


Procedure file

Basic information		
INI - Own-initiative procedure	2003/2090(INI)	Procedure completed
Telecommunications: implementation of the regulatory package. 8th report 2002		
Subject 3.30.03 Telecommunications, data transmission, telephone		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, External Trade, Research, Energy	ELDR CLEGG Nicholas	23/01/2003
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs and Internal Market	PPE-DE HARBOUR Malcolm	18/03/2003
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2472	05/12/2002
European Commission	Commission DG Communications Networks, Content and Technology	Commissioner	

Key events			
03/12/2002	Non-legislative basic document published	COM(2002)0695	Summary
05/12/2002	Debate in Council	2472	
15/05/2003	Committee referral announced in Parliament		
04/11/2003	Vote in committee		Summary
04/11/2003	Committee report tabled for plenary	A5-0376/2003	
17/11/2003	Debate in Parliament		
18/11/2003	Decision by Parliament	T5-0496/2003	Summary
18/11/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2090(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/19533

Documentation gateway

Non-legislative basic document	COM(2002)0695	03/12/2002	EC	Summary
Document attached to the procedure	SEC(2002)1329	03/12/2002	EC	
Committee report tabled for plenary, single reading	A5-0376/2003	04/11/2003	EP	
Text adopted by Parliament, single reading	T5-0496/2003 OJ C 087 07.04.2004, p. 0024-0065 E	18/11/2003	EP	Summary

Telecommunications: implementation of the regulatory package. 8th report 2002

PURPOSE : to present a report on the state of implementation of the current telecommunications regulatory framework. **CONTENT :** this is the eighth report on the EU's telecommunications regulatory package. Its purpose is to assess and analyse both the state of the telecommunications market, as well as examining the EU regulatory framework vis-à-vis telecommunications. The state of preparation by the Member States regarding the transposition of new regulations into national law is also scrutinized. In this Report, the Commission notes that it is four and a half years since the telecommunications market was fully liberalised. A cursory overview shows that competition in European telecommunications markets has driven growth and innovation. Further, the public have benefited from the widespread availability of services. In light of the overall economic downturn and the bursting of the dotcom bubble the telecommunications market is somewhat fragile. Yet, in spite of this, its growth over the past year has still remained positive. Realistic estimates of growth in the telecom services market for 2002 in the combined national markets of the 15 Member States vary from around 5% to 7% - a very healthy outlook in view of the average projected EU GDP growth of 1.0% for 2002. Other observations note that: - Carrier pre-selection has proved a highly successful means of opening competition in the fixed market. - There has been a 42% increase in the number of infrastructure-based fixed access operators between August 2001 and August 2002, with 50 more in the market. - For consumers there has been an overall fall in prices over the same period - a 5% fall in the cost of national fixed call and a 4% fall in international call prices since last year. - Prices charged by new entrant players are significantly lower than those of incumbent operators. - Competition in the retail mobile call market has brought average monthly consumer charges down by 23% over the period 2000-2002. - While incumbent fixed operators lost market share for long-distance and international calls during 2001, their share of the local market stabilised at around 89% of the market in terms of retail revenues. - Penetration in the EU digital TV market rose slightly in 2002 to 21%. In terms of the Report's assessment of key regulatory movements, the Commission notes that the adoption of new sector specific regulations designed to enhance competition and converge electronic communication technologies will be a priority in the coming years. Overall the Report concludes that after four and a half years of liberalisation the regulations put in place at the national level is, more or less, compliant with the EU framework. Licensing and interconnection regimes have permitted large-scale market entry, complemented by carrier pre-selection and number portability; delivery times for leased lines have continued to fall; and progress has been made in developing appropriate costing methodologies for the enforcement of EU tariff principles. Areas in need of further work by the national authorities relate to pricing policy and access issues regarding local loop unbundling. Full implementation both of cost-orientation and non-discrimination principles are essential in this regard, and should extend to interconnection and the provision of leased lines, including interconnection leased lines. Lastly, the Commission calls on governments to assist in areas such as electronic communication services by examining a number of additional burdens on the sector in the form of specific taxes on telecommunications services, disproportionate fees for the placing of infrastructure, including mobile antennas on public land and radio emission restriction stricter than those recommend at the European level.?

Telecommunications: implementation of the regulatory package. 8th report 2002

The committee adopted the own-initiative report by Nick CLEGG (ELDR, UK) on the 8th Commission report on the regulatory package on telecommunications. MEPs congratulated the Commission on launching proceedings against those Member States which had not transposed the new regulatory package into national law as soon as the two-month period for notifying the Commission had passed. They demanded that the infringement proceedings against those Member States be completed as quickly as possible. MEPs also wanted the Commission and national supervisors in the European Regulators Group to commit themselves to definitively solving "old" problems in the sector, including international roaming tariffs, mobile call termination tariffs and number portability, and then to turn their attention to new questions, in particular joint dominance and the need for co-operation on developing 3G applications and services, so as to maintain competition in the sector. The committee underlined the importance of a consistent and certain legal framework across the whole of the enlarged EU if new entrants to the communications sector were to be encouraged. It therefore called on the new Member States and their NRAs to give high priority to achieving consistent treatment of market players based on clear competition-law principles. The Commission was asked to collate information on the state of play in the accession countries and their readiness to implement the new framework, and to keep the European Parliament fully informed. The Commission should also set out what technical assistance should be made available to facilitate implementation in cases where countries were unlikely to meet the requirements. The report also stressed that NRAs should be fully independent, properly resourced, have the necessary powers to carry out their functions and be capable of taking a proactive role so as to stimulate sector competition. Furthermore,

given the importance of speedy determination of appeals against NRAs' decisions, Member States should ensure that effective dispute resolution procedures were in place. Other points raised in the report included the need to improve access for disabled and disadvantaged telecommunications users and the need to implement tariff transparency measures, including the right to receive itemised bills free of charge.?

Telecommunications: implementation of the regulatory package. 8th report 2002

The European Parliament adopted a resolution based on the own-initiative report drafted by Nick CLEGG (ELDR, United Kingdom) on the Commission's report on the telecommunications package. (Please see the document of 04/11/03.) Parliament also called on NRAs to act when short-term price reductions by incumbents inhibit the development of competitive market conditions in the long term. With regard to the telecoms sector, Parliament felt that facilities-based competition in which competition service providers invest in their own infrastructure generally yields better results for consumers and lays the foundations for sustainable competition. The emphasis on access-based competition (e.g. resale, local loop unbundling, bit-stream access) should not be regarded as an end in itself but as a route to fuller facilities-based competition. Moving on, Parliament stated that National Regulatory Authorities should be fully independent and properly resourced, that they have the necessary powers to carry out their functions. They should be capable of taking a proactive role so as to stimulate sector competition. The Commission should take a forward-looking and highly active role in the way in which the ERG interprets its regulatory tasks. Finally, Parliament emphasized the importance of speedy determination of appeals against NRAs' decisions. All Member States must have effective dispute resolution procedures in place.?