



## Fit for the internet age? European parliament votes through connected continent package

The European Parliament has voted in favour of the “Connected Continent” package. The package, published by the European Commission in September 2013, is designed to harmonise the EU telecoms market and promote a single market for telecoms. It is, according to EC President José Manuel Barroso, “essential for Europe’s strategic interests and economic progress”.

### The ‘Connected Continent’ reform package

The package, consisting of a Commission Communication, Regulation and Recommendation includes proposals for the reform of the market’s regulatory framework, addressing cross-border issues and introducing a range of new rights for users and service providers. The reforms aim to:

- **create a single EU authorisation system**, requiring operators to notify the national regulatory authority (“NRA”) in the country in which they are established rather than the NRAs of each Member State in which they operate
- **preserve net neutrality through non-discrimination**, by preventing blocking and throttling of content and services by service providers
- **introduce new rights for consumers** including requiring additional information on service specifications to be included in contracts, notice one month in advance of contract rollover with an option to oppose, and the right to terminate any contract after 6 months without penalty
- **end roaming charges** which means that operators lose the right to charge roaming fees for incoming calls whilst a customer is travelling abroad in the EU
- **co-ordinate spectrum** by way of a set of principles and criteria to ensure the development of an EU wireless space

### The Vote

The European Parliament voted through the package on 3 April 2014 electing to amend certain of the Commission’s proposals and adopt the following position in the new proposed Regulation (although the text may still be amended by the Council).

### Supervision and enforcement

NRAs are to be given powers and resources to **supervise**,

**monitor and enforce compliance** with the Regulation as well as obligations to provide updated information on its implementation and to establish procedures to address complaints.

In addition the European Commission is to perform a full **evaluation of the entire regulatory framework** for electronic communications by 30 June 2016.

### Net neutrality

Internet access is to be provided in accordance with the **principle of “net neutrality”**. Clear rules will prevent service providers from promoting certain services at the expense of others.

However internet access providers will be free to offer **specialised services** of higher quality (such as “cloud” data storage or video on demand) where network capacity is sufficient for their provision not to materially affect the availability and quality of non-specialised internet access services.

MEPs **shortened** the European Commission’s list of **“exceptional” cases** in which traffic management methods will be permitted to when the service provider is implementing a court order, preserving network security or precluding temporary network congestion. These methods are to be “transparent, non-discriminatory and proportionate”.

### Consumers

**Additional information** (for instance in relation to tariff plans and complaint procedures) will need to be included in the contracts of internet and broadband customers. The Regulation will also make it easier for customers to **switch** between internet providers.

### Roaming charges

With effect from **15 December 2015, retail roaming surcharges** for calls, SMS and MMS made/sent or received by EU customers travelling in other Member States will be **banned**.

Roaming providers will be allowed to apply **“fair use clauses”** to the consumption of regulated retail roaming services to prevent abusive or anomalous usage.

## Harmonisation of spectrum

To better coordinate spectrum use, the **transfer or lease of individual rights to use radio frequencies** and the **duration** of such rights are to be **harmonised**. All rights of use of spectrum are to be granted with a minimum duration of 25 years or in any case for a duration likely to **encourage investment** and competition and inhibit the “hoarding” of spectrum.

## Industry reaction

Whilst many see a telecoms single market as the key to bolstering the sector within Europe and putting it on a rival footing to the US and Asia, industry reaction to the European Parliament’s vote has been less optimistic, with many viewing the package as not going far enough to restore the global competitiveness of Europe’s telecoms market.

The **GSMA** (which represents the interests of mobile operators globally) has highlighted its fear that the European Parliament’s changes to the open internet provisions will “*further compromise investment and hinder innovation*”. This is a concern shared more widely with many mobile operators viewing the tightening grip on net neutrality as removing a potential revenue stream (e.g. charging for different services and speeds) which could fund network upgrades.

## What next?

The Council of the European Union must now give its approval to the proposed package before it can translate into law. The Council is expected to make its decision in October 2014.

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