



Skopje, 21 January 2005

Mr. Dick Goldman, Mission Director
United States Agency for International Development
St. Jurij Gagarin 15/111
1000 Skopje
The Republic of Macedonia

Re; Draft Electronic Communications Law

Dear Mr. Goldman,

Having being asked by USAID to review the draft electronic communication law for the Republic of Macedonia, I would like to submit the following comments. I have reviewed the English translation of the draft law adopted by the Government on the 26 December 2004. The comments are my personal and are primarily related to the conformity with the relevant European Union legislation.

The European Union adopted a new set of legislation for the electronic communications market during 2002. The previous set of legislation, to be fully implemented by the Member States as of 1998, was designed to make possible the introduction of competition into monopoly markets. The legislation was thus designed to incorporate the legislative needs for such a transition.

The 2002 package of legislation takes account of the fact that some markets or market segments have become competitive within the EU Member States and the regulatory interventions can thus be less strict. It is however important to note that for markets not yet benefiting from competition, such as the Macedonian market, the regulatory obligations from 1998 are still valid also in the 2002 package. A Macedonian legislation that should be compliant with EU legislation must be formulated to incorporate all regulatory obligations from the 1998 package. This has been accomplished in a very constructive manner, partly through the transitional arrangements, although a few amendments could be recommended.

For the Republic of Macedonia the implementation of Universal Services are of specific importance. A couple of amendments in the draft law are necessary also in

this part to achieve conformity with the EU legislation and can easily be done. However, realising the present situation in the Republic of Macedonia, I would strongly recommend a gradual implementation of those Universal Services that require financial subsidies. That could be done with some additional, rather minor, modifications. Such an approach will stimulate growth in the sector and thereby enabling further socially motivated interventions.

With those reasonably minor amendments this draft law could provide a constructive platform for the development of the Republic of Macedonia and should facilitate a future accession to the EU.

Yours sincerely

Jerker Torngren
Chief of Party

CC. Steven Gonyea, USAID
Zdravko Sami, USAID
Zoran Jolevski, WTO-CA