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**UNICE OPINION  
ON THE PROPOSAL FOR AN EU REGULATION ON CONDITIONS FOR ACCESS TO GAS TRANSMISSION  
NETWORKS (COM 2003-741)**

Sources of gas for the European market overwhelmingly lie outside Europe. For that reason, European countries have been interested since the start of the “natural gas age” - i.e. since a start was made with developing long-distance transport networks - both in developing industrial and municipal markets and in cross-border interconnections between networks (transit) in order to diversify sources of gas supply and therefore increase security of supply.

By contrast with the electricity market, which is characterised by local generation capacities in each individual EU Member State and whose EU internal market component is located primarily in cross-border network links (regulated in the EU regulation on cross-border electricity trade), technical interconnection between long-distance transport networks and therefore also transit possibilities along with harmonized access conditions to the national transport networks are integral components for the development of a competitive EU internal market in the natural gas sector.

With directive 2003/55/EC, European legislation has put in place the necessary structural changes to the regulatory framework for restructuring the European gas sector. This has clearly mapped the route for completing the internal gas market. According to this directive, a major obstacle to achieving a fully operational and competitive internal market relates to issues of interoperability between systems and different degrees of market opening between Member states.

However, implementation of the first cautious steps towards an internal market, as laid down in directive 98/30/EC (now repealed by the new directive), had proceeded in very different ways in individual Member States. The benchmarking reports presented by the European Commission demonstrate clearly that there are very marked differences not only in the speed of implementation but also in the depth and degree of implementation in EU Member States. Since this highly differentiated implementation of the European internal market directives was apparent at an early stage in particular for the gas market, the European Commission created the Madrid Forum involving all market participants. The guidelines drawn up for good practice in relation to third-party access were drafted and adopted by the Forum in September 2003. These guidelines were developed on the basis of consensus and agreed on a voluntary basis.

A precondition for a functioning internal gas market is harmonised opening of all national gas markets in the Member States. The Madrid Forum set itself this goal and reached agreement on the above-mentioned guidelines.

It is therefore welcome that the European Commission has now presented a proposal for a regulation on the basis of the Madrid Forum’s guidelines. With this higher level of obligation, it should be possible to open up the internal gas market Europe-wide on a harmonised basis.

The Commission should give priority to addressing themes relating to seamless and efficient natural gas flows between and within Member States. In particular, rules identified in the

Madrid process for interoperability and measures to ensure homogeneous and non-discriminatory access regimes for transmission, including cross-border flows of gas between Member states and long-distance gas networks should be taken over.

The principle of achieving consensus between all market parties in the framework of the Madrid Forum has proved its worth. It should also be used intensively in the future for further development of the rules governing the internal gas market. This will ensure that rules at EU level do not undermine essential points of the EU gas directive (e.g. articles 22, 25 and 31). This would prevent one-sided involvement of, say, representatives of the interests of long-distance network operators. Accordingly, the proposal for a regulation should be reworked in such a way that the individual guidelines (see article 9) are discussed by all market participants and the Member States in the Madrid Forum and agreed by that Forum prior to adoption by the European Commission.

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