

ESBA Bulletin of December 1999 – Volume 1 – Number 9



HEADLINES

In this issue:

	Political developments and institutional changes
	Adapting the institutions to make a success of enlargement: a commission contribution to the preparations for the Inter-Governmental Conference (IGC) on institutional issues.
	World Trade Organisation
	Millennium round: after the failure, the council states that the EU must develop proposals for improving the working of the WTO.
	Free trade agreement: EU / Mexico
	EU / Mercosur / Chile : negotiations over a free-trade areas are launched
	Last October EU and south Africa signed a trade and development cooperation agreement:
	Commission study highlights substantial economic benefits from a new WTO round
	Single market
	Last month: commission outlines new strategy :
	Internal market: commission presents strategy for the next five years
	Improving the quality of life
	Enhancing the efficiency of Community product and capital markets
	Improving the Business environment
	Exploiting the achievements of the Internal Market in a changing world
	Next steps:
	Commission welcomes new legal framework to guarantee security of electronic signatures
	Small and medium-sized enterprises
	A positive story of European cooperation for the benefit of SMEs
	Telecommunication: the Commission adopts a recommendation on reducing communication costs in Europe.
	Social affairs
	Employment council issues political approval on 3 elements of the employment package to be submitted to the Helsinki European council.
	Taxation

ESBA Bulletin of December 1999 – Volume 1 – Number 9

	EU/taxation on savings: Ecofin council led to nowhere
EURO	
	Commission recommends abrogation of council decision on the existence of an excessive deficit in Greece
Miscellaneous	
	Commission calls for better integration of environment in eu policies, and an improved system of environment and integration indicators
	Commission's assessment
	European Parliament/budget : European Parliament wishes to achieve EU financial autonomy in time, through an increase in own resources
	The commission launches a comprehensive review of the regulatory framework for electronic communications
	The Fifth Report on the Implementation of the Current Framework

Political Developments And Institutional Changes

Adapting the institutions to make a success of enlargement: a commission contribution to the preparations for the Inter-Governmental Conference (IGC) on institutional issues.

The Commission's President, Romano Prodi, and Michel Barnier, the Commissioner responsible for the next Inter-Governmental Conference to review the Treaties, have tabled a contribution to the Presidency's report on revising the Treaties. The Commission's contribution deals with the policy issues and how the IGC should be approached in practical terms. In the Commission's view, the goals are to accommodate a large number of new Member States within the European Union and stabilise the system of Community Institutions on a lasting basis. The Commission is calling for all the institutional reforms needed in a wider Union to be embarked on now, with negotiations starting as soon as possible after the European Council being held in Helsinki towards the end of this year.

The European Union will be entering on a process of enlargement from 2002 onwards. It will need to prepare for almost twice its present number of members, be less remote from the man and woman in the street and become more democratic. Enlargement is the Union's biggest political objective, one which has to be preceded by reform of the Community Institutions.

The Commission identifies three overarching issues affecting the future of the European Union to be dealt with at the next IGC:

- functioning properly with a large number of Member States,
- avoiding watering down the Union,
- continuing with the political construction of Europe.

The Commission recommends that the IGC should **concentrate on institutional matters**.

The Commission is proposing five main areas for thorough-going reform:

1. Decision-making: qualified-majority voting in the Council should become the rule, subject to exceptions for a few fundamental or highly sensitive issues.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

- 2. Revamping the Treaties: this consists of reorganising the texts of the Treaties so that the fundamental passages are separated from implementing rules. Doing so would have the advantage of keeping the Treaties open to further change, since the implementing parts could be amended using a simplified procedure.
- 3. Representation of the Member States within the Council: Council decisions should be made more representative of the relative weight of the different Member States within the Union, while safeguarding the spirit and the balances implicit in the Treaty of Rome. Decision-making should be made easier.
- 4. The other Institutions: enlargement will make it necessary to decide how many elected representatives each country can send to the European Parliament. The Commission, with the new powers vested in its President to give policy directives, should preserve the collegial nature of its deliberations, its effectiveness and its decision-making by simple majority of the Members.
- 5. The workings of the Institutions: all the Institutions - Parliament, Council and Commission (the latter has already embarked on major changes to its internal structures) - will have to review their working methods.

Two other major challenges will face the IGC:

- 1. Preventing the watering-down of the Union, by safeguarding its level of integration while strengthening its cohesion. Without weakening the structure of the Community, Member States must have the possibility of cooperating among themselves at a deeper level of integration than today. In addition, the Union needs to present a coherent front to its external partners.
- 2. Continuing with the political construction of Europe: institutional consequences need to be drawn from current work in progress on the defence of Europe.

