) second subparagraph first indent shall not apply in such a case.~~

Article ~~16~~ 65

Market analysis procedure

1. National regulatory authorities shall

~~carry out an analysis of the relevant markets taking into account the markets identified in the Recommendation, and taking the utmost account of the Guidelines~~ ⇒ determine whether a relevant market defined in accordance with Article 62(3) may be such as to justify the imposition of the regulatory obligations set out in this Directive ⇐ . Member States shall ensure that ~~this~~ ⊗ an ⊗ analysis is carried out, where appropriate, in collaboration with the national competition authorities. ⇒ National regulatory authorities shall take utmost account of the SMP guidelines and shall follow the procedures referred to in Articles 23 and 32 when conducting such analysis. ⇐

A market may be such as to justify the imposition of regulatory obligations set out in this Directive if the following three criteria are cumulatively met:

- (a) high and non-transitory structural, legal or regulatory barriers to entry are present;
- (b) there is a market structure which does not tend towards effective competition within the relevant time horizon, having regard to the state of infrastructure-based competition and other sources of competition behind the barriers to entry;
- (c) competition law alone is insufficient to adequately address the identified market failure(s).

Where a national regulatory authority conducts an analysis of a market that is included in the Recommendation, it shall consider that points (a), (b) and (c) of the second subparagraph have been met, unless the national regulatory authority determines that one or more of such criteria is not met in the specific national circumstances.

~~2. Where a national regulatory authority is required under paragraphs 3 or 4 of this Article, Article 17 of Directive 2002/22/EC (Universal Service Directive), or Article 8 of Directive 2002/19/EC (Access Directive) to determine whether to impose, maintain, amend or withdraw obligations on undertakings, it shall determine on the basis of its market analysis referred to in paragraph 1 of this Article whether a relevant market is effectively competitive~~

2. Where a national regulatory authority conducts the analysis required by paragraph 1, it shall consider developments from a forward-looking perspective in the absence of regulation imposed on the basis of this Article in that relevant market, and taking into account:

- (a) the existence of market developments **affecting competition** which may increase the likelihood of the relevant market tending towards effective competition, such as those commercial co-investment or access agreements between operators which benefit competitive dynamics sustainably;
- (b) all relevant competitive constraints, including at retail level, irrespective of whether the sources of such constraints are deemed to be electronic communications networks, electronic communications services, or other types of services or applications which are comparable from the perspective of the end-user, and irrespective of whether such constraints are part of the relevant market;

(c) other types of regulation or measures imposed and affecting the relevant market or related retail market or markets throughout the relevant period, including, without limitation, obligations imposed in accordance with Articles 44, 58 and 59; and

(d) regulation imposed on other relevant markets on the basis of this Article.

3. Where a national regulatory authority concludes that \Rightarrow a relevant market may not be such as to justify the imposition of regulatory obligations in accordance with the procedure in paragraphs 1 and 2 of this Article, or where the conditions in paragraph 4 of this Article are not met \Leftarrow ~~the market is effectively competitive~~, it shall not impose or maintain any ~~of the~~ specific regulatory obligations ~~referred to in paragraph 2 of this Article~~ \boxtimes in accordance with Article 66 \boxtimes . In cases where \boxtimes there already are \boxtimes sector specific regulatory obligations \boxtimes imposed in accordance with Article 66 \boxtimes already exist, it shall withdraw such obligations placed on undertakings in that relevant market. ~~An appropriate period of notice shall be given to parties affected by such a withdrawal of obligations.~~

National regulatory authorities shall ensure that parties affected by such a withdrawal of obligations receive an appropriate period of notice, defined by balancing the need to ensure a sustainable transition for the beneficiaries of these obligations and end-users, end-user choice, and that regulation does not continue beyond what is necessary. When setting such period of notice, national regulatory authorities may determine specific conditions and notice periods in relation to existing access agreements.

4. Where a national regulatory authority determines that , \boxtimes in \boxtimes a relevant market ~~is not effectively competitive~~ \Rightarrow the imposition of regulatory obligations in accordance with paragraphs 1 and 2 of this Article is justified \Leftarrow , it shall identify \boxtimes any \boxtimes undertakings which individually or jointly have a significant market power on that \boxtimes relevant \boxtimes market in accordance with Article ~~14~~ 61. ~~and~~ ~~†~~ The national regulatory authority shall \boxtimes impose \boxtimes on such undertakings ~~impose~~ appropriate specific regulatory obligations ~~referred to in paragraph 2 of this Article~~ \boxtimes in accordance with Article 66 \boxtimes or maintain or amend such obligations where they already exist \Rightarrow if it considers that **the outcome for end-users** ~~one or more retail markets~~ would not be effectively competitive in the absence of those obligations \Leftarrow .

56. Measures taken in accordance with the provisions of paragraphs 3 and 4 shall be subject to the procedures referred to in Articles 623 and 732. National regulatory authorities shall carry out an analysis of the relevant market and notify the corresponding draft measure in accordance with Article 327:

- (a) within ~~three~~ ⇒ five ⇐ years from the adoption of a previous measure ⇒ where the national regulatory authority has defined the relevant market and determined which undertakings have significant market power ⇐ ~~relating to that market~~. However, ~~exceptionally~~, that ☒ five-year ☒ period may be extended for up to ~~three~~ ⇒ one ⇐ additional years, where the national regulatory authority has notified a reasoned proposed extension to the Commission ⇒ no later than four months before the expiry of the five years period, ⇐ and the Commission has not objected within one month of the notified extension.;
- (b) within ~~two~~ **three** years from the adoption of a revised Recommendation on relevant markets, for markets not previously notified to the Commission; or
- (c) within ~~two~~ ⇒ three ⇐ years from their accession, for Member States which have newly joined the Union.

76. Where a national regulatory authority ⇒ considers that it may not complete or ⇐ has not completed its analysis of a relevant market identified in the Recommendation within the time limit laid down in paragraph 65, BEREC shall, upon request, provide assistance to the national regulatory authority concerned in completing the analysis of the specific market and the specific obligations to be imposed. With this assistance, the national regulatory authority concerned shall within six months ☒ of the limit laid down in paragraph 5 ☒ notify the draft measure to the Commission in accordance with Article 732.

