

WRITTEN QUESTION E-2126/07
by Renato Brunetta (PPE-DE)
to the Commission

Subject: Telecom Italia: persistent and ongoing market abuse and manipulation

For the last ten days, immediately after it was announced that Pirelli and At & T/America Movil were to enter into negotiations, not an hour has passed without some statement by Prodi Government ministers or Deputies or senior leaders representing the ruling parties calling for legislation on the Telecom Italia network. All the talk of emergency decrees and bills to separate it or hive it off, if not to renationalise it outright, is ignoring the fact that the network is company owned and any measures would inevitably have to allow for that inescapable reality.

A different organisational structure, based on the British Openreach model, would be possible, but would have no effect on asset ownership, which would continue to lie, just as it does in the United Kingdom, within the company.

The flood of utterances thus appears to be an altogether inappropriate call to arms that is disrupting the market and the negotiations in progress. All this is happening while trading is continuing on the Stock Exchange and at the expense of a quoted company and its shareholders, in total disregard of the rules on market abuse.

The Prodi Government's attitude to Telecom Italia, a quoted company, is, moreover, nothing new (see Written Question P-4086/06 tabled by Renato Brunetta on 21 September 2006) and constitutes a persistent, systematic administrative practice contrary to Community law and the free market principles which the Community institutions have always taken as the starting point for their action.

In the light of the foregoing, can the Commission say

- whether the continual and repeated interference by the Italian Government, not least through measures having the force of law, constitutes a persistent systematic violation of the directives governing the market, in particular the one on market abuse (Directive 2003/6/EC¹), and, if so, what steps it will take;
- how such behaviour by the Italian Government can be considered to be in accordance with the principles designed to protect shareholders and savers (who are being harmed by the continual announcements, which are significantly influencing price formation) and, more generally, to ensure the smooth running of the Italian share market?

¹ OJ L 96, 12.4.2003, p. 16.