

WRITTEN QUESTION E-1640/00  
by Alejandro Agag Longo (PPE-DE)  
to the Commission

Subject: Competition in the telecommunications sector

The introduction of competition in the telecommunications sector is now an objective pursued, albeit with varying degrees of intensity, by all the Member States of the EU and backed up by the Commission in the recommendation contained in the broad economic policy guidelines. It is well known that there are different ways of issuing licences to the different operators charged with creating competition. Recent press reports indicated that the British State received some 36000 million dollars (6.3 trillion pesetas) as a result of the auction of third generation mobile telephony licences.

Without prejudice to the necessary level of subsidiarity of such decisions, does the Commission consider that the various methods of issuing licences are neutral vis-à-vis the process of opening up the sector to competition? In other words, does the Commission not think that the high prices achieved in such auctions may constitute a 'prior' distortion of competition since they have an impact on the subsequent setting of prices and since they encourage the process concentration of businesses based solely on the need to be able to bid in such auctions?