

***Comments on the revised draft NGA Recommendation
by OFE, the National Association for Consumer Protection in Hungary***

The National Association for Consumer Protection is the largest Hungarian civil consumer protection organisation and a member of the European consumer association BEUC, as well as the global association Consumer International.

It is a priority for our association to contribute to the development of a genuine digital society and therefore to ensure affordable, large scale consumer access to modern technologies.

In the regulatory approach to new technologies we believe that the principle of equal access is the key goal, which can be achieved under current economic conditions only through effective competition (the only alternative would be retail price regulation, which is not possible). In Hungary it is of utmost importance from a consumer perspective to prevent the dominant incumbent operator from regaining its monopoly position and the possibility of further restricting competition.

Lifting regulatory obligation is very dangerous in light of the fact that NGA investments require such financial strength that only the incumbent DTAG-MT with its international background is able to provide. The Hungarian telecommunications market has several players, but alternative operators have a very significant competitive disadvantage and any possibility to further deteriorate their competitive situation goes against the consumer interest. Hungarian consumers have been suffering for many years from the consequences of the incumbent's near monopolistic dominant position, even in the presence of SMP regulation. The extreme dominance of the incumbent resulted not only in non-competitive consumer prices but also quality of service problems.

In lack of competitive pressure the quality of the nationwide provider incumbent, Magyar Telekom's services has significantly decreased because it could afford not to maintain its network properly and not to invest at all or to reduce its maintenance activities and investments. This has resulted in quality of service and consumer access problems in the provision of even analogue but also digital services.

Against this background OFE, the National Association for Consumer Protection is firmly against any provision that allows the restriction of competition and recommends strict quality of service rules with regard to next generation services.

Consequently, OFE requests the deletion of the provisions lifting regulatory obligations in case two operators cooperate (paragraphs 23 and 24) and Annex III of the revised draft Recommendation.

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