Report on competition policy 2009


The European Parliament,


— having regard to Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty (1),


— having regard to the Commission Communication of 13 October 2008 on the application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis (3) (the Banking Communication),

— having regard to the Commission Communication of 25 February 2009 on the treatment of impaired assets in the Community banking sector (4) (the Impaired Assets Communication),

— having regard to the Commission Communication of 23 July 2009 on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules (5) (theRestructuring Communication), these four last Communications hereinafter mentioned together as ‘the four Communications for the financial sector’,

— having regard to the Commission Communication of 17 December 2008 on a temporary Community framework for State aid measures to support access to finance in the current financial and economic crisis (6) (the Temporary Framework),

— having regard to the Commission Communication of 9 February 2009 entitled ‘Guidance on the Commission’s enforcement priorities in applying Article 82 of the EC Treaty to abusive exclusionary conduct by dominant undertakings’ (7),

— having regard to the Commission Notice on a Best Practices Code on the conduct of State aid control proceedings (\(^1\)), the Commission Notice on a simplified procedure for the treatment of certain types of State aid (\(^2\)) and the Commission Notice on the enforcement of State aid law by national courts (\(^3\)) (Simplification Package),

— having regard to the Commission Guidelines on State aid for environmental protection (\(^4\)),


— having regard to its resolution of 26 March 2009 on food prices in Europe (\(^7\)),

— having regard to Parliament's declaration of 19 February 2008 on investigating and remedying abuse of power by large supermarkets operating in the European Union (\(^8\)),

— having regard to Rules 48 of its Rules of Procedures,

— having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Industry, Research and Energy, the Committee on the Internal Market and Consumer Protection and the Committee on Transport and Tourism (A7-0374/2010),

A. whereas the exceptional circumstances of the last two years' financial and economic crisis have called for exceptional measures; whereas the Commission's efforts have helped to stabilise financial markets while at the same time protecting the integrity of the Single Market,

B. whereas in times of crisis it is essential to ensure financial stability, re-establish credit flows and reform the financial system in order for markets to function well, and whereas competition rules should therefore be applied flexibly but strictly,

C. whereas protectionism and non-enforcement of competition rules would only deepen and prolong the crisis,

D. whereas competition policy is an essential tool to enable the EU to have a dynamic, efficient and innovative internal market and to be competitive on the global stage, as well as to overcome the financial crisis,

E. whereas the growing budget deficits and increased levels of public debt in many Member States may slow down economic recovery and economic growth for years to come,

F. whereas Member States' governments, as a response to the financial crisis, have granted a sizable amount of State aid in the form, for example, of guarantee schemes, recapitalisation schemes and complementary forms of liquidity support on bank funding; whereas these measures have provided banks with a significant source of funding and insurance against the risks usually faced by the financial sector,

G. whereas empirical analyses suggest that this State aid has generated a number of effects and distortions, such as a reduction of the spread of private bonds, which need to be taken into account when considering extending the aid or prolonging the exceptional rules currently in force,
H. whereas tax governance is an important factor in maintaining favourable conditions for competition and in enhancing the functioning of the internal market,

I. whereas competition is still imperfect in the energy sector, agricultural production and other sectors,

J. whereas the successful development of SMEs under conditions of free competition is one of the most essential preconditions for overcoming the financial crisis effectively,

**General remarks**

1. Welcomes the Report on Competition Policy 2009;

2. Is pleased to note that the Commission was quick to react to the crisis; congratulates the Commission on its effective use of competition policy measures in exceptional circumstances;

3. Continues to support a more active role for Parliament in the shaping of competition policy through the introduction of a co-legislative role; asks for Parliament to be informed regularly of any initiatives in this field;

4. Calls once again on the Commission, as the sole EU-wide competent competition authority, to report to Parliament in detail and annually about the follow-up to Parliament's recommendations and to explain any departure from Parliament's recommendations; notes that the response by the Commission to Parliament's 2008 Competition Report is a mere summary of actions taken and does not provide any insight into the effectiveness of the measures;

