

Telecommunications Law - Italy

As part of this month's Legal Focus, we take a look at the Italian Telecommunications sector by speaking to Ernesto Apa, partner at Italian law firm, Portolano Colella Cavallo Studio Legale. The industry globally has seen the latest wave of mergers and acquisitions prompted by the effects of the recession, however, the Italian industry is experiencing a different story with only a relatively low level of activity during this year. Here, Ernesto further discusses the state of the Italian telecoms M&A market, the issues raised, and the approach the Italian government has made regarding telecoms law in recent times.



Please introduce yourself and firm.

I am the partner heading the TMT Department at the Firm, which is based in Milan and Rome. We have focused on Telecoms, Media and Technology since the Firm's foundation in 2001 and it is now recognized as the leader in Italy in this field. The majority of our clients operate in the TMT sector, including domestic and international house-hold names and top-players, medium-sized companies and start-ups in the telecommunications, TV, internet and e-commerce, technology, cinema, gaming, marketing and advertising sectors.



Recent reports suggest that the telecoms industry globally has seen a recent wave of mergers and acquisitions, prompted by the effects of the recession. Is this something you have noticed?

In Italy we have noticed an opposite trend. In the first three-quarters of 2011, indeed, the M&A deals in TLC, media and technology sector represented merely the 2% in terms of value and the 7% in terms of account. The most important operation in 2011 was the acquisition by Vimpelcom of Wind for €21 billion.



Do you think it will continue?

Figures, as said above, show that full market potential has not been exploited yet. Therefore, we deem that there is significant space for M&A operations across the TLC, media and technology sectors.



What are the main telecoms-related cases you deal with?

Our practice spans through literally all aspects (transactional, regulatory, litigation, etc.) and all sectors of TMT.

We assist our clients in connection with the launch and operation of TLC networks and services: mobile virtual network operators, VoIP, Wi-Fi, licensing, infrastructure issues (towers). We have also been selected by the European Commission to provide legal support within a three-year long Europe-wide project

on Global Navigation Satellite Systems. In addition, we are focused on all facets of TLC-related industry issues, such as liability of Internet Services Providers, distribution of TV channels (bandwidth capacity agreements, satellite uplink, distribution through IPTV, etc.), e-payments, etc.



With the constant technological advancement, what sort of approach has your government taken vis-à-vis telecommunications law?

Recently the Italian Government, based on the regulation set forth by the Italian Communications Authority, launched a spectrum auction (closed on September 29, 2011) for the allocation of the so called "external digital dividend", i.e. the 800, 1800, 2000 and 2600 MHz bands frequencies for the purpose of the development of commercial terrestrial radio systems and public electronic communications, including mobile broadband networks, third generation (IMT2000/UMTS) and above (LTE, WiMAX, IMT in general).

Furthermore, there is a huge expectation for the implementation of the so called EU "Telecoms Reform Package": on this regard, indeed, the EU Commission started an infringement procedure against Italy.

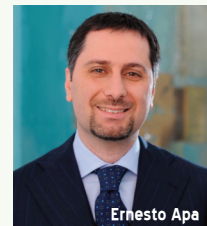
Finally, there is a great pressure on the Italian Government for the public financing of a plan for the development of NGN. **LM**

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