ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

OECD OCDE

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

COMMUNICATIONS OUTLOOK 2001

Country: SPAIN

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TELECOMMUNICATIONS

Market Structure and Regulatory Status (Questions 1 -10)

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, certain number, fully open to any applicant)	Number of licensed operators (2000)
Fixed PSTN (Local, National and International)	Fully open	75 (2)
Network infrastructure capacity (Includes only companies not licensed to provide voice services)	Fully open	
Analogue Cellular Mobile (e.g. NMT etc.)	Limited number (1)	1
Digital Cellular Mobile (e.g. GSM, PCS etc.)	Limited number	3
Wireless local loop (fixed wireless)	Limited number	6
IMT-2000 Operators (i.e. UMTS and 3rd Generation)	Limited number	4

(1)End of activity by January 2007
(2) National and regional coverage

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 (2000) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Telefónica de España SAU	Privately owned. The government has a golden share

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

	The largest PTO's share	
	End 1998	End 1999
Local Access: % of access lines	99,5	98,28
Local Access: % of local calls	100	
National Long Distance (% of total minutes)[1]	99	
International (% of total outgoing MiTT)	99	
Internet Subscribers[2]	49.500	659.000

1. If % of minutes is not available, please indicate the % of revenue
2. If share of subscribers is not available, please indicate number of Internet subscribers for the PTO.

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

Name of Operator	Number of Subscribers (End 1999)
1.Moviline (analogue)	690.138
2.Movistar (GSM 900 and GSM 1800)	8.362.209
3.Airtel (GSM 900 and GSM 1800)	4.818.500
4.Amena (GSM 1800)	1.013.360

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 2000 to 2001.**

- General Telecommunication Law (25 April 1998)
- Interconnection regulation (July 1998)
- Licensing regulation (September 1998)
- Universal service regulation (September 1998)
- Numbering regulation (September 1998)
- Fees regulation (August 1998)
- Common telecommunication infrastructure regulation (March 1999)

6. **Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services. Please highlight any changes over the last 12 months.**

The independent Regulatory Authority is the Comisión Nacional del Mercado de las Telecomunicaciones (CMT). It's responsibilities including:

- Arbitrate on interconnection disputes.
- Oversee licensing in telecommunication market.
- Oversee universal service commitments.
- Granting of general authorisations and individual licenses for providing all telecommunication services, except where tendering is mandatory due to scarce resources.

The relevant Spanish Government Department, called Ministry of Science and Technology that sets:

- Regulatory framework
- Grant licenses where tendering is mandatory due to scarce resources.
- Management of national numbering plan and frequency spectrum
- Inspection, sanction and terminal type approval issues

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**

Royal Decree 8/1997 provides for preliminary administrative authorisation prior to any individual or corporation, whether national or foreign, gaining control over 10% or more of Telefonica's capital.

8. **Are there any communication infrastructures or services** *(e.g. mobile, cable television, terrestrial broadcasting, satellite broadcasting)* **that PTOs in your country are not permitted to provide directly? In addition, please specify any restrictions on PTOs investing in companies that provide such infrastructure or services. Please include information on requirements by the incumbent PTO to divest cable networks.**

- There are no restrictions on the incumbent operator providing either cable TV or satellite broadcasting. Telefónica has been licensed to provide cable TV in every area in which Spain is divided under the competition regime
- There is a maximum limit of 25% of capital for individuals or corporations investing on terrestrial broadcast companies.

9. **What selection procedures are used to grant licences for new Wireless Local Loop (WLL) and IMT-2000 services? (e.g. spectrum auctions, calls for tenders, government appointments, licence on request)?**

Calls for tenders.
In March 2000, six licences were granted for wireless local loop (WLL) and four licences for UMTS services by the call for tenders procedure.

10. **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.**

Internet telephony is not considered as a voice telephony service and therefore no restrictions apply

Pricing (Questions 11 -12)

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

Tariffs of lease lines and voice telephony are subject to approval by the government when the provider has a dominant position. In practice, only the incumbent (Telefónica de España SAU) is subject to this approval procedure.
A price-cap system will be implemented during the year 2000

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

Social Needs Discount scheme:
Telefónica has a Social Needs Discount scheme called ("Social Scheme") for elder people with low incomes. This kind of tariff scheme offers a discount of 95% of monthly charges and a 70% discount on access charges.

Low User scheme:

Internet Access Discount Scheme:
BONONet: A special discount scheme for a predetermined amount of monthly traffic.

(Additional pamphlets from the PTO in English or French, or with the main points translated into one of these languages, would be most appreciated. Please provide data in local currency).

Note: Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged. 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.

Numbering/Domain Names (Questions 13 - 14)

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

- Numbering policy is under the responsibility of the Ministry of Science and Technology
- Management of numbering blocks is done by Comisión del Mercado de las Telecomunicaciones.
- Numbering portability has been introduced at the beginning of the year 2000 for 800 and PSTN numbers.

14. Which organisation is responsible for the administration of your Internet country code top level domain names. (An example of a country code top level domain name is .be for Belgium). Please provide any details of any recent policy initiatives relating to country code domains.

