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ORGANISATION DE COOPÉRATION ET  
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ORGANISATION FOR ECONOMIC  
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## COMMUNICATIONS OUTLOOK 1999

### TELECOMMUNICATIONS: Regulatory Issues

**Country:** Italy

**Date completed:** 23 July 1998

The attached questionnaire was undertaken in preparation for the biennial OECD *Communications Outlook*. The responses provided by countries on telecommunication regulation were used to provide information supporting the analytical sections published in association with data. A similar questionnaire with responses on broadcasting regulation is also available. In some cases, data for individual firms, used to compile OECD totals, have not been published at the request of the respondent. For further information, including data, see **OECD Communications Outlook 1999** and <http://www.oecd.org/dsti/sti/it/index.htm>

## TELECOMMUNICATIONS

### Market Structure and Regulatory Status (Questions 1 -13)

- 1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.**

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, limited number, fully open to any applicant)	Number of licensed operators (1998)
Local PSTN	fully open as of 1.1.98	5 (June 1998)
National PSTN	fully open as of 1.1.98	4 (June 1998)
International PSTN	fully open as of 1.1.98	4 (June 1998)
Analogue Cellular Mobile (e.g. NMT etc.)	monopoly	1
Digital Cellular Mobile (e.g. GSM etc.)	duopoly	2
Other Mobile Communication (e.g. PCS, PCN, CT-2 etc.)	limited number	3 DCS 18001 DECT(June '98)
Payphones	open	

- 2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)**

Name of PTO	PTO Ownership Status (1998) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Telecom Italia	5%
Wind	51% through Enel (national energy utility)
Infostrada	privately owned
Albacom	19% through BNL (state owned bank) 14% through Eni (end 1998)

- 3. Please provide details of market share for the largest PTO in the following categories.**

	The largest PTO's share (End 1997)
Local Access (% of access lines)	Telecom Italia (100%)
National Long Distance (% of total minutes)	Telecom Italia (slightly less than 100%)
International (% of total outgoing MiTT)	Telecom Italia (slightly less than 100%)

**4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.**

Name of Operator	Number of Subscribers (End 1997)
1. TIM (cellular)	9.200.000
2. OMNITEL (cellular)	2.460.000

**5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 1998.**

During 1997 there were two fundamental policy changes which came into effect:

- the regulation Number 318, of 9 September, or the so called “liberalization rule”. This act adopted the main European directives of telecommunication deregulation (94/02) until the directive of “full competition” (96/11);
- the Law Number 249, of 31 July, that established the National Regulatory Agency (Autorità per le garanzie nelle Comunicazioni, AGCOM).

Other provisions deal with “harmonization” to European regulation criteria: licensing (DM 25/11/97), numbering (DM 27/02/98), universal service obligations (DM 10/03/98) and interconnection (DM 10/06/98).

**6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services.**

- Please provide details: The Law Number 249, of 31 July 1997, established the AGCOM both for telecommunication and broadcasting sector. As far as telecommunication is concerned, the main duties for the Agency are:
- (to) grant and ensure that licensees comply with their licence conditions;
- (to) promote and maintain effective competition;
- (to) promote the interests of consumers;
- (to) administer and manage the numbering scheme in Italy;
- (to) set out the terms for interconnection between fixed and mobile networks;
- (to) define and control the prices of public network services;
- promote research and development;
- establish and control the universal service provision.

**7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country? Yes/ No**

National and foreign investors are not allowed to have a stake of Telecom Italia larger than 3%. The National Government also retains special powers on some operations and strategic decisions concerning the balance of ownership, mergers and acquisitions and changing corporate purpose.

**8. Are there any communication infrastructures or services (e.g. cable television, terrestrial broadcasting, satellite broadcasting) PTOs in your country are not permitted to directly provide? In addition, please specify any restrictions on PTOs investing in companies that such infrastructure or services.**

No - there is not asymmetric regulation, but only anti-competitive safeguards.

**9. Is the incumbent PTO(s) in your country allowed to provide mobile communication services?**

**If 'yes', is there a requirement for accounting separation between the PTO's mobile and fixed operations?**

Accounting separation is required between mobile and fixed network services and for the provision of a Dect service by the PTO.

**10. What selection procedures are used to determine licenses for new PTOs (e.g. calls for tenders, government appointments, license on request)?**

- licence on request for network and services provisions;
- call for tender in case of scarcity of public resources (frequencies, numbers).

**11. Please specify any restrictions or obligations imposed on new competitive network suppliers?**

The obligations are contained in each respective licence. There are not specific restrictions, apart from those of a public interest nature.

**12. Are there any restrictions on the use of leased lines nationally or internationally (including resale)?**

No.

**13. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.**

There is not any specific regulation at the moment.

**Pricing (Questions 14 -15)**

**14. What, if any, conditions are applied to the tariffs set by PTOs?** (Please include any price control information such as price caps and specify for which service they apply).

