

Sector Inquiry New Media (3G)

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Introductory speech

First of all I would like to thank all of you for being present in the European Commission's premises today. This is an opportunity for us to discuss the preliminary findings of the Sector Inquiry on the competition issues raised with regard to sports and New Media. We consider this day as an opportunity to share those findings from our investigation, and on that basis to provide a further opportunity for feedback from you, both through the comments that some of you will be making this afternoon, and also through additional submissions that you may wish to make following today's event.

I wish to begin this day by restating the main reasons that led the Commission to launch this inquiry. As all of you well know, the Commission recognizes the importance of telecommunications, New Media and mobile, in particular for the European economy and for the

European Consumer. These sectors are currently undergoing important developments. One of those concerns the presence of media-rich content across platforms. Due to a number of changes on the technical side and in consumer patterns, media content is finding its way on the Internet through broadband connections, and indeed on mobile, thanks to increased bandwidth and third generation networks. Those services are being rolled out on a large scale across member states. After a wave of commercial offerings for professional customers, private consumers are now the main focus of operators.

An overview of the main developments in the 3G sector will be given just after this presentation by Peter Rodford, who is one of those in charge of following those areas at DG Information society.

As in all areas, the Commission in general, and DG Competition in particular, seek to ensure that new developments are in accordance with competition rules, and indeed that restrictions are not imposed that are detrimental to such developments. In the media area, recent Commission decisions have highlighted the existence of restrictions imposed to multi-platform distribution of content, in particular with

regard to sports event. The occurrence of such restrictions was one of the reasons that prompted the Commission to seek clarification through an investigation.

An investigation across the EU is warranted by the importance and ubiquity of mobile services, present and launching in most EEA countries, and also by the particular market structure in the media sector which creates risks for competition. Those aspects will be discussed in more detail by Philip Lowe, in his speech this afternoon.

As for me, I would like to underline that with modernization of European antitrust policy, the need for proactive enforcement of competition rules has substantially increased and sector inquiries are becoming an essential part of DG Competition's work. In this respect, you may have heard that we are currently preparing the launch of further inquiries into the markets for energy and financial services, which, like telecommunications and new media, we consider key sectors for both European industry and consumers.

Let me now give some elements of background on the instrument of the sector inquiry.

Under Article 17 of the new basis for antitrust Regulation, Regulation 1/2003, the Commission may decide to conduct an inquiry into a particular sector of the economy or into particular types of agreements across various sectors, where the trend of trade between Member States, the rigidity of prices or other circumstances suggest that competition may be restricted or distorted within the common market.

The purpose of a sector inquiry, pursuant to Article 17, is therefore to achieve, with the co-operation of the relevant economic and institutional actors, a better understanding of a particular sector of the economy or a particular type of agreement across various sectors. This exercise can then help to ascertain the underlying reasons why markets do not fully function in certain sectors. To that purpose, Regulation 1/2003 provides the Commission with the power to request information to undertakings and associations of undertakings (Article

18), to take oral statements (Article 19) and to carry out inspections (Article 20).

To the extent that a sector inquiry confirms the existence of anti-competitive practices according to Article 81 and 82, the Commission or the national competition authorities can envisage taking appropriate measures to restore competition in the market. In this respect, let me recall that the “modernisation” of the enforcement of Article 81 and 82 has allowed the creation of the European Competition Network, which represents a unique forum of co-operation between the Commission and the national competition authorities and which may prove particularly relevant in the context of sector inquiries.

The foregoing is aimed at explaining the context of today’s debates. For my part, I wish you a very open and fruitful discussion, and would like to assure you that the Commission will pay great attention to all that will be said today.

I welcome you again and now I give the floor to Peter Rodford who is head of unit at the Directorate General Information Society.