The Commission recommends that the launch of the IGC should take place as soon as possible after the European Council in Helsinki. It wants the European Parliament be associated more closely in preparing and conducting the reforms. The Commission will also be presenting its formal opinion on the institutional review under Article 48 of the EC Treaty. Regular contacts will be taking place, too, with the countries that have applied for membership.

World Trade Organisation

Millennium round: after the failure, the council states that the EU must develop proposals for improving the working of the WTO.

Following the failure of the Seattle Conference, the EU Council met for an extraordinary session and approved conclusions stating that:

- the EU will come forward with proposals for a revision of the WTO process;
- there is a need to continue promoting further trade liberalisation and strengthening WTO rules and disciplines (and it emphasises "trade-related" issues and the "legitimate" concerns of civil society);
- it expects a Commission Communication with a view to defining the Union's future strategy.

We will come again on that subject in the next issue of the ESBA Monthly.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

Free trade agreement: EU / Mexico

The EU and Mexico concluded negotiations over the trade agreement that will lead to the total liberalisation of industrial trade in 2007 and for agriculture in 2010. The agreement will cover all aspects of trade relations: a free-trade area on industrial and agricultural products, a preferential system for services, the reciprocal opening up of our public procurement markets, a system covering investments, rules of competition and intellectual property, an effective dispute settlement system.

EU / Mercosur / Chile : negotiations over a free-trade areas are launched

The Joint Council at EU/Mercosur and EU/Chile at ministerial level officially launched negotiations for association and trade liberalisation agreements between the EU and Chile and the EU and Mercosur. According to the brief handed to the European Commission, discussions on the dismantling of tariffs and the liberalisation of services would begin in July 2001 to end following conclusion of the WTO negotiations.

Last October EU and south Africa signed a trade and development cooperation agreement:

The agreement was signed in Pretoria on 11 October 1999 - The Fifteen Foreign Ministers, meeting in Council, discussed the remaining difficulties linked to the EU/South Africa agreement on wine and spirits and its implications on provisional application, starting 1 January 2000, of the comprehensive trade, development and cooperation agreement signed in Pretoria on 13 October last.

The general agreement will be applied provisionally on 1 January 2000 according to the exact terms of the Berlin compromise but contacts at a higher level will continue between the EU and South Africa to clarify the controversial points of the agreement on wines and spirits, concerning the protection, in the broad sense of the term, the application of TRIPS agreements to other protected geographical indications in the Union and the protection of traditional denominations.

Fifth TABD conference focuses on the new WTO round and South East Europe recovery.

Top level business leaders and senior-level government representatives from the European Union (EU) and the United States (US) met in Berlin for the Fifth annual conference of the Transatlantic Business Dialogue.

The purpose of the TABD is to provide an informal forum for business people to identify what they regard as the key issues in the commercial and industrial relationship between the US and the EU, and to come up with recommendations to both sides on steps that could be taken to facilitate business and encourage investment, both across the Atlantic and with third countries.

Alongside Commissioners Erkki Liikanen (Enterprise and Information Society) and Pascal Lamy (Trade), US Secretary of Commerce, William Daley, WTO Director-General, Mike Moore, and German Chancellor Gerhard Schröder attended this year's conference. The agenda has focused on more than 50 issues, divided among five key working groups: standards and regulatory policy, business facilitation, global issues, SMEs and electronic commerce.

Background

The TABD is a business-led dialogue launched in 1995 with the aim to give European and American business people a platform to formulate policy recommendations on the future of transatlantic

ESBA Bulletin of December 1999 – Volume 1 – Number 9

relations. Annual Conferences in Seville, Spain (1995), Chicago, USA (1996), Rome, Italy (1997) and Charlotte, USA (1998) have led to the definition of more than 130 recommendations.

The TABD takes credit for progress made in transatlantic trade and investment relations on a number of issues including the Agreement on Global Technical Regulations in the automobile sector, the third generation mobile telephony standards (3G/UMTS), regulations on industrial fasteners, the use of metric labelling, and electronic commerce.

The Transatlantic Economic Partnership (TEP), initiated at the EU/US Summit in London in May 1998, is designed to reinforce EU-US cooperation and joint leadership in international economic relations and fora. The TEP action plan, endorsed by EU Foreign Ministers in November 1998, forms a rolling programme of cooperation and negotiation – both multilateral and bilateral – to address remaining barriers to transatlantic trade in the area of goods, services, public procurement and intellectual property.

