
Deutscher Industrie- und Handelskammertag

Zum Thema: **Draft Commission Recommendation on regulated access to Next Generation Access Networks (NGA)**

Der Deutsche Industrie- und Handelskammertag ist im Register der Interessensvertreter der Europäischen Kommission mit der Nummer 22400601191-42 registriert.

The European Commission has published its proposals for a regulatory strategy with respect to the new high-speed communications networks and has initiated a public discussion in that regard. The Association of German Chambers of Industry and Commerce thanks the Commission for the opportunity to comment on these proposals and would like to make the following basic observations:

We support the Commission's efforts to explore fundamental regulatory questions with market participants in advance of investments in the new high-speed networks in an effort to create a reliable regulatory framework for NGA. These efforts are of decisive importance with respect to creating incentives for incentive and ensuring effective competition.

Technology-Neutrality

Supplying Europe with high-speed data networks will take not only fiberglass networks, but a wide variety of other technologies as well. In its statements, however, the Commission defines next-generations networks only as "wired access networks which consist wholly or in part of optical elements," even though they can also be other landline- or mobile radio-based technologies. We therefore request a technology-neutral definition.

Open Access

Building parallel NGA infrastructure in undensely populated areas seems less than rational from an economic perspective. The Commission has therefore opted for an open access model. We believe that access to passive infrastructure (pipelines, cable shafts, etc.) and the planned multi-fiber solution (laying multi-fiberglass infrastructure and allowing competitors to use the additional lines) are the right way to go. This enables competition for infrastructure, although established operators

will have an advantage given their lower investment risk, so that profit margins can be met even with low market shares.

Cooperation between competitors, between competitors and local governments and between system operators and service providers, may be enough to make broadband development a financially feasible venture even in undensely populated areas. While the Association of German Chambers of Industry and Commerce supports such partnerships in theory, it believes that clear access rules must apply in this case as well. In the case of partnership models between an incumbent and a fixed number of competitors, as called for in the Commission's current draft, the principle of non-discrimination is rendered hollow.

It is of vital importance for the open access model to be applied to all parts of the value chain. Further clarification is necessary in this regard, e.g. with respect to concrete access model and standard rates which would allow adequate returns for investors as well as being consistent with effective competition. The national regulatory authorities (NRAs) must address this issue in conjunction with market participants. Clarification is also necessary with respect to the subsequent entry of additional providers into existing partnerships. Furthermore, the NRAs must ensure adequate transparency with respect to the expansion plans of dominant providers.

Extension of Regulatory Periods

The Commission's goal of facilitating investment by ensuring legal and planning certainty is comprehensible and correct. However, the best way of accomplishing this goal is by quickly clarifying all remaining questions and through consistent regulatory practice. Especially in new markets, careful examination is needed to determine whether regulatory periods should really be as long as possible given the fact that, under such an arrangement, we may lose the opportunity to quickly adapt regulatory decisions to changing market decisions and preserve a few business models in the process.

The Association of German Chambers of Industry and Commerce is an umbrella organization for 80 Chambers of Industry and Commerce (CICs) and therefore represents the general interests of the German business community. Its CICs have over 3.6 million members, including companies of all sectors, regions and sizes.

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