5. Stresses that an EU competition policy based on the principles of open markets and a level playing field in all sectors is a cornerstone of a successful internal market and a precondition for the creation of sustainable and knowledge-based jobs;

6. Underlines its calls for consistency between all EU policies and the priorities set out in the EU 2020 strategy for growth and jobs; underscores that this is of special importance as regards competition policy;

7. Stresses the importance of services of general interest in meeting the basic needs of the public; requests the Commission to consider the framework provided by the Lisbon Treaty when concluding its work on applying EU competition rules on services of general economic interest and asks to be closely involved in the Commission's follow-up to the open consultation on State aid rules on Services of general economic interest;

8. Stresses the need to draft clear competition rules that are helpful and useful for SMEs;

9. Points out that SMEs are particularly important for the whole European economy; stresses, furthermore, the major innovation potential of SMEs and reiterates its previous request to the Commission to include a dedicated chapter with a focus on fair and non-discriminatory competition conditions for SMEs;

10. Calls on the Commission to make use of independent, reliable expertise for the evaluations and studies required for the development of competition policy; urges it to publish the results;

11. Asks the Commission to ensure that Article 12 of the Treaty on the Functioning of the European Union, which stipulates that ‘consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities’, is implemented under future internal market legislation;

12. Calls on the Commission, in its annual report on competition policy, to give greater emphasis to the advantages of competition for consumers;
13. Welcomes with interest the Report on the functioning of Council Regulation (EC) No 1/2003 submitted by the Commission five years after its entry into force and, while agreeing that it constitutes a keystone in the process of modernising competition rules and coordinating action by the EU and national authorities, notes the need to overcome differences of opinion concerning the establishment of priorities, important aspects of the development of competition policy and the functioning of cooperation systems in order to ensure more effective implementation;

14. Stresses the need for developing synergies between competition and consumer protection policies, including creating a European form of collective redress for individual victims of competition law violations, based on the opt-in principle and taking into account the criteria laid down in Parliament's resolution of 26 March 2009, stipulating that compensation should be paid to the identified group of people or their nominee only for the damage actually suffered; calls on the Commission to consider the ways in which such a mechanism could be incorporated into existing national legal systems;

15. Recalls its resolution of 25 April 2007 on the Green Paper on damages actions for breach of the EC antitrust rules (1) and stresses that the pending legislative proposal in relation thereto should include the content of Parliament's resolution of 26 March 2009 on the White Paper on damages actions for breach of the EC antitrust rules (2); stresses the need for the Commission to propose legislation, without watering it down unnecessarily, to facilitate individual and class-action claims for effective compensation for damages resulting from breaches of EU antitrust law; such legalisation must be cross-cutting in nature, avoid the excesses of the North American system and be adopted using the ordinary legislative procedure (codecision);

16. Underlines that it has supported the Commission's request for more resources to be allocated to Commission staff in the area of competition in the 2011 budget; asks to be informed about how the additional resources have been used; recalls its request to reassign current Commission staff to the core competences of the Commission;

17. Stresses that the implementation of a successful competition policy and the unrestricted functioning of the internal market are essential preconditions for sustainable economic growth in the European Union;

18. Underlines that the current drive for fiscal consolidation and sustainable recovery should be used by Member States in order to progress towards a more level fiscal playing field;

19. Considers that competition policy should contribute to promoting and enforcing open standards and interoperability in order to prevent technological lock-in of consumers and clients by a minority of market players;

Focus Chapter: Competition Policy and the Financial and Economic Crisis

20. Welcomes the temporary State aid rules established in response to the financial and economic crisis, namely the four Communications for the financial sector and the Temporary Framework directed at the other sectors; notes the extension for one additional year of the application of the temporary State aid measures;

21. Is concerned that these measures, which are temporary in nature, might ultimately not be that temporary; emphasises the need to discontinue temporary measures and exemptions as soon as possible, particularly in the automotive sector; urges the Commission to provide clarity on the phasing out criteria that will be used to decide on their possible extension;

