

FH 'TECH SPOTLIGHT' N.1

Telecoms package

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INTERNATIONAL COMMUNICATIONS
HILLARD



**Stakeholder Reactions &
EU Press Coverage**

15 November 2007

INTRODUCTION

The proposals for a reform of the EU's Telecoms rules, the so called "Telecoms Package", were adopted by the European Commission on 13 November 2007. This set of legislative proposals will amend the EU's 2002 Telecoms Rules and are scheduled to become law by 2009 (i.e. the EU legislative process will end), with national implementation expected for 2010.

The main initiatives to come out of the package include freeing up the use of radio spectrum, greater competition for the sector, stronger consumer rights, better accessibility and improved security. Overall, this package is geared towards the consumer. For the next two years, national Governments, European Parliamentarians and other stakeholders will debate the merits of these proposals that will shape the European Telecommunications market for the foreseeable future.

With clashes expected, this paper from Fleishman-Hillard Brussels provides the main points of the package, an overview of initial reactions by key stakeholders and a summary of European press coverage.

KEY POINTS OF THE PROPOSAL

- **Consumer rights strengthened:** the package includes several measures that will strengthen consumer rights and freedom of choice. New rules will allow for a wider choice of broadband internet access, the possibility to switch telecoms operators within 1 day, greater price transparency, access to freephone from abroad and improved services for the disabled. The new rules will also extend the number of independent national telecoms watchdogs, to help guarantee fair regulation in the interest of the consumer and strengthen their independence from operators and governments alike.
- **Introducing Functional Separation:** National Regulators will be given the possibility of imposing functional separation on existing operators, following a sound market analysis, to help improve competition and consumer choice. Any decision will require the approval of the Commission.
- **A new Regulatory Authority:** the proposals recommend the establishment of a European Telecom Market Authority (ETMA). It will ensure that important communication services (such as internet broadband access, data roaming and mobile phone usage on planes) are regulated more consistently across the 27 EU Member States. Network and information security will be one of the core functions of the new Authority, and will replace the incumbent European Network and Information Security Agency (ENISA). The new reforms will also ensure that the Commission can intervene with the support of the new authority, to remedy competition problems if these are deemed to be inefficiently dealt by national regulators.
- **Improved spectrum management:** new rules will be introduced to improve spectrum supply and use and to foster greater cross-border coordination. According to the Commission, this will enable increased innovation, competition and choice amongst wireless technologies and services, and strengthen the market for wireless products. Improved spectrum management should also help bridge the digital divide, and expand broadband access to the less connected regions of Europe. All market players are expected to benefit directly from new commercial opportunities.
- **Better regulation:** the number of listed markets seen as suffering from competition problems in the Telecoms area is to be reduced from 18 to 7. National regulators will have to analyse the markets in the new list as soon as possible.