CHAPTER IV

☒ ACCESS REMEDIES AND SIGNIFICANT MARKET POWER ☒

Article 866

Imposition, amendment or withdrawal of obligations

1. Member States shall ensure that national regulatory authorities are empowered to impose the obligations identified in →₁ Articles 967 to 13a78 ←.

2. Where an operator is designated as having significant market power on a specific market as a result of a market analysis carried out in accordance with Article ~~16~~ 65 of this Directive 2002/21/EC (Framework Directive), national regulatory authorities shall ~~⇒~~ be able to ~~⇐~~ impose ~~⇒~~ any of ~~⇐~~ the obligations set out in Articles ~~9~~ 67 to ~~13~~ 75 and 77 of this Directive as appropriate.

3. Without prejudice to:

- the provisions of ~~⇒~~₂ Articles ~~595(1)~~ and ~~6~~ 60 ~~⇐~~,
- the provisions of Articles ~~12~~ 44 and ~~13~~ 17 of this Directive 2002/21/EC (Framework Directive), Condition 7 in Part ~~B~~ ~~D~~ of the Annex I to Directive 2002/20/EC (Authorisation Directive) as applied by virtue of Article ~~6~~ 13(1) of ~~that~~ ~~⊗~~ ~~this~~ ~~⊗~~ ~~Directive~~, Articles ~~27~~, ~~28~~ 91 and ~~30~~ 99 of this Directive 2002/22/EC (Universal Service Directive) and the relevant provisions of ~~⇒~~₂ Directive 2002/58/EC ~~of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications)~~¹⁴ ~~⇐~~ containing obligations on undertakings other than those designated as having significant market power, or
- the need to comply with international commitments,

national regulatory authorities shall not impose the obligations set out in Articles ~~9~~ 67 to ~~13~~ 75 ~~⊗~~ and 77 ~~⊗~~ on operators that have not been designated in accordance with paragraph 2.

In exceptional circumstances, when a national regulatory authority intends to impose on operators with significant market power obligations for access or interconnection other than those set out in Articles ~~9~~ 67 to ~~13~~ 75 ~~⊗~~ and 77 ~~⊗~~, it shall submit this request to the Commission. The Commission shall take utmost account of the opinion of BEREC. The Commission, acting in accordance with ~~⇒~~ the procedure referred to in ~~⇐~~ Article ~~14(2)~~ ~~⊗~~ 110(3) ~~⊗~~, shall take a decision authorising or preventing the national regulatory authority from taking such measures.

4. Obligations imposed in accordance with this Article shall be:

a) based on the nature of the problem identified **by a national regulatory authority in its market analysis**, ~~⇒~~ in particular at retail level and where appropriate taking into account the **identification of transnational demand pursuant to Article 64**;

¹⁴ OJ L 201, 31.7.2002, p. 37.

b) They shall be ~~↔~~ proportionate ~~⇒~~, having regard to the costs and benefits;

c) ~~↔~~, and justified in the light of the objectives laid down in Article ~~83~~ of ~~⊗~~ this ~~⊗~~ Directive; and

d) ~~2002/21/EC (Framework Directive)~~. Such obligations shall only be imposed following consultation in accordance with Articles ~~6 23~~ and ~~732 of that Directive~~.

5. In relation to the third indent of the first subparagraph of paragraph 3, national regulatory authorities shall notify decisions to impose, amend or withdraw obligations on market players to the Commission, in accordance with the procedure referred to in Article ~~732 of Directive 2002/21/EC (Framework Directive)~~.

6. National regulatory authorities shall consider the impact of new market developments, such as in relation to commercial agreements **influencing competitive dynamics**, including co-investment agreements, which have been concluded, ~~or unforeseeably breached, or terminated, or have effects that diverge from the expectations at the time of the market analysis~~ affecting competitive dynamics. If these developments are not sufficiently important in order to determine the need to undertake a new market analysis in accordance with Article 65, the national regulatory authority shall assess whether it is necessary to review the obligations imposed on operators designated with significant market power in order to ensure that such obligations continue to meet the conditions in paragraph 4. Such amendments shall only be imposed following consultation in accordance with Articles 23 and 32.

Article ~~9~~67

Obligation of transparency

1. National regulatory authorities may, in accordance with the provisions of Article ~~8~~66, impose obligations for transparency in relation to interconnection and/or access, requiring operators to make public specified information, such as accounting information, technical specifications, network characteristics **and expected developments thereof**, terms and conditions for supply and use, including any conditions ~~limiting~~ **altering** access to and/or use of services and applications, **particularly with regard to migration from legacy infrastructure**, where such conditions are allowed by Member States in conformity with ~~Community~~ Union law, and prices.
2. In particular where an operator has obligations of non-discrimination, national regulatory authorities may require that operator to publish a reference offer, which shall be sufficiently unbundled to ensure that undertakings are not required to pay for facilities which are not necessary for the service requested, giving a description of the relevant offerings broken down into components according to market needs, and the associated terms and conditions including prices. The national regulatory authority shall, *inter alia*, be able to impose changes to reference offers to give effect to obligations imposed under this Directive.
3. National regulatory authorities may specify the precise information to be made available, the level of detail required and the manner of publication.
4. No later than [1 year after the adoption of this Directive], in order to contribute to the consistent application of transparency obligations, ~~BEREC~~ shall, after consulting stakeholders and in close cooperation with the Commission, issue guidelines on the minimum criteria for a reference offer and shall review them whenever necessary in order to adapt them to technological and market developments. In providing such minimum criteria, ~~BEREC~~ shall pursue the objectives in Article 3, and shall have regard for the needs of the beneficiaries of access obligations and end-users that are active in more than one Member State as well as to any ~~BEREC~~ guidelines identifying transnational demand in accordance with Article 64 and to any related Commission Decision.

Notwithstanding paragraph 3, where an operator has obligations under Article ~~12~~ 70 or 71 concerning wholesale network infrastructure access, national regulatory authorities shall ensure the publication of a reference offer ~~containing at least the elements set out in Annex II~~ taking utmost account of the ~~BEREC~~ guidelines on the minimum criteria for a reference offer.

