



Electronic Communications Committee (ECC)
within the European Conference of Postal and Telecommunications Administrations (CEPT)

Management of Impact Assessments in the ECC structure

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MANAGEMENT OF IMPACT ASSESSMENTS IN THE ECC STRUCTURE

This document looks at the management of Impact Assessments in the ECC structure. In order to understand the content, recommendations and guidance given, the reader should also be familiar with the content contained within ECC Report 125 on “Guidelines for the implementation of impact assessment in relation to spectrum matters”.

This document is an internal document which at this stage is meant to complement ECC Report 125. Any changes which could be needed in the Working Methods and/or the Rules of Procedure of the ECC should be considered at a second stage. This document makes some recommendations to the ECC on how the management of the IA process should be carried out under the current ECC structure¹.

It should be noted however that as the ECC gains experience through the application of the IA development process, these recommendations may be reviewed in the future.

STAGE 1 - IDENTIFICATION/DESCRIPTION OF THE PROBLEM(S)

The identification of the problem would normally be the result of a request for ECC to address a problem in relation to (or associated with) spectrum matters. These requests can be initiated by a number of sources and could also be directed into the ECC structure at various levels.

When an ECC Entity (WG, TG or PT) identifies a need for an IA or receives such a request, the request would normally be translated into a new work item and added to the Entity’s draft work program that would be sent to the ECC for approval. In its proposal for a new work item, the ECC Entity should include a reasoned proposal whether the inclusion of an IA is necessary in order to complete the task.

When the ECC Plenary assigns a new work item to an ECC Entity, either because the ECC received a request to address a problem or because it has decided on its own, the ECC Plenary may also request the ECC Entity to submit to the ECC a reasoned proposal whether the inclusion of an IA is necessary to complete the task.

In any event, the ECC Entity should present the issue problem in a short report which should identify and describe to the ECC the scope of the IA in relation to the issue/problem being addressed in the new task.

STAGE 2 - DESCRIBE THE POLICY ISSUE AND IDENTIFY THE OBJECTIVES

The description of the policy issue under consideration and identification of the objectives that the ECC is pursuing is the second stage of the IA.

In its short report, the ECC Entity should include a short description of the issues and options to be considered. The Entity should provide the ECC with objectives that are SMART: S-specific, M-measurable, A – achievable, R-realistic, T-time. The report should also include first assumptions of expected ERO support.

The ECC should then consider the short report submitted by the said ECC Entity and approve whether the IA should be carried out.

At this stage the ECC should also decide which ECC Entity should be given the lead on drafting the impact assessment report. It is expected that this would normally be the same Entity that identified the need for an impact assessment. The ECC should also approve the relevant assumptions on ERO resources to be included in the work program.

¹Not all stages have to be done sequentially.

STAGE 3 - IDENTIFY AND DESCRIBE THE REGULATORY OPTIONS

The ECC Entity which has been assigned to carry out the IA should produce a project plan and appoint a project manager to manage the whole process through to the completion of the IA. This plan should also include the assumptions of level of support that could be needed to manage the IA.

The project management plan should describe the time schedule to complete the work including the costs and benefits analysis and, if needed, any associated data collection. Such stages that should be considered in the time schedule are:

- The lead ECC Entity shall identify data already available and stakeholders already known, data which could be easily collected and areas where degrees of uncertainties may exist;
- The lead ECC Entity shall decide whether any consultation with Stakeholders is needed, based on the level of uncertainties that exist due to the lack of data and known stakeholders, before launching the impact assessment.
- Following a request by the lead ECC Entity, WGRA and ERO shall provide support. When ERO support is required, a leader within ERO shall be identified.

The final specifications of the plan for doing the impact assessment (i.e. implementation of stages 4 to 6 hereafter) shall describe the scope, the time schedule, the public consultation process and the project leader (and the level of ERO support required).

STAGE 4 – COLLECT DATA

The identification and awareness of all the parties concerned will be pursued actively essentially by means of public consultation where needed. The project manager appointed by the lead ECC Entity (and the ERO, when ERO support is required) will be responsible for managing this process including collating any comments received from the public consultation.

Data could be collected from different sources such as:

ETSI System Reference Documents:

- ETSI usually provides market data in System Reference Documents.

Data available within the ECC:

- The lead ECC Entity, with the help of ERO, should investigate, possibly through desk research, whether there is any available data related to the impact assessment on the ERO and CEPT Administrations' web sites.

EU data :

- Any data that has been collected in the context of EU studies and made available by the European Commission.

Questionnaire / consultation document:

- The ECC Entity which leads the impact assessment could develop a questionnaire / consultation document.

The reference of the source of quantitative and qualitative data shall be recorded in any impact assessment. The lead ECC Entity should be aware of this when looking at data sources.

To carry out the data collection process and analyse market related data, the lead ECC Entity may ask the assistance of ERO and/or WGRA.

STAGE 5 - DETERMINE THE IMPACT ON COMPETITION

If competition issues are to be covered in the IA, then the lead ECC Entity may seek the advice of WGRA to complete any section of the IA covering competition issues.

STAGE 6 - ASSESS THE IMPACTS AND CHOOSE THE BEST OPTION

Stage 6 is constituted of eight subtasks. For each of the subtasks the lead ECC Entity may consult WGRA and request support where needed.

Analysing costs and benefits

The lead ECC Entity should be responsible for analysing any information on costs and benefits that may be available.