The prices of the main Telecom Italia network services are controlled. The price cap formula is suggested by regulation of access and retail services to favour cost-orientation and provide an incentive for increasing efficiency of the the PTO.

**15. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to residential users, dial-up Internet access users and a low user scheme from the incumbent PTO.** In the space below please indicate the main features:

Residential User Discount Scheme:

residential users can obtain 50% discount when calling one pre-specified number and/or 15% discount when calling three pre-specified numbers.

Internet Access Discount Scheme:

50% discount for each connection to a point of presence outside the local area.

Low User Scheme: a specific low users, on subscription basis and available only to residential customers is in force for requesting users:

up to 50 units per month:	lit. 50
between 51 and 123 units per month	lit. 346
over 123 unites per month	lit. 127.

Note: Residential user refers to an average consumer's home telephone service. A dial-up Internet user refers to a consumer accessing the Internet via a PC with a modem over the local public switched telecommunication network. Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged.

**Numbering/Domain Names (Questions 16 - 17)**

**16. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).**

The responsible authority is AGCOM. Italy have introduced the complete selection since June 1998 (as provided by DM 01/07/97). It has granted carrier selection on the public operator network according the numbering scheme contained in the DM 27/02/98. The first step of a revised numbering scheme will be carried out within 1998.  
Equal access methodology is expected to be introduced within 1 January 2000 and number portability by 1 January 2001.

**17. Have there been any recent government policy initiatives in your country in respect to the administration of Internet top level domain names. (An example of a top level domain name is .be for Belgium).**

The Italian orientation is in line with position of the European Community.

**Interconnection (Questions 18 - 21)**

**18. Are PSTN interconnect or access charges a matter for commercial agreement between operators and if so is there provision for arbitration and by whom? Is there a requirement to publish the rate for PSTN interconnect or access charges?  
If 'yes' please provide a schedule of interconnection charges for the PSTN.**

Yes.  
According to DM 23.4.98 Telecom Italia has to make a public reference interconnection offer in line with economical and technical conditions of the decree. In case of conflicts between the parts, disputes are arbitrated by the AGCOM. Telecom Italia presented a reference interconnection offer in July 1997. A new offer (as indicated below) presented by Telecom Italia is actually under examination by AGCOM.

Local                    **23.3** Lit/min. (peak) - **14.5** Lit/min.  
Single Transit    **38.1** Lit/min. (peak) – **23.8** Lit/min.  
Double Transit **77.2** Lit/min. /peak) – **48.2** Lit/min.

**19. For the purpose of establishing interconnect or access charges is accounting separation used?**

Yes, accounting separation is required by law.

**20. Once the interconnection or access charge has been established is it available as a standard rate for other service providers (including other PTOs and resellers)?**

Yes, for all organisations having an individual licence.

**21. Does regulation specify that competitive service providers can co-locate facilities on the same site as incumbent PTOs? Please indicate whether resellers and Internet Service Providers can co-locate equipment under the same terms and conditions as PTOs without being designated as a PTO?**

The reference interconnection offer is available as a standard offer for all operators having an individual licence. Access prices for service providers are available.

**Information for Updating OECD Tariff Comparison Baskets (Question 22)**

**22. Please provide the following information for your largest PTO.**

What is the average duration of a local call (i.e. average time of a call in the lowest tariff band for PSTN)?	Around 3 minutes	
What is the proportion of calls that fall within your lowest tariff band (i.e. local calls) as a percentage of total national calls?	Business (%) 54.3%	Residential (%) 75.8%
What percentage of calls from the fixed network (PSTN) terminate in mobile networks (e.g. analogue and digital cellular networks)?	Business (%) n.d.	Residential (%) n.d.
What percentage of total leased lines (i.e. leased circuits) are local (i.e. 2 km or less)?	n.d.	

**Universal Service/Consumer Issues (Questions 23 -25)**

**23. In the context of universal service policies which elements of telecommunication service are considered as part of universal service in your country?**

- voice telephony (fax G3 and data transmission over voice telephony);
- provision of directory for local area users;
- provision of customer information service;
- provision of payphones;
- provision of special services for disabled persons;
- connection to emergency numbers.

**24. Please provide details of any explicit funding mechanism for universal service and its coverage.**

The DM 10.3.98 has established a fund for the universal service which is funded by owners of individual licences for:

- public networks fixed and mobile. The AGCOM controls the amount of the net cost of universal service and, if positive, defines contributions to universal service supply. The fund is managed by Ministry of Communication.

**25. With what institutions other than telecommunication service providers can customers lodge complaints regarding these operators? (e.g. regulators, ombudsman, Ministry, etc.) Is there a requirement for annual reporting of the number of consumer complaints? If so how are complaints measured and reported.**

Complaints can be submitted to the AGCOM. The organisation's structure includes an Advisory Committee formed by various user associations and representatives. A specific regulation will define the requirements for complaints.