~~5. The Commission may adopt the necessary amendments to Annex II in order to adapt it to technological and market developments. The measures, designed to amend non-essential elements of this Directive, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3). In implementing the provisions of this paragraph, the Commission may be assisted by BEREC.~~

Article ~~10~~68

Obligation of non-discrimination

1. A national regulatory authority may, in accordance with the provisions of Article ~~66~~68, impose obligations of non-discrimination, in relation to interconnection and/or access.
2. Obligations of non-discrimination shall ensure, in particular, that the operator applies equivalent conditions in equivalent circumstances to other undertakings providing equivalent services, and provides services and information to others under the same conditions and of the same quality as it provides for its own services, or those of its subsidiaries or partners. ~~⇒ In particular, in cases where the operator is deploying new systems, n~~ National regulatory authorities may **also** ~~impose on that operator~~ obligations to supply access products and services to all undertakings, including to **its downstream arm itself**, on the same timescales, terms and conditions, including those relating to price and service levels, and by means of the same systems and processes, in order to ensure equivalence of access. ↵

Article ~~46~~69

Obligation of accounting separation

1. A national regulatory authority may, in accordance with the provisions of Article ~~66~~66, impose obligations for accounting separation in relation to specified activities related to interconnection and/or access.

In particular, a national regulatory authority may require a vertically integrated company to make transparent its wholesale prices and its internal transfer prices *inter alia* to ensure compliance where there is a requirement for non-discrimination under Article ~~68~~68 or, where necessary, to prevent unfair cross-subsidy. National regulatory authorities may specify the format and accounting methodology to be used.

2. Without prejudice to Article ~~20 5 of Directive 2002/21/EC (Framework Directive)~~, to facilitate the verification of compliance with obligations of transparency and non-discrimination, national regulatory authorities shall have the power to require that accounting records, including data on revenues received from third parties, are provided on request. National regulatory authorities may publish such information as would contribute to an open and competitive market, while respecting national and ~~Community~~ Union rules on commercial confidentiality.

Article 70

Access to civil engineering

1. A national regulatory authority may, in accordance with Article 66, impose obligations on operators to meet reasonable requests for access to, and use of, civil engineering including, ~~without limitation~~ **but not limited to**, buildings or entries to buildings, building cables including wiring, antennae, towers and other supporting constructions, poles, masts, ducts, conduits, inspection chambers, manholes, and cabinets, in situations where **having considered** the market analysis **indicates the national regulatory authority deems** that denial of access or access given under unreasonable terms and conditions having a similar effect would hinder the emergence of a sustainable competitive market at the retail level and would not be in the end-user's interest.

2. National regulatory authorities may impose obligations on an operator to provide access in accordance with this Article, irrespective of whether the assets that are affected by the obligation are part of the relevant market in accordance with the market analysis, provided that the obligation is necessary and proportionate to meet the objectives of Article 3.

Article ~~12~~71

Obligations of access to, and use of, specific network facilities

1. ~~Only where~~ ~~a~~ national regulatory authority ~~concludes that the obligations imposed in accordance with Article 70 would not on their own lead to the achievement of the objectives set out in Article 3, it~~ may, in accordance with the provisions of Article ~~8~~66, impose obligations on operators to meet reasonable requests for access to, and use of, specific network elements and associated facilities, ~~inter alia~~ in situations where the national regulatory authority considers that denial of access or unreasonable terms and conditions having a similar effect would hinder the emergence of a sustainable competitive market at the retail level, ~~and~~ ~~it~~ would not be in the end-user's interest.

Operators may be required *inter alia*:

- (a) to give third parties access to specified network elements and/or facilities, ~~as appropriate~~ ~~including access to network elements which are~~ ~~either~~ ~~not active~~ ~~or physical~~ ~~and/or~~ ~~active or virtual~~ ~~unbundled access to the local loop,~~ ~~to,~~ ~~inter alia,~~ ~~allow carrier selection and/or pre-selection and/or subscriber line resale offers;~~
- (b) to negotiate in good faith with undertakings requesting access;
- (c) not to withdraw access to facilities already granted;
- ~~(ca)~~ to provide specified services on a wholesale basis for resale by third parties;
- ~~(de)~~ to grant open access to technical interfaces, protocols or other key technologies that are indispensable for the interoperability of services or virtual network services;
- ~~(ef)~~ to provide co-location or other forms of associated facilities sharing;
- ~~(fg)~~ to provide specified services needed to ensure interoperability of end-to-end services to users, including facilities for ~~software emulated networks~~ ~~intelligent network services~~ or roaming on mobile networks;

(g~~h~~) to provide access to operational support systems or similar software systems necessary to ensure fair competition in the provision of services;

(h~~i~~) to interconnect networks or network facilities;

(i~~j~~) to provide access to associated services such as identity, location and presence service.

National regulatory authorities may attach to those obligations conditions covering fairness, reasonableness and timeliness.

2. When national regulatory authorities are considering ~~the~~ the appropriateness of imposing any of ~~the~~ possible specific obligations referred in paragraph 1, and in particular when assessing ~~whether and how such obligations should be imposed~~ ~~proportionate to the objectives set out in Article 8 of Directive 2002/21/EC (Framework Directive)~~, they shall analyse whether other forms of access to wholesale inputs either on the same or a related wholesale market, would already be sufficient to address the identified problem at the retail level. The assessment shall include existing or prospective commercial access offers, regulated access pursuant to Article 59, or existing or ~~contemplated~~ **planned** regulated access to other wholesale inputs pursuant to this Article. ~~They~~ shall take account in particular of the following factors:

(a) the technical and economic viability of using or installing competing facilities, in the light of the rate of market development, taking into account the nature and type of interconnection and/or access involved, including the viability of other upstream access products such as access to ducts;

(b) the expected technological evolution affecting network design and management

(c~~e~~) the feasibility of providing the access proposed, in relation to the capacity available;

(d~~e~~) the initial investment by the facility owner, taking account of any public investment made and the risks involved in making the investment ~~with particular regard to investments in and risk levels associated with very high capacity networks~~ ;

(e~~d~~) the need to safeguard competition in the long term, with particular attention to economically efficient infrastructure-based competition ~~and to sustainable competition based on co-investment in networks~~ ;

(f~~e~~) where appropriate, any relevant intellectual property rights;

(g) the provision of pan-European services.