Commission study highlights substantial economic benefits from a new WTO round .

A study by European Commission economists suggests that the new WTO trade round could yield substantial benefits for the world economy. The study finds that further trade liberalization could bring about an annual welfare gain for the world of up to \$400 billion. This is equal to adding an economy the size of Korea or the Netherlands to world GDP each year. It is therefore around twice as much as the OECD's most recent estimate of the impact of full implementation of the Uruguay Round.

Single market

Last month: commission outlines new strategy :

A proposed framework outlining strategic objectives for the European Union's Internal Market over the next five years was presented in a consultative Communication adopted by the European Commission in October 1999.

After consultations with the European Parliament and other interested parties such as **ESBA**, the Commission has now finalised the strategic objectives and a list of specific short-term actions to meet these objectives with a view to reaching a agreement on the overall strategy at the Helsinki European Council in December 1999.

Internal market: commission presents strategy for the next five years

The Strategy centres on four main objectives, namely improving the quality of life of citizens, enhancing the efficiency of the EU's product and capital markets, improving the business environment and exploiting the achievements of the Internal Market in a changing world. Within each of these objectives, the Strategy includes specific target actions whose implementation and level of priority will be evaluated periodically, taking into account the actual functioning of product and capital markets and feedback received from citizens and business. The first such evaluation will take place in April 2000 and subsequent evaluations will take place annually. To “prime the pump”, the Communication identifies nearly 100 initial target actions to be implemented over the next 18 months, of which 30 are new initiatives.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

“This Strategy defines, for the next five years, objectives and specific actions to be implemented to ensure that the Internal Market contributes fully to the broader objectives of the European Union” commented Internal Market Commissioner Frits Bolkestein.

Improving the quality of life

The continuing development of the Internal Market must be at the heart of bringing the Union closer to its citizens. The Internal Market has a direct impact on people’s daily lives as employees, employers, consumers, students, borrowers, savers, investors and taxpayers. Citizens rightly expect that the Union will work to achieve its fundamental objectives, including the promotion of high levels of employment and sustainable development.

The Commission will inter alia:

- review, update and improve parts of its consumer legislation (door-to-door sales, misleading advertising, consumer credit)
- review policy in relation to the recognition of diplomas and professional qualifications
- come forward with Commission Recommendations on integrating environmental considerations into financial reporting and on “green claims” (promotional material relating to the protection of the environment)
- recast existing Community legislation on the rights of residence
- further develop the Dialogue with Citizens and Business.

Enhancing the efficiency of Community product and capital markets

The Union needs efficient goods, services and capital markets. The development of the process of economic reforms will help achieve this by acting as a catalyst to further structural change and modernisation. The completion of an effective Internal Market for financial services is also central to the Strategy for the Internal Market, notably through the implementation of the Financial Services Action Plan, endorsed by the Cologne European Council in June 1999. Finally, information and communication technologies have considerable potential for the Internal Market. An integrated approach to regulation will be needed if that potential is to be realised.

The Commission will inter alia:

- establish a dialogue with industry and consumers as part of the development of the integrated framework for electronic commerce
- bring forward proposals for a Community Patent and for a Directive on the patentability of software before June 2000
- bring forward proposals for a framework Directive and specific Directives announced in the recent review of telecommunications legislation.

Improving the Business environment

Removing the barriers to the free movement of goods, services, capital and persons will only produce the expected effects the overall business environment is favourable. This calls for effective action to eliminate anti-competitive practices and unfair tax competition and reinforced efforts to reduce the overall regulatory burden.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

The Commission will inter alia:

- propose measures to modernise the system of excise duty and current VAT legislation
- adopt block exemption regulations on state aid for SMEs and training aid
- continue to press for full and effective implementation by all Member States of Internal Market Directives
- develop a comprehensive approach to cooperation between Member States in the enforcement of Internal Market rules
- bring forward proposals to modernise and streamline public procurement legislation.

Exploiting the achievements of the Internal Market in a changing world

The impact of Internal Market does not stop at the external frontiers of the Union. The next enlargement of the EU will represent a major challenge to the functioning of the existing rules. In addition, the Community's experience in creating the Internal Market can be put to good use in contributing to the shaping of the multilateral trading system for the next century.