The administration of Internet domain names with Spanish code (.es) was regulated last March 2000. The organisation responsible for that administration is Ente Público RETEVISION.

Interconnection (Questions 15)

15. Interconnection between fixed networks.

	Yes /No	Details
Are PSTN interconnect or access charges a matter for commercial agreement between operators? And if so, is there provision for arbitration and by whom?	Yes	Interconnection charges are matter for commercial agreement between operators. If necessary, arbitration is provided by the Comisión del Mercado de las Telecomunicaciones, which within 6 months issues a binding resolution that can be challenged in the courts in the normal manner.
Is there a requirement on the incumbent to publish the rate for PSTN interconnect or access charges?	Yes	Any dominant operators is obliged to publish the reference interconnection offer.
For the purpose of establishing interconnect or access charges is accounting separation used?	Yes	Dominant operators must provide Comisión Nacional de las Telecomunicaciones with separated accounts including telephone services and interconnection services.
Once the interconnection or access charge of the incumbent has been established, is it available as a standard rate for other service providers (including other PTOs and resellers)?	Yes	Dominant operators are obliged to publish an unbundled reference interconnection offer. Such an offer can be varied with different prices, terms and interconnection conditions to different categories of operators when justified.
Does regulation specify that competitive service providers can collocate facilities on the same site as incumbent PTOs? (Please indicate whether resellers and Internet Service Providers can collocate equipment under the same terms and conditions as PTOs without being designated as a PTO?)	No	Both are matters of forthcoming interconnection regulation.
What kind of interconnection accounting methodology (e.g. LRIC, FDC, etc.) is used for calculating the incumbent's interconnection charges?	The methodology used is: LRIC	
Is carrier pre-selection implemented? If so, please describe the coverage of carrier pre-selection (e.g. local, long-distance and international).	Yes	Long-distance and international.

16. Fixed to Mobile Network Interconnection

	Details
Are termination rates to mobile networks published?	No
How are the termination rates for fixed-to-mobile calls determined in your country (e.g. commercial negotiated between operators, determined by mobile operator or other)?	Commercial negotiations between operators
Are these rates subject to any regulation (e.g. must they be cost orientated if operators have significant market power)?	Yes. They must be cost oriented if operators have significant market power.

Unbundling (Questions 17 -18)

17. Please describe initiatives for local loop unbundling and indicate when unbundling policies were put in place or the expected date of implementation.

A form of ADSL bitstream access to the local loop was put in place with an Ordinance from 26th April 1999, being commercially first available from 15th September 1999 in main cities, and progressively available in the rest of the country.
Presently, Spain is preparing the regulation for the full local loop unbundling for copper loops.

18. Please provide the prices for access to unbundled local loops and specify the service on offer (e.g. raw copper, DSL subscriber line).

Prices for ADSL bitstream service are:

Bitrate		Prices	
Downstream	Upstream	Set up	Monthly
256 kbps	128 kbps	90.15 Euro	30.05 Euro
512 kbps	128 kbps	153.26 Euro	55.17 Euro
2.048 kbps	300 kbps	306.52 Euro	113.41 Euro

Consumer Issues (Questions 19 -20)

19.

	Details
In the context of universal service policies, which elements of telecommunication service are considered as part of universal service in your country?	• Basic Telephone service local, national and international. • Free directory service. • Public payphones. • Special services for handicapped people.
Please provide details of any explicit funding mechanism for addressing universal service and its coverage (this can include initiatives related to infrastructure in respect to addressing digital divide issues).	• Comisión del Mercado de las Telecomunicaciones (CMT) decides whether operator(s) providing universal service are disadvantaged due to universal service obligations (USO). In a case where this is deemed to occur, the operator(s) calculates the net cost of providing USO according to criteria provided by CMT, which also must approve it. • Any universal service fund must be supported by public networks operators and by public telephone service providers. Currently, when parameters become available, operators and service providers must contribute proportionally to their share of the market. • CMT will be responsible to manage the universal service fund.
Is the cost of providing universal service calculated? If so please provide the latest annual costing.	No
What percentage of telephone subscribers do not have access to an Internet service provider's point of presence with a local call?	Zero
What is the average monthly online time for a subscriber to the largest PTO's Internet access service (e.g. number of hours).	N/A.
What is the average household consumption expenditure of telecommunication services in your country? Please provide the data in local currency and specify the year of the survey. Please indicate which of the following telecommunications services are included or excluded -- fixed PSTN services, cellular mobile services and Internet access -- or provide a definition of the indicator used in your country.	N/A.

20.

	2000	2001	2002	2003
Please report any estimates of the potential coverage of access lines with DSL by the end of the following years (as a % of total subscriber lines) by the incumbent(s):	**75%** (Note)	**N/A.**	**N/A.**	**N/A.**

Note: DSL services are available for provision from any operator over the incumbent's local loops. The 75% rate represents the % of subscriber lines served by LEXs equipped with ADSL technology