Where a national regulatory authority considers, in accordance with Article 66, the imposition of obligations on the basis of Articles 70 or this Article, it shall examine whether the sole imposition of obligations in accordance with Article 70 would be a proportionate means to promote competition and the interests of the citizen.

Where a national regulatory authority considers obligations in respect of access to active or virtual networks pursuant to this Article, it shall examine whether the imposition of other obligations, in conjunction or not with obligations under Article 70, would be a proportionate means to promote competition and the interests of the citizen.

3. When imposing obligations on an operator to provide access in accordance with the provisions of this Article, national regulatory authorities may lay down technical or operational conditions to be met by the provider and/or beneficiaries of such access where necessary to ensure normal operation of the network. Obligations to follow specific technical standards or specifications shall be in compliance with the standards and specifications laid down in accordance with Article ~~39 17 of Directive 2002/21/EC (Framework Directive)~~.

Article ~~13~~72

Price control and cost accounting obligations

1. A national regulatory authority may, in accordance with the provisions of Article ~~66~~8, impose obligations relating to cost recovery and price controls, including obligations for cost orientation of prices and obligations concerning cost accounting systems, for the provision of specific types of interconnection and/or access, in situations where a market analysis indicates that a lack of effective competition means that the operator concerned may sustain prices at an excessively high level, or may apply a price squeeze, to the detriment of end-users.

⇒ In determining whether or not price control obligations would be appropriate, national regulatory authorities shall take into account long-term end-user interests related to the deployment and take-up of next-generation networks, and in particular of very high capacity networks. In particular, ⇐ ~~to~~ encourage investments by the operator, including in next-generation networks, national regulatory authorities shall take into account the investment made by the operator. ⇒ Where the national regulatory authorities deem price controls appropriate, they shall ⇐ ~~and~~ allow ⇨ the operator ⇨ ~~him~~ a reasonable rate of return on adequate capital employed, taking into account any risks specific to a particular new investment network project.

~~National regulatory authorities shall not impose or maintain obligations pursuant to this Article, w~~ **Where the national regulatory authorities** establish that a demonstrable retail price constraint is present and that **any obligations imposed effective and non-discriminatory access is ensured** in accordance with Articles 67 to 71, **they shall consider whether imposing or maintaining obligations pursuant to this Article may not be inappropriate** ~~including in particular any economic replicability test imposed in accordance with Article 68 ensures effective and non discriminatory access.~~

When national regulatory authorities consider it appropriate to impose price controls on access to existing network elements, they shall also take account of the benefits of predictable and stable wholesale prices in ensuring efficient entry and sufficient incentives for all operators to deploy new and enhanced networks.

2. National regulatory authorities shall ensure that any cost recovery mechanism or pricing methodology that is mandated serves to promote ⇒ the deployment of new and enhanced networks ⇐ ₂ efficiency and sustainable competition and maximise ⇒ sustainable ⇐ consumer benefits. In this regard national regulatory authorities may also take account of prices available in comparable competitive markets.

3. Where an operator has an obligation regarding the cost orientation of its prices, the burden of proof that charges are derived from costs including a reasonable rate of return on investment shall lie with the operator concerned. For the purpose of calculating the cost of efficient provision of services, national regulatory authorities may use cost accounting methods independent of those used by the undertaking. National regulatory authorities may require an operator to provide full justification for its prices, and may, where appropriate, require prices to be adjusted.

4. National regulatory authorities shall ensure that, where implementation of a cost accounting system is mandated in order to support price controls, a description of the cost accounting system is made publicly available, showing at least the main categories under which costs are grouped and the rules used for the allocation of costs. Compliance with the cost accounting system shall be verified by a qualified independent body. A statement concerning compliance shall be published annually.

↓ new

Article 73

Termination rates

~~1. Where a national regulatory authority imposes obligations relating to cost recovery and price controls on operators designated as having significant market power on a market for wholesale voice call termination, it shall set maximum symmetric termination rates, based on the costs incurred by an efficient operator. The evaluation of efficient costs shall be based on current cost values. The cost methodology to calculate efficient costs shall be based on a bottom-up modelling approach using long-run incremental traffic-related costs of providing the wholesale voice call termination service to third parties.~~

~~The details of the cost methodology shall be set by a Commission decision, adopted pursuant to Article 38.~~

~~2. 1. By [date of transposition] the Commission shall, after having consulted taking utmost account of the opinion of BEREC, adopt a Decision setting: delegated acts in accordance with Article 109 concerning~~

~~— a single maximum EU-wide mobile voice termination rate and a single maximum EU-wide fixed voice termination rate, which is imposed on any operator active on each of the markets of mobile voice termination and fixed voice termination respectively in any Member State. to be imposed by national regulatory authorities;~~

~~on undertakings designated as having significant market power in fixed and mobile voice termination markets respectively in the Union.~~

~~When adopting these delegated acts, the Commission~~

To that end the Commission shall:

~~- follow the principles laid down in the first subparagraph of paragraph 1 and shall comply with the principles criteria and parameters provided in Annex III;-~~

~~4. In applying paragraph 2, the Commission shall ensure that the single voice call termination rate in mobile networks shall not exceed 1.23 cent per minute and the single voice call termination rate in fixed networks shall not exceed 0.14 cent per minute. The Commission shall~~

~~- when setting the single maximum termination rate for the first time, take into account the weighted average of maximum termination rates in fixed and mobile networks established in accordance with the principles provided in Annex III the first subparagraph of paragraph 1 applied across the Union; when setting the single maximum termination rate for the first time.~~

~~5. When adopting delegated acts pursuant to paragraph 2, the Commission shall~~

~~- take into account the total number of end-users in each Member State, in order to ensure a proper weighting of the maximum termination rates, as well as national circumstances which result in significant differences between Member States when determining the maximum termination rates in the Union;~~

6. The Commission may request BEREC to develop an economic model in order to assist the Commission in determining the maximum termination rates in the Union. The Commission shall

- take into account market information provided by BEREC, national regulatory authorities or, directly, by undertakings providing electronic communications networks and services; and

- consider the need to allow for a transition period so as to allow adjustments in Member States where this is necessary on the basis of rates previously imposed.

