

# European Parliament Approves Proposal on Unbundled Access to the Local Loop

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On 26 October 2000, the European Parliament adopted a Legislative Proposal based on the Commission's proposal for a regulation of the European Parliament and of the Council on unbundled access to the local loop. The Commission's proposal is a response to the call of the Lisbon European Council for a reduction in the costs of using the Internet (see IRIS 2000-4: 3). A regulation has been preferred as a legal instrument over a directive, which is normally the legal instrument used in telecommunication matters. This choice has been justified on two grounds: the speed of implementation and the need for technical consistency. The Parliament welcomed the original proposal (see IRIS 2000-8: 3), but introduced more detailed provisions in order to ensure that the regulation would be fully operational. These amendments were fully accepted by the Commission. The text is also the result of an ongoing dialogue between the Parliament and the Council, which has already accepted most of its provisions. Therefore a swift approval of the amended proposal by the Council without any further reading is expected.

The local loop is the physical circuit connecting the customer's premises and the main distribution frame or equivalent facility in the fixed public telephone network. Local loops are normally owned by former telecommunications monopolies, and therefore pose an obstacle to competition. It is expected that unbundled access to the local loop will increase competition in Internet access services and multimedia applications based on digital subscriber line (DSL) as well as in voice telephony services, and will lead to reduced costs for consumers and foster the development of the Information Society in Europe.

The Proposal requires notified operators from 31 December 2000 to make an offer for unbundled access to their local loops and related facilities. Notified operators are only those network operators that have been designated by their national regulatory authorities as having significant market power in the network supply market of fixed public telephone under Annex I Part 1 of Directive 97/33/EC or Directive 98/10/EC. A minimum of items to be included in the offer is listed in the Annex to the Proposal. Notified operators will also give from 31 December 2000 unbundled access to their local loops and related facilities, under transparent, fair and non-discriminatory conditions. Prices will be charged on the basis of cost-orientation until the national regulatory authority accepts that the competition in the local access market is sufficiently developed. Each national regulatory

authority will ensure fair and sustainable competition and non-discrimination. Each of them can impose changes in the offer for unbundled access to the local loop, including prices, and require relevant information from the notified operators.

***Informal consolidated text of the proposed Regulation of the European Parliament and of the Council on unbundled access to the local loop, including the amendments voted by the European Parliament during the plenary session of 26 October 2000***

<http://ec.europa.eu/archives/ISPO/infosoc/telecompolicy/en/ULLReg27oc0.pdf>

***Report on the proposal for a regulation of the European Parliament and of the Council on unbundled access to the local loop, Final A5-0298/2000 (COM(2000) 394 - C5-0432/2000 - 2000/0185(COD))***