22. Calls on the Commission to reconsider whether the existing temporary framework is making an effective contribution to ensuring a level playing field throughout the Union and whether discretionary application of the framework produces an optimal outcome in this respect;

23. Urges the Commission to prepare a detailed evaluation of decisions adopted within the framework of the application of the temporary State aid measures in response to the economic and financial crisis, taking into account the scope, degree of transparency and consistency of the different measures which are based on the framework, and to annex that evaluation to its next annual competition report;

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(2) OJ C 117 E, 6.5.2010, p. 161.
24. Reiterates its request to the Commission to publish, during the course of 2010, a comprehensive report on the effectiveness of State aid granted for 'green recovery' and State aid for environmental protection;

25. Stresses the need to restore the competitive position of financial institutions which did not have recourse to the temporary rules on State aid;

26. Calls on the Commission to ensure that banks reimburse State aid as soon as the financial sector has recovered, ensuring fair competition within the internal market and a level playing field with regard to exit conditions;

27. Urges the Commission to clarify the binding restructuring measures related to potential distortive effects resulting in differences in repayment conditions between Member States;

28. Stresses, however, that the ongoing consolidation in the banking sector has actually increased the market share of several major financial institutions and therefore urges the Commission to maintain a close watch on the sector in order to enhance competition in European banking markets, including restructuring plans that require the separation of banking activities in cases where retail deposits have been used to cross-subsidise riskier investment banking activities;

**Review of temporary State aid rules adopted in response to the crisis**

29. Urges the Commission to produce a study which demonstrates the impact of the State aid measures on the economy;

30. Urges the Commission to provide Parliament with a thorough analysis of the impacts on competition of State aid during the crisis;

31. Urges the Commission, following such a comprehensive impact assessment, to implement corrective measures whenever required in order to ensure a level playing field within the single market;

32. Calls on the Commission to undertake a thorough analysis of the consequences of the revised State aid mechanisms adopted in response to the crisis, as regards competition and maintaining a level playing field in the EU, financial reform and job creation;

33. Calls on the Member States to cooperate actively with the Commission in developing and evaluating the temporary rules established in response to the financial and economic crisis by providing timely, detailed reports on their implementation and effectiveness; urges the Commission to conduct an assessment of how they work and to draw up a study on the impact of measures taken by third countries on the European Union;

34. Calls on the Commission to ensure maximum transparency and adhere strictly to the non-discrimination principle in approving State aid and prescribing divestment measures;

35. Asks the Commission to produce a study looking into ECB liquidity support's possible impact in terms of distortion of competition;

36. Calls on the Commission to closely monitor the M3 money supply with regard to State aid that has been approved in order to prevent an unintended overcapitalisation of companies which would subsequently distort competition;

**State aid control**

37. Notes that State aid policy is an integral part of competition policy and that State aid control reflects the need to maintain a level playing field for all undertakings carrying out activities in the single market;
38. Stresses that it is important for the Commission to monitor the use of State aid carefully in order to ensure that these support arrangements are not used to protect national industries in a manner detrimental to the internal market and European consumers;

39. Considers it essential, when assessing whether State aid is compatible with the Treaty, to find the right balance between the negative effects of State aid on competition and public finances and its positive effects in terms of common interests;

40. Calls for the establishment of clear criteria for divestments, taking into account the medium-term impact of divestments on the firms involved, namely on growth, innovation and employment as well as in terms of the reduction of those firms’ role in the global market;

41. Urges the Commission to carefully inspect fiscal State aid regimes in force in certain Member States to check their non-discriminatory and transparent nature;

42. Calls on the Commission to re-establish and enhance its fiscal State aid unit;

43. Considers that in order to enable the Commission to better identify harmful tax competition regimes, it is essential that the decision on automatic notification of tax rulings taken by the EU code of conduct for business taxation working group in 2002 (Council doc. 11077/02) is fully implemented by Member States;