7.2. The decision referred to in paragraph 1 shall be adopted in accordance with the examination procedure referred to in Article 110(4). Taking utmost account of the opinion of BEREC, the Commission shall review its decision the delegated acts adopted pursuant this Article every five years and shall consider on that occasion, by application of the criteria listed in Article 65(1), whether EU wide maximum mobile voice termination rates or fixed voice termination rates continue to be necessary. Where the Commission decides in accordance with this subparagraph not to impose a maximum mobile voice termination rate or a maximum fixed termination rate, or both, national regulatory authorities may conduct market analyses of voice termination markets in accordance with Article 65, to assess whether the imposition of regulatory obligations is necessary. If a national regulatory authority imposes as a result of such analysis cost oriented termination rates in a relevant market, it shall follow the principles, criteria and parameters provided in Annex III and shall be implemented in accordance with the procedures referred to in Articles 23, 32 and 33.

3. National regulatory authorities shall monitor the application of the single maximum EU-wide mobile and fixed voice termination rates by providers of termination services. National regulatory authorities may at any time require a provider of voice termination services to amend the rate it charges to other undertakings if it does not comply with the Decision referred to in paragraph 1. National regulatory authorities shall inform BEREC and the Commission concerning the application of this article.

Regulatory treatment of new network elements

1. A national regulatory authority shall not impose obligations as regards new network elements that are part of the relevant market on which it intends to impose or maintain obligations in accordance with Articles 66 and Articles 67 to 72 and that the operator designated as **having significant market power** on that relevant market has deployed or is planning to deploy, **if it determines that** the following cumulative conditions are met:

- (a) the deployment of the new network elements is open to co-investment offers **from any operator over the lifetime of the network**, according to a transparent process and on terms which **the national regulatory authority considers capable of ensuring** ~~favour~~ sustainable competition in the long term including inter alia fair, reasonable and non-discriminatory terms offered to potential co-investors; flexibility in terms of the value and timing of the commitment provided by each co-investor; possibility to increase such commitment in the future; reciprocal rights awarded by the co-investors after the deployment of the co-invested infrastructure;
- (aa) at least one co-investment agreement based on an offer made pursuant to (a) has been concluded;**
- (b) the deployment of the new network elements contributes significantly to the deployment of very high capacity networks; **and**
- (c) access seekers not participating in the co-investment can benefit from the same quality, speed, conditions and end-user reach as was available before the deployment, either through commercial agreements based on fair and reasonable terms or by means of regulated access maintained or adapted by the national regulatory authority;

When assessing co-investment offers and ~~processes~~ **agreements** referred to in point (a) **and (aa)** of the first subparagraph, national regulatory authorities shall ensure that those offers and ~~processes~~ **agreements** comply with the criteria set out in Annex IV.

1a. In the absence of an agreement pursuant to subparagraph 1(aa), and where all other conditions of paragraph 1 are satisfied, national regulatory authorities may decide to conduct a market test by consulting stakeholders and interested parties, in particular on the offered terms and conditions. Such consultation shall allow potential co-investors to provide a counter-offer, including a reasoned justification where they deem the terms and conditions of the initial proposal not to be in line with the requirements in point (a) of the above paragraph or in Annex IV. The counter offer shall be submitted within a deadline established by the national regulatory authority so as to avoid unnecessary delays. The national regulatory authority shall allow sufficient time to the operator designated as having significant market to react to any such counter-offer before completing its assessment. In the light of the results of the market test, the NRA may reasonably conclude that the conditions for the non-imposition of obligations in accordance with Articles 67 to 72 are fulfilled.

2. Following its assessment and decision pursuant to paragraph 1, national regulatory authorities shall review, in the context of subsequent market analyses pursuant to Article 65, which obligations may be imposed in accordance with Articles 66 to 72, ~~as appropriate, based on market developments including the take up of the co-investment offer~~ where it concludes that, absent its intervention, effective competition in one or more retail markets would not be achieved by the continued application of the conditions set out in paragraph 1 and of the criteria set out in Annex IV.

3. Paragraph 1 shall not prevent a national regulatory authority from imposing or maintaining remedies in accordance with Articles 66 to 72 on an operator designated as having significant market power in a relevant wholesale market where these are necessary to enable undertakings that were absent from downstream retail markets when the offer referred to in paragraph 1(a) was published, to enter the market in the geographic area where the co-investment takes place, unless a viable and similar alternative is available, including on a commercial basis.

Functional separation

1. Where the national regulatory authority concludes that the appropriate obligations imposed under Articles ~~67 to 72~~75 have failed to achieve effective competition and that there are important and persisting competition problems and/or market failures identified in relation to the wholesale provision of certain access product markets, it may, as an exceptional measure, in accordance with the provisions of the second subparagraph of Article ~~86~~66(3), impose an obligation on vertically integrated undertakings to place activities related to the wholesale provision of relevant access products in an independently operating business entity.

That business entity shall supply access products and services to all undertakings, including to other business entities within the parent company, on the same timescales, terms and conditions, including those relating to price and service levels, and by means of the same systems and processes.

2. When a national regulatory authority intends to impose an obligation for functional separation, it shall submit a proposal to the Commission that includes:

- (a) evidence justifying the conclusions of the national regulatory authority as referred to in paragraph 1;
- (b) a reasoned assessment that there is no or little prospect of effective and sustainable infrastructure-based competition within a reasonable time frame;
- (c) an analysis of the expected impact on the regulatory authority, on the undertaking, in particular on the workforce of the separated undertaking and on the electronic communications sector as a whole, and on incentives to invest in a sector as a whole, particularly with regard to the need to ensure social and territorial cohesion, →₁ and on other stakeholders including, in particular, the expected impact on competition and any potential consequential effects on consumers ← ;
- (d) an analysis of the reasons justifying that this obligation would be the most efficient means to enforce remedies aimed at addressing the competition problems/markets failures identified.