Quantifying costs and benefits

The lead ECC Entity should be responsible for final assessment and approval of the data when completing the IA.

An impact assessment based on a cost and benefits analysis, needs to include qualitative and quantitative data. An impact assessment which does not precisely quantify all the costs and benefits of an option will introduce a wide range of uncertainty. When quantitative data is not sufficient, the impact assessment will have some weaknesses and could be subject to interpretation.

In any event, uncertainties must be recorded in the interests of completeness and transparency. The probability of such uncertainties must be assessed and included in the impact assessment to quantify the consequences of the uncertainties.

Also, issues on which the IA will apply subjective judgement shall be recorded. Such subjective judgement needs to be rather limited in order to avoid uncertainties.

However if lack of quantitative data is jeopardising an objective assessment the lead Entity may decide to re-evaluate the study.

6.1 Assessing risks and possible unintended consequences

When looking at the costs/benefits it is also important for the lead ECC Entity to consider the risks relating to particular options, for example, the risk that the intended impact would not be achieved or would be delayed by problems with implementation. An option which has a high net benefit, but which carries a high risk, might be less attractive than a lower risk option which has a lower net benefit. The degree of risk will be influenced by the likelihood of it occurring and the extent to which it may be possible to mitigate the risk.

6.2 Analysing distributional impacts

The distributional impacts which the different options would have should also be taken into account and, where possible, quantified. A distributional impact is an impact which is transferred or unequal e.g. a policy might benefit consumers in urban areas at the expense of consumers in rural areas, while the net benefit remains the same. Clearly this would be a relevant consideration even though it would not be revealed by a narrow analysis

of the costs and benefits. In the case we are trying to analyse the cost and benefits across the whole of CEPT we should also be aware that the costs/benefits may have different levels associated with each national situation.

Therefore any impact assessment which includes a large part of commonality with national impact assessments conducted by regulators could introduce distortion when accumulated without taking account of the different CEPT countries individual markets.

6.3 Understanding the opportunity cost

Assessing opportunity costs is fundamental to assessing the true cost of any course of action. In the case where there is no explicit accounting or monetary cost attached to a course of action, ignoring opportunity costs may create the illusion that its benefits cost nothing at all. Note that opportunity cost is not the sum of the available alternatives, but rather the benefit of the best alternative of them. Again for each individual work item the lead ECC Entity should be aware that they need to look at the possible opportunity costs in their IA.

6.4 Cost to ECC members of implementing options

Another consideration is the cost to ECC members of implementing an option. Relevant implementation costs should be identified and the lead ECC Entity should bear in mind that these costs may place a burden on stakeholders in terms of increased administrative fees. Other things being equal, this might make the option less attractive than an option with lower implementation costs.

6.5 Assessing when costs and benefits are likely to be felt

When the lead ECC Entity is assessing the costs and benefits of the different options it is important to consider when and how they are likely to be felt.

Conclusions of the IA

The conclusions of the analysis of the IA should be clearly presented.

STAGE 7 - MONITORING AND EVALUATION

The lead ECC Entity that produced an IA could define if necessary the parameters that should be observed during the monitoring. In addition, the lead ECC Entity with possible ERO support, shall be responsible for assessing the degree to which the objectives of the policy issue/measure have been met. In particular whether the expected costs and benefits have been materialised and longer term dynamic benefits have been felt. However, an initial assessment shall be made by the ERO whether the timetables/assumptions have been met or materialised.

INTERNAL ECC REPORT

	Stage I (identification of problems)	Stage II (policy issues & objectives)	Stage III (regulatory options)	Stage IV (Collecting data)	Stage V (Impact on competition)	Stage VI (assess the Impact and choose the best option)	Stage VII (monitoring & evaluation)
ECC Entity	<ul style="list-style-type: none"> - New work item added to the Entity's Draft work program with associated short report on the IA objectives (SMART objectives) <p>Identification of assumptions on ERO recourses that will be needed for inclusion in their work program.</p>		<ul style="list-style-type: none"> - Project plan (project manager): time schedule, (including costs & benefits analysis, associated data collection- public consultations), assumptions for level of support 	<ul style="list-style-type: none"> - Collecting data from different sources and for determining the impact on stakeholders 	<ul style="list-style-type: none"> - Possible seeking an appropriate advice from WGRA to complete IA sections covering competition issues. 	<ul style="list-style-type: none"> - Analyzing costs and benefits - Quantifying costs and benefits - Assessing risks and possible unintended consequences - Analysing distributional impacts - Understanding the opportunity cost - Cost to ECC members of implementing options - Assessing when costs and benefits are likely to be felt - Conclusions of the IA 	<ul style="list-style-type: none"> - Possible defining of the observed parameters - Assessing the degree to which the objectives have been met
ECC	<p>ECC may request an ECC entity to provide an IA as part of their Work Program.</p>	<ul style="list-style-type: none"> - Considering of the ECC Entity's new work item and approving whether the IA should be carried out - Assigning of Lead ECC entity - Approve assumptions on ERO recourses to be included in the work program. 					

INTERNAL ECC REPORT

ERO			- Support to the Lead ECC Entity if required	- Support to the Lead ECC Entity if required			- Initial assessment whether the timetables/assumptions have been met or materialised
WGRA			- Support to the Lead ECC Entity if required	- Support to the Lead ECC Entity if required	- An appropriate advice to the Lead ECC entity concerning competition issues if required	- Support to the Lead ECC Entity if required	