

EU Telecom rules: Where are we now?



2006 was a year of strong price competition for mobile and ADSL services, for the benefit of consumers. Denmark is second in the EU in broadband penetration, building on extensive broadband infrastructure and widespread use of broadband connections. The expansion of broadband infrastructure has continued, including types of broadband access other than ADSL. The incumbent has improved its position on the fixed market. On the regulatory side, the National Regulatory Authority (NRA) has maintained a very active role in both regulation and preparing new legislation. While three markets have yet to be notified, specific remedies have been revoked as a consequence of market developments. There are concerns about possible amendments to Danish legislation and about a recent decision by the Telecommunications Appeal Board.

Overview

Broadband

Denmark is second in the world in terms of broadband penetration rate with 29.4% in October 2006 (the EU-25 average was 15.69%). This success can be attributed to the increasing competition on the broadband market.

The number of wholesale Local Loop Unbundling lines has continued to increase by 23%, mostly in the form of fully unbundled lines or shared access lines. The number of fully unbundled lines almost doubled in 2006.

The NRA fears that the incumbent's next-generation network roll-out strategy, which aims at meeting its end-users' demand for high bandwidth, could force competitors to use bitstream products instead of promoting investment in the operators' own network.

Mobile

The penetration rate rose to 104% from 101% in 2005. The analysis of the mobile access market suggested that there was effective competition in this market, and the relevant sector-specific regulation was revoked. Three operators currently offer 3G mobile services. Another operator has a 3G licence but is not yet in commercial operation.

A two-year glide path has been applied to bring termination prices down to cost orientation by 1 May 2008.

Fixed telephony

The national fixed voice calls markets, however, are still deemed to lack effective competition due to the high market share of the incumbent. In fact, the incumbent's share of fixed calls in terms of minutes of traffic increased from 60.9% a year earlier to 64.2% in 2006. Danish prices

for fixed-network termination continue to be among the lowest in Europe. An amendment to the national law entered into force on 1 January 2006 giving NITA powers to set terms and conditions for access and interconnection agreements, if required by one of the parties or on NITA's own initiative.

Broadcasting

At the end of the third quarter of 2005 some 25.8% of all households in Denmark (2.5 million households) had analogue TV as the main means of receiving TV content, while 21% had satellite. 53.2% of households had cable TV.¹

The roll-out of digital terrestrial TV was initiated in April 2006 offering nationwide coverage. Analogue terrestrial switch-off is scheduled in Denmark at the end of October 2009.

The analysis of the broadcasting transmission services market in Denmark has not yet been finalised.

¹ Source: Dataxis: "Digital television data, EU market for digital television"; report prepared for the European Commission, 2006.

Important consumer information

<p>Universal service</p>	<p>The Danish incumbent is currently the designated undertaking providing all services that correspond to the universal service obligations included in the Universal Service Directive until the end of 2007. In view of the need for a new designation in the near future, the Danish NRA launched a public consultation in October 2006 to gather feedback on whether amendments to the primary legislation were necessary. If so, secondary legislation on the matter will be proposed to the Danish Parliament.</p> <p>A new regulation which came into force in January 2006 abolished all price regulation of services included in the Universal Service Directive until the end of 2007, including call set-up charges on the fixed call markets.</p>
<p>Number portability</p>	<p>Number portability is available for all types of numbers, fixed or mobile. At the end of 2005 the Danish Parliament adopted a bill which abolished the legal requirement on full number portability, that is the porting of numbers between fixed and mobile phones.</p>
<p>Data protection</p>	<p>Following the government's strategic anti-terrorism plan adopted in November 2005, the data retention obligation, including incoming calls, mobile cell information and incoming emails, has been defined. The law includes an extensive retention obligation for user traffic data on the internet. All operators strongly disagreed with the Danish legislation, which they considered went far beyond the EU requirements and was very costly.</p>

Infringement proceedings pending under the EU Telecom Rules: 1

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