

13 February 2009

Dear Minister,

The International Telecommunications Users Group (INTUG) represents telecommunications users (mainly business) globally. Within the EU, INTUG includes national user associations in many countries, who act on behalf of companies who use telecommunications to provide services to their employees and customers. These services generate investment, innovation, economic growth, social welfare and employment in support of the i2010 goals. The Single Market will be best served by effective co-ordination and greater consistency of regulation.

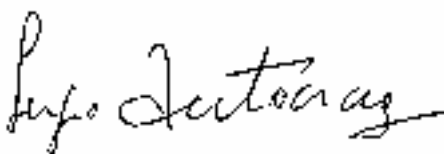
The Review of the Telecommunications Regulatory Framework, which you are to discuss in Prague on 17 February, is an opportunity to secure continued progress in establishing consistency and open competition in telecommunications in support of the Single Market. This is the best way to ensure that the EU develops the telecommunications environment best suited to enabling commerce and full participation in an information society. There is, however, a risk that the outcome of the Review will produce a reversal of the valuable progress made to date, and could even produce the death of competition in some markets.

Business users of telecommunications are an engine of growth for the EU in these difficult recessionary times. INTUG urges you to resist the protectionist self interests which seek to limit or eliminate competition, and serve the interests of incumbents and those with dominant power in the telecommunications market, representing 2% of the EU economy. The supply chains of business users represent 35% of the EU economy.

INTUG members believe that a combination of infrastructure-based competition AND service-based competition is the right way to achieve the desired goals. This must be based on efficient investment in infrastructure, which is accessible openly to all service providers on a non-discriminatory basis. The EU cannot afford to waste capital in the dogmatic pursuit of infrastructure competition as a political aim in itself. Bottleneck assets must not be subject to privileged use by a favoured few.

This complementary structure of competition, combining the best of both approaches, cannot be achieved if open access to wholesale inputs is conditional upon "risk-sharing" measures, which are in themselves discriminatory. The expert advice of the European Commission and the unanimous vote of the Council in November, confirmed that such access conditions are unacceptable. INTUG asks the Ministerial to resist attempts by certain parts of the European Parliament to reintroduce these discredited mechanisms.

Resolution of these issues is urgent, but if a slightly extended process is needed to avoid damaging compromises, business users would welcome this as a price well worth paying. Expediency comes at a cost. The prize of an increasingly competitive open single market in telecommunications is too great to be sacrificed. INTUG urges the Council to stand firm.

A handwritten signature in black ink, appearing to read 'Sergio Antocicco'.

Sergio Antocicco
Chairman INTUG

A handwritten signature in black ink, appearing to read 'Nick White'.

Nick White
Executive Vice President INTUG