The Commission will inter alia:

- include representatives of candidate countries in meetings of the Internal Market Advisory Committee and of Internal Market Co-ordination Centres (for resolution of trade problems)
- encourage wider use of twinning arrangements to transfer know-how and experience between Member States and candidate countries on particular Internal Market issues
- adopt decisions assessing the adequacy of the level of data protection in some non-EU countries.
- identify and promote Internal Market instruments which could be applied in the framework of pluri- or multi-lateral trade agreements such as a transparent regulatory environment and principles for the harmonisation of standards.

Next steps:

The European Commission also plans to keep pressure up on Member States so that they fully implement the internal market legislation. Its working programme integrates the many draft legislations being adopted, for which a new timetable has been established. It mainly comprises several issues blocked in Council, for which adoption delays are given: June 2000 for the "tax package" and the famous directive on savings taxation, June 2000 also for the directive on energy taxation, and June 2001 for the statute of the European company.

The full text of the Communication is available on the Europa Internet site: <http://europa.eu.int/comm/dg15>

Commission welcomes new legal framework to guarantee security of electronic signatures

The European Commission has welcomed the adoption of a new legal framework guaranteeing EU-wide recognition of electronic signatures (at the 30 November Council of Telecommunications Ministers). The Electronic Signature Directive is a first example of the Commission's flexible and integrated approach towards developing a European framework for the development of electronic commerce. In the past only hand-written signatures have been legally valid but this legislation extends that recognition to electronic signatures and applies the Internal Market principles of free movement of services and home country control to E-commerce.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

The full text of the Directive will be available on:

<http://europa.eu.int/comm/dg15/en/media/sign/index.htm>

Small and medium-sized enterprises

A positive story of European cooperation for the benefit of SMEs

The Member States of the European Union are learning valuable lessons from each other in making life easier for Small and Medium-Sized Enterprises (SMEs). By copying good practice from elsewhere in the Union they are improving regulatory and administrative procedures and enhancing the effectiveness of their support measures. The details of this development are presented in a Report on Concerted Action with the Member States in the field of Enterprise Policy, adopted by the European Commission.

Concerted Action is based on the active exchange of best practice, which means that it is a process based on emulation rather than regulation.

Since 1995, the Commission has been helping the Member States to work together to identify and exchange best practice in broad areas of Enterprise policy: the simplification of the business environment, the provision of effective business support measures and the visibility and take-up by enterprises of the services provided. The method used has been to concentrate, in a series of for a and seminars, on the circumstances of enterprises at different stages in their development; at start-up, as they grow and when they come to be transferred to new owners. This has been supplemented by analysis of the case material presented.

The results, already partially formalised in a Commission Recommendation and a Communication, consist of identifying central issues - in particular aspects of Enterprise policy and making concrete proposals for improvements, illustrated by cases of existing good practice. These 'good practices', which are to be published separately by the Commission, are outlined in the report.

The full text of the report in the 11 Community languages is now available on the Enterprise DG website at:

http://europa.eu.int/Commission/dg23/gen_policy/concerted_action/concerted_action.html

Telecommunication: the Commission adopts a recommendation on reducing communication costs in Europe.

The European Commission adopted a recommendation setting price ceilings for short-distance leased lines, meant to encourage the unbundling of the local loop and to stimulate competition in local access telecommunications networks. Leased lines are short-distance communication links that telecommunications operators make available to other network operators. These lines are essential building blocks for the internal communications networks of European businesses and are also used by **SMEs** for permanent high-speed access to Internet. This sector represents 25% of the total telecommunications market in some Member States.

An operator charging more than the recommended price would have to justify why he is required to do so. In response, the national regulatory authority could oblige the operator to reduce its prices to a competitive cost-oriented level.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

It should be noted that the International Telecommunications Users' Association (INTUG) has provided regular price comparisons of leased line tariffs of incumbent operators across the EU.

The comparisons are available at the following site:
<http://www.intug.net/surveys/ill/explanation.html>

Social affairs

Employment council issues political approval on 3 elements of the employment package to be submitted to the Helsinki European council.

