



EUROPEAN COMMISSION

Brussels, 11.08.2004

SG-Greffe (2004) D/203486

Post & Telestyrelsen
P.O. Box 5398
SE-102 49 STOCKHOLM

For the attention of:
Ms Marianne Treschow
Director General f.f.

Fax: +46-8-678 57 03

Dear Ms Treschow,

**Subject: Case SE/2004/0084: Wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services in Sweden
Article 7(3) of Directive 2002/21/EC¹: No comments**

I. PROCEDURE

On 6 July 2004, the Commission registered a notification by Post & Telestyrelsen (“PTS”) concerning wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services (“wholesale unbundled access”) in Sweden.

A national consultation is running in parallel from 2 July to 27 August 2004.² Prior to the current consultation, interested parties have been consulted informally on market definitions, designation of operators with significant market power (“SMP”) and remedies.

¹ Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (the “Framework Directive”), OJ L 108, 24.4.2002, p. 33.

² In accordance with Article 6 of the Framework Directive.

Pursuant to Article 7(3) of the Framework Directive, national regulatory authorities (“NRAs”) and the Commission may make comments on notified draft measures to the NRA concerned.

II. DESCRIPTION OF THE DRAFT MEASURE

PTS defines the relevant product market as the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services. The product market definition is in conformity with the Commission's Recommendation on relevant markets.³ PTS considers this market to be national in scope.

On the basis of its market analysis, PTS intends to designate TeliaSonera AB as having SMP in the relevant market. The main criteria considered by PTS when reaching its provisional conclusion on SMP are market share (TeliaSonera’s market share exceeds 99%), lack of market dynamics (TeliaSonera’s market share has remained constant during the last 10 years), high barriers to entry, lack of countervailing buyer power and potential competition and the fact that TeliaSonera is a vertically integrated company.

PTS proposes to impose the following obligations on TeliaSonera:

- (1.) Access obligation: to meet any reasonable requests for wholesale unbundled access from other operators.
- (2.) Price regulation: obligation to apply cost-based pricing according to the LRIC-method (Long Run Incremental Cost) for access to conventional subscriber connections and relevant facilities.
- (3.) Non-discrimination: obligation to provide access to conventional subscriber connections and relevant facilities on non-discriminatory terms.
- (4.) Cost accounting: obligation to keep separate accounts for the provision of wholesale unbundled access.
- (5.) Reference offer: obligation to publish a reference offer.

III. NO COMMENTS

The Commission has examined the notification and has no comments.⁴

Pursuant to Article 7(5) of the Framework Directive, PTS may adopt the resulting draft measure and, where it does so, shall communicate it to the Commission.

The Commission’s position on this particular notification is without prejudice to any position it may take vis-à-vis other notified draft measures.

³ Market 11 in Commission Recommendation 2003/311/EC of 11 February 2003 on relevant product and services markets within the electronic communications sector susceptible for ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, OJ L 114, 8.5.2003, p. 45.

⁴ Pursuant to Article 7(3) of the Framework Directive.

Pursuant to Point 12 of Recommendation 2003/561/EC, the Commission will publish this document on its website.⁵ The Commission does not consider the information contained herein to be confidential. You are invited to inform the Commission within three working days following receipt of the present letter whether you consider, in accordance with Community and national rules on business confidentiality, that this document contains confidential information which you wish to have deleted prior to such publication.⁶ You should give reasons for any such request.

Yours sincerely,

For the Commission,
Mario Monti
Member of the Commission

⁵ Commission Recommendation 2003/561/EC of 23 July 2003 on notifications, time limits and consultations provided for in Article 7 of Directive 2002/21/EC, OJ L 190, 30.7.2003, p. 13.

⁶ Your request should be sent either by email: INFSO-COMP-ARTICLE7@cec.eu.int or by fax: +32-2-298 87 82.