

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1995/2251(COS)	Procedure completed
Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)		
Subject 2.60 Competition 3.30.03 Telecommunications, data transmission, telephone		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PSE READ Imelda Mary	06/04/1995
Council of the European Union	Council configuration	Meeting	Date
	Telecommunications	1888	27/11/1995

Key events			
28/09/1995	Non-legislative basic document published	N4-0415/1995	Summary
09/10/1995	Committee referral announced in Parliament		
27/11/1995	Resolution/conclusions adopted by Council		Summary
19/12/1995	Vote in committee		Summary
19/12/1995	Committee report tabled for plenary	A4-0334/1995	
01/02/1996	Debate in Parliament		Summary
01/02/1996	Decision by Parliament	T4-0040/1996	Summary
01/02/1996	End of procedure in Parliament		
19/02/1996	Final act published in Official Journal		

Technical information	
Procedure reference	1995/2251(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142

Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07126

Documentation gateway

Non-legislative basic document		N4-0415/1995 OJ C 263 10.10.1995, p. 0006	28/09/1995	EC	Summary
Economic and Social Committee: opinion, report		CES1308/1995 OJ C 039 12.02.1996, p. 0052	22/11/1995	ESC	Summary
Committee report tabled for plenary, single reading		A4-0334/1995 OJ C 032 05.02.1996, p. 0005	19/12/1995	EP	
Committee of the Regions: opinion		CDR0016/1996 OJ C 129 02.05.1996, p. 0011	17/01/1996	CofR	Summary
Text adopted by Parliament, single reading		T4-0040/1996 OJ C 047 19.02.1996, p. 0012-0029	01/02/1996	EP	Summary

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

OBJECTIVE: to amend Commission directive 90/388/EEC in order to guarantee full competition in telecommunications markets. CONTENT: the draft directive, which will be adopted by the Commission itself, is based on Article 90 (3) of the EC Treaty. Its main provisions aim to ensure that: - Member States abolish special and exclusive rights to provide voice telephony infrastructures and services by 1 January 1998; - Member States introduce a regulatory system which guarantees that markets are properly liberalized, mainly by ensuring that existing telecommunications bodies provide connections to their voice telephony service and their switched telecommunications network on a non-discriminatory, proportionate and transparent basis; - Member States abolish special and exclusive infrastructure rights to provide the services already deregulated on 1 January 1996 (excluding vocal telephony before 1 January 1998), thereby allowing other infrastructures (e.g. railways, electricity networks) access to the market; - adequate digitalization is available for all telecommunication services by 1 January 1997. Numbers must be allocated on an objective, non-discriminatory, proportionate and transparent basis; - as far as funding the universal service obligation is concerned, only voice telephony service providers and public telecommunication systems contribute to the costs of the universal service, the method of dividing the costs between them is based on objective and non-discriminatory criteria and efficient recourse procedures are introduced in order to resolve differences relating to the amount to be paid by operators; - Member States with less developed networks are given a transitional period of 5 years and Member States with very small networks are given an additional period of two years.?

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

Because the Commission did not have to consult when using Article 90, the ESC was pleased to have been officially consulted. However, the time allowed was not sufficient to enable full consideration to be given to such an important matter. In general, the ESC was pleased that the Commission proposal for full liberalisation was proceeding. However, it was concerned that competition in the market in telecommunications services should be developed in an orderly manner and with regard to social consequences. In this respect, it was awaiting with interest the Commission's report on the consequences on employment of liberalisation in the telecommunications sector. As regards the NRAs, the ESC considered that if they did not exist and operate to a common set of guidelines and there was no appeal procedure, there was little likelihood of common rules, regulations and practices being applied throughout the European Union. The ESC also recommended that in order to avoid confusion and the risk of varying interpretations of the text of Directive 90/388/EEC, which had already been amended, the Commission should produce a consolidated text as a matter of urgency.

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

?The COUNCIL - NOTES that the Commission requested, on 3 August 1995, any comments from the Council on the draft Commission Directive amending Directive 90/388/EEC as regards mobile and personal communications; sent the President--in--Office of the Council, on 29 September 1995, the draft Commission Directive amending Directive 90/388/EEC as regards the implementation of full competition in telecommunications markets; - NOTES also the public consultation launched by the Commission following the publication of the two draft Directives in the Official Journal of the European Communities; - REAFFIRMS that it is important that the conditions governing the definition of the Community's future policy on the liberalisation of telecommunications services and infrastructures should result from a political agreement based on the compromise of December 1989 and takes note of the Commission's support for this approach; - RECALLS in this connection the political agreement reached at the Telecommunications Council meeting on 17 November 1994, which was given concrete form in the Council Resolution of 22 December 1994 and in the statements made on that occasion; - RECALLS that this Resolution recognises in particular the principle of liberalisation of telecommunication infrastructures on 1 January 1998, on the understanding that an additional transitional period is granted to certain Member States; - POINTS OUT that the Commission must also take account in its approach: of the responsibilities of the European Parliament and the Council for the legislative provisions designed, on the basis of Commission proposals, to establish the European regulatory framework for telecommunications, particularly as regards interconnection rules, universal service provision, access to frequencies for terminal equipment and licensing; of the need for consistency and balance between the processes of harmonisation

and liberalisation; of the time that may be required by the Member States for adopting national measures to implement the Directives proposed by the Commission; - EMPHASISES that these conclusions are without prejudice to the Member States' respective positions on the form and content of the draft Directives submitted by the Commission; - NOTES in this connection that, when this text was examined by the Council's subordinate bodies, many questions were put to the Commission by the Member States and that since then most of the Member States have also forwarded written comments on one of the Commission drafts; - CALLS ON the Commission to reply to the questions put to it and to take the utmost account of the positions expressed by the Council and the Member States before taking any further action that it deems appropriate in respect of these initiatives. ?