44. Notes with concern that the recovery of illegal State aid remains a lengthy and cumbersome process; encourages the Commission to tighten up procedures further and to keep up the pressure on Member States, in particular on repeat offenders;

45. Urges the Commission to examine the extent to which a too generous allocation of free EUA (European Union Allowances) permits in certain sectors may distort competition, given that these permits, whose efficiency has diminished since the slowdown of economic activity, have generated windfall profits for certain companies while reducing their incentives to play their part in the transition to an eco-efficient economy;

46. Underlines that State aid should be channelled primarily into promoting common-interest projects within the Union, such as the deployment of broadband and energy infrastructures;

47. Welcomes the adoption of the Guidelines for broadband networks which cover State aid for basic broadband networks (ADSL, cable, mobile, wireless or satellite broadband services) and support for very high speed NGA networks (fibre-based or advanced upgraded cable networks at the current stage), and asks the Commission and Member States to disseminate and promote best practices and increase competition;

48. Calls on the Commission – bearing in mind that completion of the internal market for all transport modes is needed – to publish a report with an overview of all State aid offered to the public transport sector;

49. Reiterates its support for the Commission guidelines on State aid for environmental protection in the field of transport, with a view to bolstering sustainability in the European transport sector; encourages the Commission to enhance the incentive-based nature of the State aid authorised in the field of transport;

**Antitrust**

50. Welcomes the firm stance the Commission has taken on anti-competitive behaviour in recent years;

51. Welcomes the extension of the Vertical Block Exemption Regulation, since this ensures a balance between manufacturers and distributors; points out, however, that the Commission has failed to take sufficient account of the specific circumstances relating to online sales, particularly with regard to the Digital Agenda and in view of its current efforts to complete the internal market for e-commerce.
52. Points out in particular that, in the light of the market monitoring measures currently being followed by the Commission, the admissibility under antitrust legislation of joint purchases by large distributors operating at international level is debatable;

53. Points out, however, that non-compliance with the binding duration of competition clauses is in fact not at all uncommon, and calls on the Commission to pay particular attention to such inadmissible practices;

54. Invites the Commission to consider, within the integrated regulatory framework on the protection of intellectual property rights, the use of competition legislation as a tool for preventing any abuse of IPRs;

55. Urges the Commission, in order to ensure the proper functioning of the internal market and the uniform application of competition rules in the EU, to take due notice of the rulings of the national courts in the application of competition law and to this end to adopt any measures necessary to achieve this objective;

56. Recalls that cartels represent some of the most serious violations of competition law; believes that such infringements of competition law run counter to the interests of EU citizens since they do not allow consumers to benefit from lower prices;

57. Reiterates its call on the Commission to improve coordination between the competition law approach and the consumer law approach in its initiatives;

58. Calls on the Commission to evaluate the impact of behavioural measures on competition and the consequences of these measures for customers and consumers;

59. Urges the Commission to take a closer look at trickle-down economics when analysing possible abuses of dominant positions, when it discovers that the dominant position has not been abused;

60. Believes that the use of ever higher fines as the sole antitrust instrument may be too blunt, not least in view of the job losses that may result from an inability to make payments, and calls for the development of a wider range of more sophisticated instruments covering such issues as individual responsibility, transparency and accountability of firms, shorter procedures, the right of defence and due process, mechanisms to ensure the effective operation of leniency applications (in particular to overcome the interference caused by discovery processes in the US), corporate compliance programmes and the development of European standards; favours a ‘carrot-and-stick’ approach with penalties that serve as an effective deterrent, in particular for repeat offenders, while encouraging compliance;

61. Calls on the Commission once more, if appropriate, to incorporate the basis for calculating fines and the new fining principles into Regulation (EC) No 1/2003;

62. Invites the Commission to launch a general investigation into the pricing of iron ore;

**Merger control**

63. Stresses, more than five years after the entry into force of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, the importance of identifying areas where red tape can be reduced and where further convergence between the applicable national and EU rules can be achieved;

