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Commission opens three new cases on independence and effectiveness of telecoms regulators in Latvia, Lithuania and Sweden

Effective national telecoms regulators are a prerequisite for ensuring fair and effective regulation of the telecoms markets in the interest of effective competition and tangible consumer benefits. This is why the EU Telecoms rules lay down standards and powers for all national authorities which perform regulatory functions in the field of telecoms, whether these functions are performed by separate regulatory authorities or (as is still the case in some countries) by a ministry. To ensure compliance with these rules, the European Commission today opened three new infringement proceedings against Latvia, Lithuania and Sweden.

"National regulatory authorities are the backbone of the EU Telecoms rules and are therefore central to fair regulation in our Single Telecoms Market", said EU Telecoms Commissioner Viviane Reding. "The principle of independence of national regulators laid down in the EU Telecoms rules includes the rule of structural separation which prohibits state authorities with regulatory tasks in the telecoms sector to exercise activities associated with ownership and control of state-owned telecoms companies. I therefore call on Latvia and Lithuania to ensure full respect of the principle of independence for the regulatory functions performed by their national ministries. Furthermore, Sweden must ensure that a complete set of powers to deal with access and interconnection are at the disposal of its national regulator."

The Commission today decided that both **Latvia** and **Lithuania** will be sent letters of formal notice, the first stage of an infringement proceeding, because their respective ministries responsible for telecoms perform certain functions assigned to national regulators in the areas of numbering, frequency management and universal service while at the same time exercising, on behalf of the state, activities associated with ownership and control ('operational activities') in certain state-owned telecoms companies. This lack of structural separation could undermine the impartiality of their regulatory decisions. The Court of Justice in a recent judgment (6 March 2008, regarding Spain) held that where ministerial authorities hold regulatory functions, Member States must ensure that these authorities are not involved in such 'operational activities'.

The Commission is also sending a letter of formal notice to **Sweden** since the national telecommunications legislation, as interpreted by Swedish courts, limits the powers of the Swedish national regulator (an agency separate from the ministry) in the settlement of certain disputes over interconnection agreements between telecoms operators.

A detailed overview of the state of infringement proceedings is available on the implementation and enforcement website of DG Information Society and Media:
http://ec.europa.eu/information_society/policy/ecomm/implementation_enforcement/infringement/

For the other infringement proceedings under the EU Telecoms rules in this round see IP/08/1342 and IP/08/1344.