Implementation of the NRF in C&E European countries
Some regional particularities?

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DG Information Society
OUTLINE

- Transposition status
- The ‘starting conditions’
- The challenges
- Some (provisional) market data
- Regional particularities?
The New Regulatory Framework

Framework Directive
- Authorisation Directive
- Access Directive
- Universal Service Directive
- e-Privacy Directive

Liberalisation Directive
Spectrum Decision

Guidelines on SMP
Recommendation on relevant markets
Recommendation on Article 7
Transposition status

- No new Member State asked for transitional measures or derogations as regards transposition and implementation of the NRF

- Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia have transposed the NRF

- The Czech Republic and Estonia have not
Transposition status

- The Commission has been in regular contact with the Ministries, the NRAs and the market players in the new Member States to help the transposition process.

- New Member States have been full active participants in the institutional bodies, the Communications Committee and the European Regulators Group.
The Commission has to follow normal infringement proceedings as regards the NRF in terms of non-communication of transposition measures and in terms of possible non-conformity of national measures with the NRF.
‘Starting conditions’ – the requirements

- Implementation of the ‘acquis’ – the 1998 regulatory framework
- Independent NRA
- SMP designations and related remedies (cost orientation, RIO, non-discrimination, carrier [pre-] selection...)
- LLU and bit-stream access (on basis of non-discrimination)
- Universal service
Starting conditions – the background

- Since 1990 rapid and dramatic change of political and economic framework
- Telecommunications legacy until the late 1990s similar than in the old Member States before 1990
- Important progress achieved – liberalising laws in all new Member States
- Some significant problems remaining
Starting conditions - the problems

- Heavy government participation in incumbents
- Varying degrees of NRA independence
- Interconnection tariffs and conditions unfavourable to effective market entry
- C(P)S, LLU, NP not fully implemented
- Tariff re-balancing not completed
- Limited effective competition
The regulatory challenges

- Good transposition and effective implementation of the NRF
- Secondary legislation
- Independent NRAs with sufficient powers, expertise and resources
- Limited government involvement
- Fast, efficient, appeal procedures
- Good market analysis
- Adequate consultation
- Steady progress towards more competition
- Good cooperation with Commission and other European NRAs
Some market data

The enlarged EU electronic communications market
(% of the total market value)

EU 15 pre-accession
92.7%

10 new MS
7.3%

PL
3.4%

CZ
1.2%

HU
1.3%

SK
0.3%

SI
0.3%

CY & MT
0.2%

EE
0.2%

LT
0.2%

LV
0.2%
Some market data

Fixed lines per 100 inhabitants in the EU25

- Fixed line penetration
- EU15 AVG. PENETRATION
- EU10 AVG. PENETRATION
Some market data

Breakdown of national telecommunications markets (2004)

Mobile telephone services | Fixed Voice Telephony services | Fixed data services | CaTV Services

DK | FI | UK | DE | SE | NL | IE | AT | BE | FR | EU15 | PL | EU25 | EL | HU | EE | PT | ES | EU10 | SK | IT | SI | LV | CZ | LU | LT

0% | 25% | 50% | 75% | 100%

European Commission
Some market data

Mobile penetration rate, 2004
EU25 average penetration: 83%
Some market data

EU Broadband penetration rate, 1 July 2004

Broadband lines per 100 population

EL  SK  PL  CY  LV  IE  LT  HU  CZ  SI  PT  LU  DE  ES  MT  EU25  UK  EE  IT  EU15  FR  AT  FI  SE  BE  DK  NL
### Some market data

#### Total broadband retail lines

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Regional particularities

- Pre-liberalisation legacy
- (Mostly) small markets
- Still very dominant incumbents
- Fixed to mobile substitution
- (Mostly) small broadband take-up
Regional particularities

- Despite some regional particularities, all main principles of the NRF remain valid
- Detailed examination of transposing laws is still ongoing
- The real test will be implementation, in particular market analysis (art. 7 proceedings), NRA independence, expertise and resources
- The Commission is here to help
Thank you!

For more information:

DG Information Society
http://europa.eu.int/information_society/topics/telecoms/index_en.htm

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