The Council of Labour and Social Affairs Ministers and Finance Ministers drafted a political agreement on the 1999/2000 employment package that will be put before the Helsinki European Council on 10 and 11 December. This package includes:

The Guidelines for employment policies of Member States in 2000 to be incorporated into the European Council Conclusions. The Commission will have to present its final proposal for the guidelines, so that the Council can adopt them formally at the start of next year. The guidelines lay down the following priorities: i) improvement of employability: - tackling youth unemployment and preventing long-term unemployment; - switching from passive to active measures; - encouraging partnership; - facilitating the transition from school to employment; - promoting a labour market open to all; ii) **development of the entrepreneurial spirit:** - facilitating business start-up and management; - exploiting new job creation possibilities; - making the tax system more favourable to employment; iii) encouragement of workers and businesses' capability to adapt: - modernising the organisation of work; - offering support for businesses' capability to adapt; iv) strengthening of policies on equality of opportunity for men and women: - tackling discrimination between men and women; - reconciling work and family life; - facilitating reintegration into employment;

The Joint Employment Report 1999, of which a consolidated version will be submitted to the Heads of State and Government for approval;

The Recommendations to Member States on the implementation of their employment policies, which for the first time will be sent to each of them. Political agreement was reached on these recommendations and they are due to be formally approved at an upcoming Council session.

Taxation

EU/taxation on savings: Ecofin council led to nowhere

The conclave on tax envisaged by the Finnish Presidency of the EU Council will not take place. Finnish Finance Minister Mr. Sauli Niinisto, who was in London to try to break the deadlock in negotiations over the tax on savings (withholding tax) came back empty-handed. Successive talks with representatives of the City, the Chancellor of the Exchequer, Gordon Brown, and the Governor of the Central Bank, Eddie George led nowhere.

The European Summit of Helsinki on 10 and 11 December is the deadline set by the Fifteen on 1 December 1997 to reach agreement on the "fiscal package", together with measures adopted to combat tax freebooting. This deadline has been confirmed again on the last Ecofin Council. Progress has been recorded in two of the three areas of the package's components: company tax (with a code of conduct) and tax on the cross-border payment of interest and fees between companies (draft directive). But for savings (draft directive on taxing revenue on savings of non-residents), talks have

ESBA Bulletin of December 1999 – Volume 1 – Number 9

been deadlocked for several months. Fearing that the project should harm the City, the United Kingdom is calling for a quasi total exemption of bonds from the directive's field of application. Considering possible concessions, the other Member States reject this stance they believe to be too extreme. For them, it would create too greater distortions, depending on the nature of an investment. It would also detract from the exercise's credibility as the aim of ensuring that a minimum of tax on interests paid in a Member State to individuals residing in another Member State would be circumvented. On Monday the Ecofin Council led to nowhere and in case of failure for reaching an agreement at the Helsinki meeting, the dossier would have to be handle by the Portuguese presidency in January.

EURO

Commission recommends abrogation of council decision on the existence of an excessive deficit in Greece

The European Commission approved a Recommendation to the Council to abrogate its decision of 26 September 1994 on the existence of an excessive deficit in Greece. The general government deficit in Greece has been reduced from 13.8% of GDP in 1993 to 4.0% in 1997 and 2.5% of GDP in 1998, thus below the 3% reference value established in the Treaty. It is expected to decline further both next year and the following year. The Ecofin Council will decide on the Commission's recommendation at its meeting acting by qualified majority. That is an important step in Greece's efforts to join the single currency.

Miscellaneous

Commission calls for better integration of environment in eu policies, and an improved system of environment and integration indicators

The European Commission has adopted a working paper called "From Cardiff to Helsinki and beyond" which assesses the strategies by different sectoral Councils for protecting the environment. The report is a contribution by the Commission to the Helsinki European Council (10-11 December), which will review overall progress on the integration of environmental concerns and sustainable development into Community policies. The European Council in Cardiff (June 1998) had asked sectoral Councils to report on how environmental objectives were taken account of in their work. The Commission now concludes that these Councils have made encouraging first steps in this respect but that further efforts are needed. All relevant layers of the Council were invited to develop integration strategies.

The Commission has evaluated the integration strategies by the Transport, Energy (draft) and Agriculture Councils. In addition, it has reviewed the integration reports by the Industry, Internal Market and Development Councils.

Commission's assessment

The Commission finds it encouraging that the various Councils are taking the first steps towards preparing the strategies the European Council has called for.

However, progress is clearly uneven, and further work is required to meet the expectations of successive European Councils and Treaty objectives. The various strategies refer to climate change, enlargement and the environmental dimension of employment as cross-sectoral issues where relevant, as requested by the Heads of State and Government. However, clear timetables and

ESBA Bulletin of December 1999 – Volume 1 – Number 9

objectives for individual measures are largely absent which makes the monitoring of progress difficult.

Moreover, the Commission considers that more focus should be put on addressing the origin of problems rather than seeking to abate the effects with end of line solutions. Nowhere is this more evident than for climate change. In addition, more reflection is needed on the role of long-term and intermediate-term sector-specific environmental targets.

