Electronic communications and associated services: 1999 review of the regulatory framework

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The committee adopted the report by W.G. van VELZEN (EPP/ED, NL) on the Commission communication on creating a new regulatory framework for electronic communications infrastructure and associated services. Although it supported the Commission proposals, the committee felt that there was a need for further reflection on a number of issues, including the concept of competition, the question of dealing with an imperfect market, the proposed system of "significant market power and dominant positions", general authorisation and radio spectrum auctions. On the latter point, the committee felt that spectrum auctions should be discouraged as they worked against the objectives of creating a level playing field and guaranteeing services at affordable prices. As not all Member States held auctions of UMTS frequencies, some ICT companies obtained UMTS frequencies at far lower prices than their competitors. Furthermore, auctions tended to raise licence fees above economic value, raise consumer tariffs and hamper the introduction of new services. The committee wanted the Member States to use the revenues raised as a result of auctions, fees and radio spectrum pricing to create better conditions for the development of an information society and e-commerce in the EU. While the committee agreed with the general principle of the new framework proposed by the Commission (whereby national regulators would apply the same licensing principles when licensing all communications infrastructure and associated services and there would be no requirement for explicit authorisation by a regulator before providing services, except for the use of radio spectrum and numbering resources), it nevertheless argued that sector-specific regulation would still be required, for example for the regulation of markets where effective competition was unlikely to emerge and for the achievement of certain public policy objectives.