

European Commission Urges Unbundling of Local Loop

IRIS 2002-4:1/3

*Ot van Daalen
De Brauw Blackstone Westbroek The Hague*

The European Commission started infringement proceedings on 20 March 2002 against France, Germany, Ireland, the Netherlands and Portugal for failure to comply with Regulation 2887/2000 regarding the unbundling of the local loop. These Member States are to respond to the Commission's request for information within two months.

Regulation 2887/2000 obliges operators with significant market power to publish and update a reference offer for unbundled access to their local loops and related facilities (see IRIS 2001-2: 3). The same principle applies to the local sub-loop. The Annex to the Regulation sets out the minimum list of items to be included in the reference offer. In sum, the reference offer by the incumbent should be complete and sufficiently detailed in order to make sure that the beneficiary does not pay for network elements that it does not need.

The local loop refers to the cable connecting the subscriber's premises to the main distribution frame or equivalent facility. The local sub-loop refers to a partial local loop connecting the subscriber's premises with an intermediate access point in the network. Access to the local sub-loop is essential for offering broadband technologies, such as VDSL, the high-speed version of ADSL. The local access network has been identified by the Commission as one of the least competitive areas of telecommunications. This view has been confirmed in a sector inquiry report on the unbundling of the local loop prepared for the Commission and published on 1 March 2002. The Commission already took action against Portugal, Greece and Germany in December. These proceedings have since been closed, however, after effective remedies were taken by the Member States in question.

"Telecommunications: Commission takes further action on unbundling infringement proceedings against five Member States", Press Release of the European Commission of 20 March 2002, IP/02/445

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/02/445&format=HTML&aged=1&language=EN&guiLanguage=en>

Legal Study on Part II of the Local Loop Sectoral Inquiry, Contract Number Comp. IV/37.640, Squire Sanders Legal Counsel Worldwide, February/March 2002

<http://www.broad->

band.gr/content/modules/downloads/local_loop_unbundling_inquiry.pdf