3. The draft measure shall include the following elements:
- (a) the precise nature and level of separation, specifying in particular the legal status of the separate business entity;
 - (b) an identification of the assets of the separate business entity, and the products or services to be supplied by that entity;
 - (c) the governance arrangements to ensure the independence of the staff employed by the separate business entity, and the corresponding incentive structure;
 - (d) rules for ensuring compliance with the obligations;
 - (e) rules for ensuring transparency of operational procedures, in particular towards other stakeholders;
 - (f) a monitoring programme to ensure compliance, including the publication of an annual report.
4. Following the Commission's decision on the draft measure taken in accordance with Article ~~866~~(3), the national regulatory authority shall conduct a coordinated analysis of the different markets related to the access network in accordance with the procedure set out in Article ~~65 16 of Directive 2002/21/EC (Framework Directive)~~. On the basis of its assessment, the national regulatory authority shall impose, maintain, amend or withdraw obligations, in accordance with Articles ~~236~~ and ~~327~~ of ~~this Directive 2002/21/EC (Framework Directive)~~.
5. An undertaking on which functional separation has been imposed may be subject to any of the obligations identified in Articles ~~967~~ to ~~7213~~ in any specific market where it has been designated as having significant market power in accordance with Article ~~6516 of Directive 2002/21/EC (Framework Directive)~~, or any other obligations authorised by the Commission pursuant to Article ~~866~~(3).

Voluntary separation by a vertically integrated undertaking

1. Undertakings which have been designated as having significant market power in one or several relevant markets in accordance with Article ~~65~~16 of this Directive ~~2002/21/EC (Framework Directive)~~ shall inform the national regulatory authority **at least three months** in advance ~~and in a timely manner~~, in order to allow the national regulatory authority to assess the effect of the intended transaction, when they intend to transfer their local access network assets or a substantial part thereof to a separate legal entity under different ownership, or to establish a separate business entity in order to provide to all retail providers, including its own retail divisions, fully equivalent access products.

Undertakings shall also inform the national regulatory authority of any change of that intent as well as the final outcome of the process of separation.

Undertakings may also offer commitments regarding access conditions that will apply to their network during an implementation period and after the proposed form of separation is implemented, with a view to ensuring effective and non-discriminatory access by third parties. The offer of commitments shall include sufficient details, including in terms of timing of implementation and duration, so as to allow the national regulatory authority to conduct its tasks in accordance with paragraph 2 of this Article. Such commitments may extend beyond the maximum period for market reviews established in Article 65(6).

2. The national regulatory authority shall assess the effect of the intended transaction \Rightarrow together with the proposed commitments where applicable \Leftarrow on existing regulatory obligations under \boxtimes this \boxtimes Directive ~~2002/21/EC (Framework Directive)~~.

For that purpose, the national regulatory authority shall conduct an coordinated analysis of the different markets related to the access network in accordance with the procedure set out in Article ~~65~~ 16 of Directive ~~2002/21/EC (Framework Directive)~~.

The national regulatory authority shall take into account any commitments offered by the undertaking, having regard in particular to the objectives in Article 3. In so doing, the national regulatory authority shall consult third parties in accordance with Article 23, and shall address in particular, without limitation, those third parties which are directly affected by the intended transaction.

On the basis of its assessment, the national regulatory authority shall impose, maintain, amend or withdraw obligations, in accordance with Articles ~~236~~ and ~~327~~ of Directive 2002/21/EC (Framework Directive), \Rightarrow applying, if appropriate, the provisions of Article 77. In its decision, the national regulatory authority may make the commitments binding, wholly or in part. By way of exception to Article 65(6), the national regulatory authority may make some or all commitments binding for the entire period for which they are offered. \Leftarrow

3. \Rightarrow Without prejudice to the provisions of Article 77, \Leftarrow ~~the~~ the legally and/or operationally separate business entity may be subject \Rightarrow as appropriate \Leftarrow to any of the obligations identified in Articles ~~679~~ to ~~1372~~ in any specific market where it has been designated as having significant market power in accordance with Article ~~6516~~ of Directive 2002/21/EC (Framework Directive), or any other obligations authorised by the Commission pursuant to Article ~~866~~(3) \Rightarrow and where any commitments offered are insufficient to meet the objectives of Article 3 \Leftarrow .

4. The national regulatory authority shall monitor the implementation of the commitments offered by the undertakings that it has made binding in accordance with paragraph 2 of this Article and shall consider their extension when the period of time for which they are initially offered has expired.

~~Vertically separate~~ Wholesale only undertakings

1. A national regulatory authority that designates an undertaking which is absent from any retail markets for electronic communications services as having significant market power in one or several wholesale markets in accordance with Article 65 shall consider whether that undertaking has the following characteristics:

- (a) all companies and business units within the undertaking, **including and** all companies that are controlled but not necessarily wholly owned by the same ultimate owner(s), only have activities, current and planned for the future, in wholesale markets for electronic communications services and therefore do not have activities in any retail market for electronic communications services provided to end-users in the Union;
- (b) the undertaking **is not bound to deal with a single and separate undertaking operating downstream that is active in any retail market for electronic communications services provided to private or commercial end-users, because of** ~~does not hold~~ an exclusive agreement, or an agreement which de facto amounts to an exclusive agreement, ~~with a single and separate undertaking operating downstream that is active in any retail market for electronic communications services provided to private or commercial end-users.~~

2. If the national regulatory authority ~~concludes~~ **considers** that the conditions laid down in points (a) and (b) of paragraph 1 of this Article are fulfilled, it may *only* impose on that undertaking obligations pursuant to Articles ~~70 or~~ 71 **or obligations relative to fair and reasonable pricing if justified on the basis of a market analysis including a prospective assessment of the SMP operator's likely behaviour.**

3. The national regulatory authority shall review obligations imposed on the undertaking in accordance with this Article at any time if it concludes that the conditions laid down in points (a) and (b) of paragraph 1 of this Article are no longer met and shall apply Articles 65 to 72, as appropriate.

4. The national regulatory authority shall also review obligations imposed on the undertaking in accordance with this Article if on the basis of evidence of terms and conditions offered by the undertaking to its downstream customers, the authority concludes that competition problems have arisen **or are likely to arise** to the detriment of end-users which require the imposition of one or more obligations provided in Articles 67, 68, 69, **70** or 72, or the modification of the obligations imposed in accordance with paragraph 2.

5. The imposition of obligations and their review in accordance with this Article shall be implemented in accordance with the procedures referred to in Articles 23, 32 and 33.

Article 78

Migration from legacy infrastructure

1. Undertakings which have been designated as having significant market power in one or several relevant markets in accordance with Article 65 shall inform the national regulatory authority in advance and in a timely manner when they plan to decommission **or replace with a new infrastructure** parts of the network, including legacy infrastructure necessary to operate a copper network, which are subject to obligations pursuant to Articles 66 to 77.

