

WRITTEN QUESTION P-0234/05
by Reino Paasilinna (PSE)
to the Commission

Subject: Tenth Commission implementation review

The Commission's tenth implementation review ('European Electronic Communications Regulation and Markets 2004', COM(2004)0759) reveals manifest imperfections in national ways of dealing with significant market power (SMP) under the new rules on electronic communications. Finland, the United Kingdom, and Sweden have been among the first to notify decisions concerning SMP to the Commission, whereas some large Member States, France, Italy, or Spain, for example, have not notified any of their decisions whatsoever.

Large Member States are thus, in some cases, closing their borders to the harmonised single market legislation, causing that market to be distorted. This puts telecommunications companies operating on, say, the Finnish market in an entirely different position from the old telecommunications giant operating in large Member States. The erstwhile monopolies are investing in new product development, whereas regulation has driven the sector elsewhere into keen price competition. Another problem is low-cost business, which is depriving rival operators of resources to invest in the necessary development projects. This impairs competitiveness. In addition, because of the distortion, the aim of the new communications market legislation – less regulation – is being held up.

What will the Commission do to ensure that decisions concerning significant market power are notified, and measures implemented, in a fair manner in every Member State without delay?