64. Emphasises that the current economic crisis does not justify a relaxation of EU merger control policies;

65. Underlines that the application of competition rules to mergers must be evaluated from the perspective of the entire internal market;
Sector developments

66. Calls for the Commission to monitor developments in commodity-related markets following the conclusions of the European Council of June 2008 (paragraph 40) and, where appropriate, to tackle speculation;

67. Recognises that high market concentration and a lack of transparency in commodity markets can significantly hamper competition and adversely affect European industry; calls on the Commission therefore to analyse commodity markets, such as those for iron ore and particularly for the 14 critical raw materials identified by the Commission, with a view to establishing to what extent these markets require more transparency and competition, since some of these commodities are of paramount importance for the deployment of eco-efficient technologies (such as photovoltaic panels and lithium-ion batteries);

68. Affirms that transparency is an essential prerequisite for financial markets to work properly; calls on the Commission to go to great lengths to ensure that data on financial markets is disclosed in full compliance with the provisions of EU competition law and, in this regard, welcomes the initiatives to prevent abuse of ISIN and RIC securities identifier codes;

69. Urges the Commission to supervise SEPA (the Single Euro Payments Area) so as to ensure that the payment system is accessible, non-discriminatory, transparent and efficient and in no way hinders competition; calls for the close monitoring of the aspects of the system affecting EU competition policy;

70. Asks the Commission to continue efforts to ensure effective competition on the payment cards markets, in accordance with the principles of SEPA, with a view to facilitating cross-border payments and maximising the potential of the internal market; calls for the systematic monitoring of developments on these markets and for the annual competition reports to include progress indicators in this regard;

71. Believes that breaches of competition law on the payment cards market affect consumers in a negative way; supports the Commission in its efforts to fight against unusually high cross-border multilateral interchange fees, which result in higher product prices for consumers;

72. Regrets that energy consumers in the EU continue to suffer from a distorted energy market; stresses that effective competition in energy markets leads to greater innovation, a more secure and more affordable energy supply and less environmental impact; observes that persistent obstacles in the energy sector include insufficient interconnection, lack of transparency in the transmission system through which operators allocate power to producers, and different definitions of service recipient categories among Member States;

73. Invites the Commission to monitor closely the implementation of the third energy liberalisation package by Member States and to assess its effectiveness in creating a functioning internal market; encourages the Commission to initiate a further inquiry into the energy sector if the assessment comes to a negative conclusion;

74. Highlights the particular importance of information and communications technology for innovation, maximising the potential of the digital economy and developing the knowledge society; considers it to be of the highest importance to ensure interoperability, facilitate the development of networks and keep markets open in order for economic operators to compete on the merits of their products;

75. Recalls that digital convergence and the growing importance of interoperability and standards are key issues for ICT in the increasingly inter-connected global environment; underlines, furthermore, the importance of continuously ensuring free competition in the field of ICT as new digital products and services appear on the market; calls, therefore, on the Commission to address these issues in the upcoming guidelines on horizontal cooperation agreements;
76. Supports the Commission’s measures encouraging the provision of adequate broadband coverage at affordable prices to all European citizens and calls on it to redouble its efforts to keep cross-border roaming charges for electronic communication under control and to include details of progress towards that end in its annual competition reports;

77. Stresses the new and important role of competition policy in the digital economy; asks the Commission closely to follow technological developments in the digital market and to react swiftly where necessary in order to keep digital platforms as open as possible by strictly applying competition rules;

78. Underlines the importance of promoting an internal digital market; emphasises in this regard the importance of promoting consumer trust in and access to online services, in particular by improving consumer rights and the protection of private information and by removing any remaining obstacles to online cross-border trade and transactions;

79. Calls on the Commission to make sure that NRAs in the telecommunications sector follow its recommendation on call termination rates, in to eliminate distortion of competition; urges the Commission to consider further measures if the expected results – i.e. lower consumer prices – are not forthcoming;

