

EC backs opening Spain wireless market

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The European Commission Tuesday gave its blessing to Spain's plan to open up its wireless telephone market to greater competition.

The Commission endorsed a proposal by CMT, the Spanish telecom regulatory agency, that would allow Mobile Virtual Network Operators to have access to the networks of three Spanish cell-phone operators.

MVNOs lease the infrastructures of other wireless companies for their own branded wireless phone services, and the Commission's Competition Committee determined the entrée of MVNOs to the Spanish market would benefit consumers.

"CMT's measure will increase competition in the Spanish retail mobile telephone market and benefit 40 million Spanish consumers," Competition Commissioner Neelie Kroes said in a statement.

Technically, the Commission based its decision on Article 7 of the 2002 EU Framework Directive on electronic communications. The directive requires Spain's regulators to look at the MVNO proposal and determine its impacts on consumers and the industry as a whole.

The commission said the CMT determined that while telecom companies Vodafone, Amena and Telefonica have an interest in keeping the MVNOs out of the Spanish market, they will retain an overall dominance of the market even if the competitors are allowed in.

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