


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">2000/2072(COS)</a>	Procedure completed
Implementation of Community telecommunications rules. 5th report 1999		
Subject 3.30.03 Telecommunications, data transmission, telephone		

Key players			
European Parliament	Committee responsible		Rapporteur
	<b>ITRE</b> Industry, External Trade, Research, Energy		Appointed 07/12/1999
			PSE <a href="#">PAASILINNA Reino</a>
	Committee for opinion		Rapporteur for opinion
Council of the European Union European Commission	<b>JURI</b> Legal Affairs and Internal Market		Appointed The committee decided not to give an opinion.
	Commission DG <a href="#">Communications Networks, Content and Technology</a>		Commissioner

Key events			
10/11/1999	Non-legislative basic document published	COM(1999)0537	Summary
13/03/2000	Committee referral announced in Parliament		
28/03/2000	Vote in committee		Summary
28/03/2000	Committee report tabled for plenary	<a href="#">A5-0094/2000</a>	
17/05/2000	Debate in Parliament		
18/05/2000	Decision by Parliament	<a href="#">T5-0231/2000</a>	Summary
18/05/2000	End of procedure in Parliament		
23/02/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2000/2072(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	ITRE/5/12240

## Documentation gateway

Non-legislative basic document		COM(1999)0537	10/11/1999	EC	Summary
Document attached to the procedure		SEC(1999)1886	12/11/1999	EC	
Committee report tabled for plenary, single reading		<a href="#">A5-0094/2000</a> <a href="#">OJ C 059 23.02.2001, p. 0003</a>	28/03/2000	EP	
Committee of the Regions: opinion		<a href="#">CDR0520/1999</a> <a href="#">OJ C 226 08.08.2000, p. 0056</a>	13/04/2000	CofR	
Text adopted by Parliament, single reading		<a href="#">T5-0231/2000</a> <a href="#">OJ C 059 23.02.2001, p. 0131-0242</a>	18/05/2000	EP	Summary

## Implementation of Community telecommunications rules. 5th report 1999

**PURPOSE :** To present a report on the state of implementation of the current telecommunications regulatory framework. **CONTENT :** This is the fifth report on the telecom regulatory framework. It assesses the extent to which the harmonisation directives have been transposed and analyses the way in which the national rules apply those principles in practice. It gives an overview of the state of the telecommunications services markets in Member States. It then identifies the main remaining barriers to the achievement of a single European market. The key conclusion is that, less than 2 years after the introduction of full competition, the regulatory framework drives telecommunications services markets in the Member States with an accelerating growth rate, large numbers of market entrants and falling tariffs. The national markets will have increased 7% on 1998 and the value of mobile services by around 16%. There is a marked increase in the number of operators both in the international and the domestic calls market. The number of Internet hosts per thousand inhabitants is estimated to have grown at an average of 125% across the Union from January 1998 to July 1999. Both residential and business tariffs are down in most Member States. There remain important problems to be resolved: - Barriers to the single market include the comparatively low level of harmonisation in the Community licensing and interconnection regimes and the way in which Community rules are implemented at national level. - The role of national regulatory authorities is impeded by disparities in their powers and resources, the way in which regulatory tasks are shared with other bodies, and differences in the procedures in place. They need to be more active particularly in seeking interconnection agreements. - Failure to implement the framework for cost accounting in many Member States seems to be contributing to excessive price squeezes, in particular between retail and interconnections tariffs. - There is a lack of competition in the local access market in all Member states, although steps are being taken to remedy this. - The Commission finds it difficult to assess whether voice telephony tariffs have actually been rebalanced. Rebalancing is necessary to avoid price squeezes. - There are disparities in consumer protection cross the Member States. - The current framework does not explicitly address issues such as special schemes for Internet access.?

## Implementation of Community telecommunications rules. 5th report 1999

The committee adopted the report by Reino PAASILINNA (PES, FIN) on the Commission's Fifth Report on the telecommunications regulatory package. While welcoming the fact that most Member States had implemented the 1998 regulatory package, the committee pointed out that in some cases implementation was purely formal and not put into practice effectively. It called on the Commission to take steps to ensure that all EU markets were open to competition, to encourage cross-border services and to create a true 'level playing field'. The committee noted that the current regime for licences had resulted in wide variations to such an extent that the setting-up of identical services in different Member States remained subject to legal uncertainty and widely different schedules, and called for measures to be taken to address these problems. As far as the wireless communication market was concerned, it also warned that fees for licenses and authorisations should cover only justified and relevant administrative costs. The report called for operators, particularly incumbents, to provide interconnection on commercial terms and avoid overpricing and other unfair commercial practices vis-à-vis other operators. Continued moves towards deregulation should be taken as competitive activity increased. Other points raised by the committee included the need to protect consumers' interests and to develop a unified system for comparing prices and contract terms, to be made available to consumers through the Internet. The report also stressed the need for regional equality and equal rights for all EU citizens, wherever they reside, in terms of access to new services and universal service provision. ?

## Implementation of Community telecommunications rules. 5th report 1999

The European Parliament adopted the resolution drafted by Reino PAASILINNA (PES, Finland) on the Commission's fifth report on the Commission's regulatory package. Whilst it welcomes the implementation of the 1998 regulatory package, it noted that in some cases, implementation is purely formal. Parliament expressed its concern at the fact that limited offer at the local loop level has prevented liberalisation from providing its full potential to most users, and from reduction of the cost of access to the internet to a level where it would become affordable to all citizens. It suggested that a unified approach to licensing would be valuable in order to improve market operation and spectrum availability. Parliament regretted that the Commission report did not include any figures on fees for the use of radio frequencies. Operators, and particularly incumbents, should provide interconnection and co-location on commercial terms. There are still too many

obstacles to new investors, particularly for pan-European operators. The Commission is asked to facilitate market opening by publishing best practice benchmarks for market openness and a ranking of Member States for market openness performance. The Parliament also asked that carrier pre-selection be implemented in an easy and transparent way for consumers. It acknowledged that the liberalisation of the market has not had adverse consequences on the availability of universal service but was concerned that access to new services does not seem to have spread beyond the main urban centres, which runs counter to the need for regional equality and the equal rights of citizens in society. The Commission is asked to monitor universal service provision closely to ensure that market mechanisms deliver enhanced access for all EU citizens, wherever they live.?