80. Notes Regulation (EC) No 544/2009 on intra-Community roaming fees, which entered into force on 1 July 2010, thereby bringing consumers benefits from reductions in the prices for voice and SMS roaming services; points out, however, that competition in the roaming markets has not yet developed sufficiently and that structural problems persist; asks the Commission to envisage in its 2011 review the option of totally abolishing intra-EU roaming fees;

81. Regrets the instances of non-transparent auctioning of new, fourth-generation mobile frequencies in some Member States; encourages the Commission to continue monitoring very closely the activities of Member States in this regard and requiring Member States to carry out a thorough analysis of the impact of spectrum decisions on competition and to take appropriate measures to prevent anti-competitive outcomes in line with the amended GSM Directive, thereby ensuring a level playing field for market participants and new entrants;

82. Acknowledges the revised Broadcasting Communication of July 2009, which reaffirms the competence of the Member States to define the remit, funding and organisation of public service broadcasting while acknowledging the Commission’s responsibility to control manifest errors, and calls on Member States to maintain a balance amongst the digital media services on offer and ensure fair competition, and thus to preserve a vibrant media landscape in the online environment;

83. Invites the Commission to report on, and speed up progress on its investigations into, the application of State aid rules to the postal sector;

84. Stresses the need for closer cooperation between the Commission and national competition authorities with a view to adopting a joint approach to competition issues on the food market based on an ongoing exchange of information, rapid problem diagnosis and effective sharing of responsibility between the members of the European Competition Network (ECN), given that food markets tend to have a more national dimension, operating under different legal, economic and cultural conditions;

85. Stresses that the purpose of this closer cooperation should be a consistent approach to the defence, monitoring and implementation of competition rules and action to ensure equal terms of competition on the food markets and an optimally efficient food supply chain for the benefit of consumers;

86. Takes the view that, in the context of current market monitoring, the Commission should subject joint purchasing operations at international level to close scrutiny, given that the price concessions secured through the purchasing power thus gained are clearly not being passed on to consumers in the form of lower retail prices;

87. Recalls that the High Level Group set up in October 2009 in the wake of the crisis that shook milk producers has submitted its recommendations, which notably concern contractual relations and the producers’ bargaining power; urges the Commission to act immediately to foster progress in a manner in keeping with the provisions of EU competition law;
88. Urges the Commission, in cooperation with national competition authorities, to look in greater detail at competition in the agro-industrial sector in terms of transparency and consumer price evolution; requests the Commission to produce a study focusing in particular on the effects of the market power that major food suppliers and wholesale distributors have which allows them to influence the functioning of the food market;

89. Reiterates in this context its earlier calls for sector inquiries into online advertising, search engines and the food industries; calls for an inquiry into media concentrations, including all channels for the distribution of content, such as print, television and radio and the internet; requests that the Commission present an analysis of competition in the telecoms and car sectors;

90. Considers that competition in agricultural production is a precondition for lower prices for consumers in European countries, and urges the Commission to look in greater detail at competition in the agro-industrial sector in terms of support, transparency and consumer price evolution;

91. Regrets the lack of progress in improving competition in the pharmaceutical sector and asks the Commission to expedite the completion of the internal market in medicines, for example by giving a greater role to the European Medicines Agency (EMA) with regard to central certification of medicines; asks the Commission to fight against abuses that may arise from the systematic practice of patent clusters that delay the market entry of generic medicines and restrict patients’ access to affordable medicines; urges the Commission to take punitive measures in response to any misleading information campaigns against generic medicines;

92. Is of the opinion that competition in the health sector could improve the quality of health care services to the benefit of European patients; calls on the Commission to monitor the health sector and, in particular, competition between public and private hospitals; asks the Commission to look in more depth into cases where private hospitals complain about cross-subsidies for public hospitals in those countries that have liberalised the sector;

