

# European Commission: Communication on European Electronic Communications Regulation and Markets 2004

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The Communication on European electronic communications regulation and markets (the so-called 'tenth implementation report'), adopted on 6 December 2004, provides a concise overview of major market developments and the main persisting regulatory issues since the last implementation report. It is based on extensive and detailed market data analysis and assessments of the implementation of regulation in all twenty-five Member States, laid down in an annexed Commission Staff Working Paper. The Communication identifies the following developments: traditional fixed line telephony has declined in terms of value, as increased competition results in lower prices; broadband penetration has increased significantly, due to lower prices and intensified infrastructure-based competition; and mobile penetration continues to increase. According to the Commission, delays and ineffective application in some Member States could hinder competition, innovation and investment. The Commission stresses the importance of full and effective implementation of the new regulatory framework. Twenty Member States have adopted the necessary primary legislation. Five Member States still need to adopt primary legislation to transpose the framework: Belgium, Czech Republic, Estonia, Greece and Luxembourg. The Commission has launched infringement proceedings for non-notification of these laws, and proceedings are pending before the European Court of Justice against Belgium, Greece and Luxembourg (see IRIS 2004-6: 6). In order to give full effect to primary legislation, secondary legislation is still to be adopted in eight Member States: Spain, France, Cyprus, Latvia, Lithuania, Poland, Slovenia and Slovakia. Under Article 7 of the Framework Directive, national regulatory authorities (NRAs) have to notify draft measures on market definition and market analysis to the Commission for assessment prior to adoption, to ensure that these are executed in accordance with EC competition rules. The assessment of notifications shows that regulation puts more emphasis on addressing market failures. Despite the overall positive prospect, the Commission has identified a number of important areas where regulation in the Member States has to be improved. These include the observation of the independence and impartiality of NRAs; the length of the procedures for appeals against NRA decisions; charges for authorisation of services; rights of way, colocation and facility sharing; provision of universal service and unsolicited commercial communications. The main conclusions are that Europe is at a crucial point in the development of a new and dynamic

economy and that full and correct implementation of the regulatory framework and effective application of EC competition rules are essential for the development of the electronic communications market.

***Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, 'European Electronic Communications Regulation and Markets 2004', COM(2004) 759 final, 2 December 2004***

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