2. The national regulatory authority shall ensure that the decommissioning **or replacement** process includes a transparent timetable and conditions, including inter alia an appropriate period of notice and for transition, and establishes the availability of alternative comparable products providing access to network elements substituting the decommissioned **or replaced** infrastructure if necessary to safeguard competition and the rights of end-users.

With regard to assets which are proposed for decommissioning **or replacement**, the national regulatory authority may withdraw the obligations after having ascertained:

- (a) the access provider has demonstrably established the appropriate conditions for migration, including making available a comparable alternative access product enabling to reach the same end-users, as was available using the legacy infrastructure; and
- (b) the access provider has complied with the conditions and process provided to the national regulatory authority in accordance with the present Article.

Such withdrawal shall be implemented in accordance with the procedures referred to in Articles 23, 32 and 33.

↓ 2002/19/EC (adapted)

ANNEX II

CONDITIONS FOR ACCESS TO DIGITAL TELEVISION AND RADIO SERVICES BROADCAST TO VIEWERS AND LISTENERS IN THE ~~COMMUNITY~~ ☒ UNION ☒

PART I: CONDITIONS FOR CONDITIONAL ACCESS SYSTEMS TO BE APPLIED IN ACCORDANCE WITH ARTICLE ~~660~~(1)

In relation to conditional access to digital television and radio services broadcast to viewers and listeners in the ~~Community~~ ☒ Union ☒, irrespective of the means of transmission, Member States must ensure in accordance with Article ~~6~~ 60 that the following conditions apply:

~~(a) conditional access systems operated on the market in the Community are to have the necessary technical capability for cost-effective transcontrol allowing the possibility for full control by network operators at local or regional level of the services using such conditional access systems;~~

(ba) all operators of conditional access services, irrespective of the means of transmission, who provide access services to digital television and radio services and whose access services broadcasters depend on to reach any group of potential viewers or listeners are to:

- offer to all broadcasters, on a fair, reasonable and non-discriminatory basis compatible with ~~Community~~ ☒ Union ☒ competition law, technical services enabling the broadcasters' digitally-transmitted services to be received by viewers or listeners authorised by means of decoders administered by the service operators, and comply with ~~Community~~ ☒ Union ☒ competition law,
- keep separate financial accounts regarding their activity as conditional access providers.

(~~eb~~) when granting licences to manufacturers of consumer equipment, holders of industrial property rights to conditional access products and systems are to ensure that this is done on fair, reasonable and non-discriminatory terms. Taking into account technical and commercial factors, holders of rights are not to subject the granting of licences to conditions prohibiting, deterring or discouraging the inclusion in the same product of:

- a common interface allowing connection with several other access systems, or
- means specific to another access system, provided that the licensee complies with the relevant and reasonable conditions ensuring, as far as he is concerned, the security of transactions of conditional access system operators.

PART II: OTHER FACILITIES TO WHICH CONDITIONS MAY BE APPLIED UNDER ARTICLE 559(1)(B)

- (a) Access to application program interfaces (APIs);
- (b) Access to electronic programme guides (EPGs).

↓ 2009/140/EC Art. 2.12(a)

ANNEX II

~~MINIMUM LIST OF ITEMS TO BE INCLUDED IN A REFERENCE OFFER FOR WHOLESALE NETWORK INFRASTRUCTURE ACCESS, INCLUDING SHARED OR FULLY UNBUNDLED ACCESS TO THE LOCAL LOOP AT A FIXED LOCATION TO BE PUBLISHED BY NOTIFIED OPERATORS WITH SIGNIFICANT MARKET POWER (SMP)~~

↓ 2002/19/EC

~~For the purposes of this Annex the following definitions apply:~~

↓ 2009/140/EC Art. 2.12(b)

~~(a) 'local sub-loop' means a partial local loop connecting the network termination point to a concentration point or a specified intermediate access point in the fixed public electronic communications network;~~

↓ 2002/19/EC

~~(b) 'unbundled access to the local loop' means full unbundled access to the local loop and shared access to the local loop; it does not entail a change in ownership of the local loop;~~

↓ 2009/140/EC Art. 2.12(c)

~~(e) 'full unbundled access to the local loop' means the provision to a beneficiary of access to the local loop or local sub-loop of the SMP operator allowing the use of the full capacity of the network infrastructure;~~

↓ 2009/140/EC Art. 2.12(d)

~~(d) 'shared access to the local loop' means the provision to a beneficiary of access to the local loop or local sub-loop of the SMP operator, allowing the use of a specified part of the capacity of the network infrastructure such as a part of the frequency or an equivalent.~~

↓ 2002/19/EC

~~A. CONDITIONS FOR UNBUNDLED ACCESS TO THE LOCAL LOOP~~

↓ 2009/140/EC Art. 2.12(e)

~~1. Network elements to which access is offered covering in particular the following elements together with appropriate associated facilities:~~

~~(a) unbundled access to local loops (full and shared);~~

~~(b) unbundled access to local sub-loops (full and shared), including, when relevant, access to network elements which are not active for the purpose of roll-out of backhaul networks;~~

~~(c) where relevant, duct access enabling the roll-out of access networks;~~

~~2. Information concerning the locations of physical access sites including cabinets and distribution frames, availability of local loops, sub-loops and backhaul in specific parts of the access network and when relevant, information concerning the locations of ducts and the availability within ducts;~~

~~3. Technical conditions related to access and use of local loops and sub-loops, including the technical characteristics of the twisted pair and/or optical fibre and/or equivalent, cable distributors, and associated facilities and, when relevant, technical conditions related to access to ducts;~~

↓ 2002/19/EC

~~4. Ordering and provisioning procedures, usage restrictions.~~

~~B. CO-LOCATION SERVICES~~

↓ 2009/140/EC Art. 2.12(f)

~~1. Information on the SMP operator's existing relevant sites or equipment locations and planned update thereof¹⁵.~~

↓ 2002/19/EC

~~2. Co-location options at the sites indicated under point 1 (including physical co-location and, as appropriate, distant co-location and virtual co-location).~~

~~3. Equipment characteristics: restrictions, if any, on equipment that can be co-located.~~

~~4. Security issues: measures put in place by notified operators to ensure the security of their locations.~~