93. Stresses the need to create and monitor fair competition within and between transport modes in order to generate transparent and straightforward pricing structures and pricing policies;

94. Calls on the Commission to analyse the effects on competition between the different transport modes of the substantial assistance given in recent years to, among other sectors, the automotive industry;

95. Calls on the Commission to ensure transparency regarding the allocation and effective use of slots, in order to guarantee that real competition exists in the aviation sector;

96. Invites the Commission to provide an overview of cases where low-cost air carriers have been benefiting from State support vis-à-vis other carriers through special conditions granted to them when using certain airports, beyond the three-year period prescribed for start-up aid for airline companies;

97. Underlines the need to limit, as appropriate, the market share of maritime consortia of container lines and to share operational advantages – for both maritime and hinterland services – in accordance with the general EU rules on fair competition and subject to the conditions laid down in Regulation (EC) No 906/2009 concerning the application of Article 101(3) of the Treaty on the Functioning of the European Union; stresses, furthermore, the need to ensure operational cooperation with a view to the joint provision of liner shipping services by shipping companies, in order to safeguard the efficiency and quality of shipping services;

98. Calls on the Commission and Member States to secure completion of the internal market for transport, and fair competition in the transport field, while showing due regard for other European Union policy objectives, such as properly functioning transport and mobility services, policy objectives in the areas of public services, safety and environmental protection, and the EU 2020 targets on CO₂ emissions reduction and oil dependency;
99. Calls on the Commission and the Member States to guarantee a level playing field, both for the various modes of transport and for publicly and privately owned companies within a given mode;

100. Calls on the Commission to ensure greater transparency in the relationship between the state and publicly owned railway companies, including their road transport subsidiaries, as well as in the transfer of funds;

101. Invites the Commission to provide an overview of taxation, levies, infrastructure financing and charging and VAT systems for different transport modes and for the individual Member States, and of their effects on competition within and between transport modes, and to set out, in that overview, the effect of obligatory and unlimited charges for rail use in comparison to non-obligatory and limited charges for the use of road infrastructure;

102. Calls on the Commission, when reviewing legislation on passenger rights and reimbursement for delays, to guarantee fair and equal compensation schemes for delays across all transport modes, as well as the setting-up of independent bodies to arbitrate between operators and clients;

103. Stresses the need to avoid unfair competition within the liberalised road transport sector by guaranteeing that social, safety and environmental rules are properly applied, paying special attention both to the opening up of this market to cabotage and to dumping practices;

104. Asks the Commission to seek the completion of the single railway market through the opening of national passenger transport markets; calls on the Member States and the Commission, during the transitional period, to propose reciprocity clauses for Member States which decide to open up their own markets in advance;

105. Draws the Commission’s attention to the indirect obstacles to competition arising from disparities, in the transport sector, in rules on safety, interoperability and type-approval;

106. Calls on the Commission and Member States to take care to ensure, through the decisions taken at both EU and national level, cohesive and harmonised implementation of the competition rules in the railway sector; emphasises, in particular, the need for cohesion between the railway supervisory authorities (regulators) and the national and European competition authorities;

107. Supports firmly the creation of an EU patent and an EU-wide patent dispute settlement mechanism to tackle competition distortions caused by the current provisions on patents;

108. Stresses that scientific and technical innovation, patents and the cultural industries contribute immensely to the competitiveness of the European economy; urges the Member States, therefore, to speedily find a solution to the outstanding issues regarding the EU single patent system; for that reason welcomes, as laid out in the Europe 2020 Flagship Initiative Innovation Union, the objective of the first EU patents being delivered in 2014;

109. Reiterates that the competitiveness of the EU is very much dependent on innovation capacity, on research and development facilities, and on the linkage between innovation and manufacturing process;

110. Stresses the key role played by research in improving European competitiveness; calls, therefore, on the Commission and on Member States to ensure that the 3 % target for investments in research and development is reached;

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111. Instructs its President to forward this resolution to the Council and the Commission.