

THE NETHERLANDS

EU Telecom rules: Where are we now?



The Netherlands is the leading country in the world in broadband penetration. Competition between networks and services has been increasing as cable operators cover almost the whole territory and offer, alongside several DSL providers, attractive and inexpensive packages to consumers. Mobile markets continue to be competitive. The Dutch national regulatory authority (NRA), Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA), concentrated its efforts in 2006 mainly on setting up the implementation measures and remedies agreed upon in 2005. The achievements of this regulatory process now seem to be contested by legal action brought by operators before the courts against all market decisions. Attention is shifting towards the next regulatory challenge, i.e. the incumbent's intention to convert its network to an IP-based next generation network by 2010.

Overview

Broadband

At 29.8%, the Dutch are the champions of broadband penetration. The principal provider of broadband lines is still the fixed incumbent (44.9%) while the other DSL providers have a market share together of 16.3%. The prime competitors, however, are the cable operators.

New entrants have already climbed far up the ladder of investment. Wholesale prices (fully unbundled and shared local loop) are low and continue to decrease.

Mobile

With four operators, one virtual operator and a dozen service providers, the number of mobile connections and mobile traffic further increased in 2006. The mobile subsidiary of the incumbent has a market share of 48%. Mobile penetration is now more than 100%. 3G services are offered by two of the four operators while two operators are expanding their network of WiFi hotspots.

Mobile termination tariffs are around the European average (slightly asymmetric rates). In 2005, OPTA carried out the analysis of the mobile call termination market, found SMP for each individual operator and imposed a price control obligation (to be implemented by means of a glide-path). Since this market analysis was annulled by the court in August 2006 and OPTA was ordered to issue new decisions, this market is still unregulated in practice. OPTA communicated in November 2006 that it intended to perform a new market analysis.

Fixed telephony

The incumbent remains dominant in most markets (retail revenue market share of 70-80% in national calls).

Customers of the fixed incumbent and carrier selection (CS)/ carrier pre-selection (CPS) providers are switching either to cable telephony or to VoIP services. Cable companies attract most of these customers because of their interesting multiple play offerings, but the trend also seems to benefit broadband providers, and, proportionally, the incumbent's own internet providers even more so.

While regulatory pressure has been maintained on most of the wholesale markets (except for the international calls market), it appears that the regulation of the corresponding retail services has been softened. OPTA has developed the traffic light model, which allows the incumbent to assess its end-user tariffs itself.

Broadcasting

Cable platforms are ubiquitous. Three of the four largest companies are merging, leaving just a few big players.

Digital television is expanding very rapidly (1.1 million subscribers by the end of 2005). Digital cable television has been taken up so fast that cable now has the biggest market share. DVB-T (including the fixed incumbent) is also growing. Some operators are offering a complete package of IPTV channels (among them the incumbent's DSL television in mid-2006).

Digital terrestrial switchover took place in December 2006. OPTA is monitoring the development of retail tariffs in the market, also given that the one-year voluntary agreement of the operators not to increase their tariffs lapses in March 2007.

Important consumer information

Tariff transparency and quality of service	In the Netherlands, consumer information about tariffs and quality of service is provided by the consumers' association Consumentenbond and by other websites.
Universal service	The fixed incumbent has been designated for a transitional period to guarantee the provision of universal service (including connection at a fixed location, special tariffs, public pay telephones, a directory and a directory enquiry service).
Directory services and enquiry directory services	Directory services are provided commercially. From 17 May 2007, the old subscriber information number 118 will be replaced by commercial enquiry directory services of the number range 18xy.
Emergency services	112 is the single emergency number. The Netherlands failed to take the necessary measures to ensure that operators make caller location information available to the emergency services for mobile calls to 112. The Ministry is starting individual discussions with all the relevant operators on the technical specifications for providing location information. A European call for tenders was started to deliver and install a new national telephone exchange for emergency calls, which can also handle caller location information. This will be fully operational only in October 2007. The Commission started infringement proceedings against The Netherlands.
Number portability	The fairly high tariffs of the past have been reduced to between €2-8 for fixed lines. Mobile number portability is hardly charged due to the reciprocity of the amount of ported numbers (bill and keep). Another issue addressed by regulation is the internal portability of numbers (from one tariff scheme to another, within the same operator).
Must-carry	The Commission has opened infringement proceedings concerning the compatibility of the Dutch must-carry rules with the requirements of Article 31 of the Universal Service Directive.
Consumer complaints and out of court dispute resolution	A government recognised Disputes Committee (Geschillencommissie Telecommunicatie) handles disputes over contracts for the delivery of public electronic communications services between providers and consumers.

Infringement proceedings pending under the EU Telecom Rules: 2

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