~~5. Access conditions for staff of competitive operators.~~

~~6. Safety standards.~~

~~7. Rules for the allocation of space where co-location space is limited.~~

~~8. Conditions for beneficiaries to inspect the locations at which physical co-location is available, or sites where co-location has been refused on grounds of lack of capacity.~~

¹⁵ ~~Availability of this information may be restricted to interested parties only, in order to avoid public security concerns.~~

~~C. INFORMATION SYSTEMS~~

~~Conditions for access to notified operator's operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing.~~

~~D. SUPPLY CONDITIONS~~

~~1. Lead time for responding to requests for supply of services and facilities; service level agreements, fault resolution, procedures to return to a normal level of service and quality of service parameters.~~

~~2. Standard contract terms, including, where appropriate, compensation provided for failure to meet lead times.~~

~~3. Prices or pricing formulae for each feature, function and facility listed above.~~

ANNEX III

CRITERIA FOR THE DETERMINATION OF WHOLESALE CALL TERMINATION RATES

Principles, ~~Criteria and parameters for the determination of rates for wholesale call termination on fixed and mobile markets, referred to in Article 73 (14):~~

- (aa) rates shall be based on the recovery of costs incurred by an efficient operator; the evaluation of efficient costs shall be based on current cost values; the cost methodology to calculate efficient costs shall be based on a bottom-up modelling approach using long-run incremental traffic-related costs of providing the wholesale voice call termination service to third parties;**

- (a) the relevant incremental costs of the wholesale voice call termination service shall be determined by the difference between the total long-run costs of an operator providing its full range of services and the total long-run costs of that operator not providing a wholesale voice call termination service to third parties;
- (b) only those traffic related costs which would be avoided in the absence of a wholesale voice call termination service being provided shall be allocated to the relevant termination increment;
- (c) costs related to additional network capacity shall be included only to the extent that they are driven by the need to increase capacity for the purpose of carrying additional wholesale voice call termination traffic;
- (d) radio spectrum fees shall be excluded from the mobile termination increment;
- (e) only those wholesale commercial costs shall be included which are directly related to the provision of the wholesale voice call termination service to third parties;
- (f) all fixed network operators shall be deemed to provide voice call termination services at the same unit costs as the efficient operator, regardless of their size;
- (g) for mobile network operators, the minimum efficient scale shall be set at a market share not below 20%;
- (h) the relevant approach for asset depreciation shall be economic depreciation; and
- (i) the technology choice of the modelled networks shall be forward looking, based on an IP core network, taking into account the various technologies likely to be used over the period of validity of the maximum rate. In the case of fixed networks, calls shall be considered to be exclusively packet switched.

ANNEX IV

CRITERIA FOR ASSESSING CO-INVESTMENT OFFERS

When assessing a co-investment offer pursuant to Article 74 (1) ~~(a)~~, the national regulatory authority shall verify whether the following criteria have been met:

- (a) The co-investment offer shall be open to any undertaking over the lifetime of the network built under a co-investment offer on a non-discriminatory basis. The SMP operator may include in the offer reasonable conditions regarding the financial capacity of any undertaking, so that for instance potential co-investors need to demonstrate their ability to deliver phased payments on the basis of which the deployment is planned, the acceptance of a strategic plan on the basis of which medium-term deployment plans are prepared, etc.

(b) The co-investment offer shall be transparent:

- the offer is available and easily identified on the website of the SMP operator;
- full detailed terms must be made available without undue delay to any potential bidder that has expressed an interest, including the legal form of the co-investment agreement and - when relevant - the heads of term of the governance rules of the co-investment vehicle; and
- The process, like the road map for the establishment and development of the co-investment project must be set in advance, it must clearly explained in writing to any potential co-investor, and all significant milestones be clearly communicated to all undertakings without any discrimination.

(c) The co-investment offer shall include terms to potential co-investors which favour sustainable competition in the long term, in particular:

- All undertakings have to be offered fair, reasonable and non-discriminatory terms and conditions for participation in the co-investment agreement relative to the time they join, including in terms of financial consideration required for the acquisition of specific rights, in terms of the protection awarded to the co-investors by those rights both during the building phase and during the exploitation phase, for example by granting indefeasible rights of use (IRUs) for the expected lifetime of the co-invested network and in terms of the conditions for joining and potentially terminating the co-investment agreement. Non-discriminatory terms in this context do not entail that all potential co-investors must be offered exactly the same terms, including financial terms, but that all variations of the terms offered must be justified on the basis of the same objective, transparent, non-discriminatory and predictable criteria such as the number of end user lines committed for.
- The offer must allow flexibility in terms of the value and timing of the commitment provided by each co-investor, for example by means of an agreed and potentially increasing percentage of the total end user lines in a given area, to which co-investors have the possibility to commit gradually and which shall be set at a unit level enabling smaller co-investors **with limited resources to enter the co-investment at a reasonably minimum scale and** to gradually increase their participation while ensuring adequate levels of initial commitment. The determination of the financial consideration to be provided by each co-investor needs to reflect the fact that early investors accept greater risks and engage capital sooner.
- A premium increasing over time has to be considered as justified for commitments made at later stages and for new co-investors entering the co-investment after the commencement of the project, to reflect diminishing risks and to counteract any incentive to withhold capital in the earlier stages.

- The co-investment agreement has to allow the assignment of acquired rights by co-investors to other co-investors, or to third parties willing to enter into the co-investment agreement subject to the transferee undertaking being obliged to fulfil all original obligations of the transferor under the co-investment agreement.
 - Co-investors have to grant each other reciprocal rights on fair and reasonable terms and conditions to access the co-invested infrastructure for the purposes of providing services downstream, including to end-users, according to transparent conditions which have to be made transparent in the co-investment offer and subsequent agreement, in particular where co-investors are individually and separately responsible for the deployment of specific parts of the network. If a co-investment vehicle is created, it has to provide access to the network to all co-investors, whether directly or indirectly, on an equivalence of inputs basis and according to fair and reasonable terms and conditions, including financial conditions that reflect the different levels of risk accepted by the individual co-investors.
- (d) The co-investment offer shall ensure a sustainable investment likely to meet future needs, by deploying new network elements that contribute significantly to the deployment of very high capacity networks.