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

The report by Mrs Imelda READ (PSE, UK) was adopted by the committee and, among other things, it was aimed at: - doing away with the automatic granting of long transition periods for Member States with less-developed networks or very small networks, - protecting the consumer, particularly with regard to continuity in numbering in the case of a change of service provider, - requiring public network operators to provide open and non-discriminatory access where competitors did not have economic alternatives and giving public notification of the interconnection terms, - requiring all service providers, not only the providers of voice telephony services and public networks, to contribute to the provision and financing of the universal service obligation. ?

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

The Committee of the Regions welcomed the two proposals from the Commission and stressed that further complementary measures were needed as a matter of some urgency in order to complete the Community's regulatory framework for the telecommunications sector, the aim being to create a genuine, open and dynamic telecommunications market under the deadlines set for the deregulation of this sector. The CoR proposed that the directive should provide for a set of regulations aimed at prohibiting discrimination between organisations operating public telecommunications networks in respect of the granting of public 'rights of way' for the 'supply' of these network services. The CoR wished to see the Commission's proposals approved definitively as soon as possible and hoped that Member States would accept them officially without delaying their implementation and without evading any of the Community instructions. To this effect the Commission was called on to monitor the situation and to obtain from the Member States all the information that it needed to verify compliance with the directive. While agreeing with the objective of establishing a fully deregulated telecommunications system, the CoR was fully aware of the huge social impact created by the introduction of the information society and recommended that the Commission, when putting in place the required regulatory measures, should at the same time implement a series of initiatives linked to the various themes outlined in the Green Paper, namely: - the development of employment opportunities in this sector; - the social implications of a fully deregulated telecommunications market; - the interaction between telecommunications policy and EU policy in related sectors, especially as regards data protection and consumer protection requirements; - the implications in respect of the impact of the new technologies on public health. As already highlighted in the Opinion on the Green Paper issued by the Committee of the Regions on 28 September 1994, the Commission was called on to intensify its research efforts, hitherto considered insufficient, particularly as regards exposure to electromagnetic radiation and the role of regional and local authorities in issuing permits for the installation of aerials and for transmission equipment.

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

In adopting the report by Mrs Imelda Mary READ (PSE, UK), the European Parliament approved the draft directive on full competition in telecommunications markets, whilst proposing a series of amendments aimed at: - doing away with the automatic granting of long additional transition periods for Member States with less-developed networks or very small networks. An additional transition period of up to five years could be available if it were effectively justified by the necessity of implementing structural adjustments; - ensuring consumer protection, particularly with regard to continuity in numbering in the case of a change of service provider; - ensuring that the rates applied by the telecommunications organizations for interconnection to their networks reasonably reflect the cost of providing the service; pricing must be transparent, and any discounts or special rates for tailor-made interconnection packages must be granted on a non-discriminatory basis; - requiring public telecommunications network operators to provide open and non-discriminatory access where competitors do not have economic alternatives and giving public notification of the interconnection terms; - requiring all providers of services to contribute to the provision and financing of the universal service obligation (the Commission proposed limiting participation in this obligation to providers of voice telephony services and public telecommunications networks); - ensuring that Member States guarantee that technical equipment is connected to any new network and that telecommunications organizations cannot restrict such connection. Parliament regrets the use of the procedure provided by Article 90 of the EC Treaty which, whilst justified as a means of stepping up the pace of liberalization, cannot replace the EC Treaty's Article 100a procedure. ?

Telecommunications: Implementation of full competition in markets (amend. Direct. 90/388/EEC)

While regretting the use of Article 90, the rapporteur, Mrs READ, understood that the Commission wanted to step up the pace of deregulation. She focused on the need for clarifying the rules and ensuring fair competition in the telecommunications markets. She also stressed the importance of guaranteeing fair competition between the different operators. Commissioner VAN MIERT welcomed the excellent cooperation that had taken place between the Commission and Parliament and said that he could accept in full Amendments Nos 1, 5, 8, 9 and 11 to 13, along with Amendments Nos 23 and 24. Moreover, he was also prepared to incorporate the substance of Amendments Nos 2 to 4, 15, 16, 18, 19, 22 and 25. As far as the universal service was concerned, the Commissioner expressed his agreement with the principles being supported by Parliament. However, when it came to the methods of funding he opposed the idea of granting large companies a five-year period of grace for contributing towards the universal fund. Finally, the Commissioner declared his support for an obligation in principle and for minimum rules for ensuring network interconnection.

