

European Parliament: Telecom Package Adopted

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On 12 December 2001, the European Parliament agreed to compromise on the so-called "Telecom Package" which was proposed by the Commission in July 2000. The Telecom Package is a legislative package that will update and simplify the current regulatory framework for Europe's telecommunications and media sector. The measures are designed to improve access to the Information Society by striking a balance between sector-specific regulation and EU competition rules in a market which has historically been dominated by monopolies, but which has opened up over the last years. It includes four directives that will now come into force: the Framework Directive, the Access Directive, the Authorisation Directive and the Universal Service Directive, as well as a Decision on Community radio spectrum policy. The Data Protection Directive will not be adopted before spring 2002, because the Parliament and the Council have failed to reach a common position. In October 2000, the Parliament already adopted a regulation aimed at opening up the local telecom markets to competition.

The Telecom Package forms one of the largest legislative packages pushed through by the current European Commission. The compromise was proposed by the Belgian Council Presidency and has been guaranteed acceptance by the Council. Ministers will formally endorse it in January 2002, after which Member States will have 15 months to implement the package in national law.

The main debating point has been the controversial Article 6 of the Framework Directive which, in the original text as proposed by the Commission, gave the Commission a wide-ranging power of veto over the actions of national regulatory authorities. This veto was initially supported by the Parliament but strongly opposed by the Council, which represents Member States. The compromise now adopted restricts the applicability of the veto to just two areas: defining a relevant market and deciding whether an organisation has significant market power.

The new legislation will reduce regulation as competition becomes effective on specific markets; simplify market entry rules; establish strong coordination mechanisms at the European level; maintain the universal service obligations; establish a policy framework for the coordination of radio spectrum policy; provide regulators with tools to cope with evolving technology and market changes; promote European standards for interactive digital television, and ensure that national legal systems allow for appeals on decisions by the national regulatory authorities.

"Telecoms agreement is "major boost" to EU economy", Press Release IP/01/1801 of 12 December 2001

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/01/1801&format=HTML&aged=1&language=EN&guiLanguage=en>

Texts of the Telecom Package adopted by the European Parliament on 11 December 2001