Also, the Commission presents specific short and medium-term actions in individual sectors, which will in its view further promote environmental improvements. The suggestions in each of the main sectors include areas where the Commission is already working on specific initiatives as well as suggested new approaches. In the industrial sector the importance of developing an integrated product policy is recognised to be the subject of a Green Paper as a basis for discussion.

Next steps:

- The Fisheries, General Affairs and Ecofin Councils are to report back to the European Council in 2000 on the integration of environmental issues and sustainable development into each of the policy areas. The Commission considers that it would be appropriate to schedule an overall review by the European Council in June 2001 on the progress of developing and implementing the various Council strategies.
- Report on indicators

European Parliament/budget : European Parliament wishes to achieve EU financial autonomy in time, through an increase in own resources

With its adoption last week of the report by German Social Democrat Jutta Haug, the European Parliament, which is simply consulted on the issue, approved an amended version of the proposal for a decision on the European Union's own resources implementing the Conclusions of the Berlin European Council of 24 and 25 March. The proposal submitted to the Council by the European Commission contains four principal measures: (1) an increase in the percentage of traditional own resources that Member States may withhold (25% instead of 10%) to cover their administrative costs; (2) a gradual reduction in the maximum rate of call-up on VAT resources from 1% to 0.75% in 2002 and 2003, and then to 0.5% beginning in 2004; (3) technical adjustments to the correction in favour of the United Kingdom, which is maintained; (4) a new mode of financing this abatement enabling the contributions by Germany, Austria, the Netherlands and Sweden to be brought down to 25% of what they would have paid if the fourteen States had financed the correction in full.

Endorsing the view of its Committee on Budgets, Parliament reiterated its position in favour of a fair and transparent system of own resources and a satisfactory cost/effectiveness ratio comprehensible to citizens. It reiterated that there is a need for a dynamic reform of the system, with the introduction of new own resources but without increasing the total burden on taxpayers. In this context, it called for a phased reduction of the Union's dependence on Member State contributions so that in time it can achieve true financial autonomy. Parliament also called for the phasing out of the British abatement. It approved the maintenance of the own resources ceiling at 1.27% of the Union's GNP. The European Commission is invited to present a report on the working of the own resources system before 1 January 2004.

ESBA Bulletin of December 1999 – Volume 1 – Number 9

The commission launches a comprehensive review of the regulatory framework for electronic communications

The Commission adopted a package of four Communications to launch a review of the current regulatory framework for electronic communications. This process will be the cornerstone for maintaining and improving Europe's competitive position in the Information Society. To respond to rapid technological changes in this field, Europe needs to adapt its regulatory framework. The current regulatory framework has already allowed bringing substantial competition into the markets for telecommunications services.

Already now, the Information Society contributes substantially to economic growth, competitiveness and job creation. For example, 1 in 4 of every new job in Europe is created in the Information Society industries.

Reviewing the current regulatory framework will allow removing market access barriers for communications services. It will also allow cutting "red tape", by eliminating, for example, practical difficulties and burdens for operators by moving away from the present wide-spread practice of cumbersome licensing procedures. Mr. Liikanen, Commissioner for the Information Society proposes to simplify the present regulatory framework by reducing the number of EU legal texts from presently 20 to 6.

The decision taken by the Commission covers four Communications. These are the following:

- Communication on a New Framework for Electronic Communications Infrastructure and Associated Services – The 1999 Communications Review.

This Communication proposes a number of policy orientations for the review of the current regulatory framework for liberalisation and harmonisation of the market for electronic communications. It draws the lessons from the convergence debate, the annual reporting on the implementation of the current framework. **The Commission will consult on the proposals contained in this Communication and will propose by mid-2000 a new regulatory framework** to provide for more competition, simplification, and removing market access barriers in this area.

The Fifth Report on the Implementation of the Current Framework

This periodic report, presented by Mr. Monti, Commissioner for Competition and Mr. Liikanen, examines the state of implementation of the current regulatory framework for telecommunications. It seeks to maintain the impetus in Member States for effective implementation. Its main conclusions are: the comparatively low level of harmonisation in particular of the licensing and interconnection regimes in the Community is a barrier to market entry; the wide divergences in the way in which Community rules are implemented at national level raise further barriers; there is currently a lack of competition in the local access market in the Member States, although steps are being taken to issue wireless local loop licenses and to use national regulation to provide alternative ways of accessing the "last mile".

- Report on Digital Television in the EU.
- Communication on Next Steps in Radio Spectrum Policy.

For more information: <http://europa.eu.int/comm/dg13>