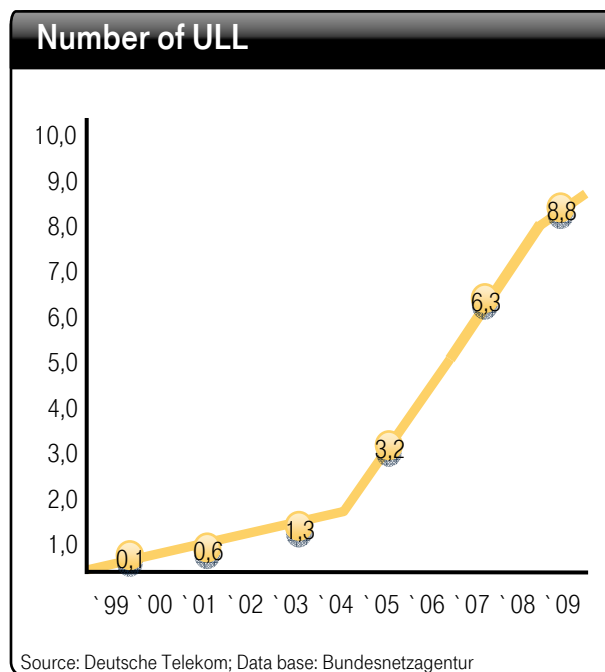
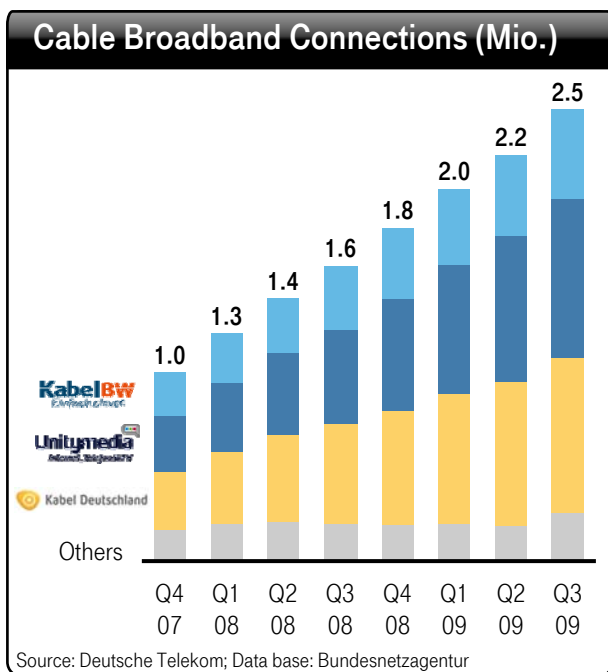


Effective Competition in the Telecommunications Market.

Competitors hold significant market share in the telephony and broadband market – cable is growing fast.



- ULL-Tariffs decreased from 12,99€ in 1999 to 10,20€ in 2009
- Tariff decrease in 2009 mainly due to strong decrease in the WACC (from 8,07% to 7,19%)
- Wrong signal for investments into NGA!
- Competitors market shares (2010, broadband): Cologne (79%), Hamburg (76%), Berlin (71%), Frankfurt (67%)...

[...] because of the advanced evolution of competition on the [German] telecommunications market. At the most, further regulation is only justified in the case of a failure of access regulation. However, [the Monopolies Commission] has no evidence for this failure.

(MoPoKo 2009, Ziff. 112).



Regulation for Next Generation Networks – a more symmetrical approach and/or geographical differentiation

Germany's national broadband strategy...

- The strategy's first target is to ensure that all German households will have access to broadband Internet (1 MB) by the end of 2010 at the latest.
- The second target is to bring broadband access of or above 50 Mbps to 75% of the households by 2014.

(German Federal Government 2009).

... investments are essential ...

- € 30-40 bn are needed to achieve the targets of the broadband strategy. No single investor can “do it alone”.
- Investments can only be made when and where investors can achieve a fair rate of return.
- There will be areas where there is a business case for competing networks; areas where there will only be a profitable basis for one operator, and areas where public support is needed (⇒ need for “geographic differentiation”) to have broadband at all

... and need to be stimulated by an investment-friendly regulatory framework (as in the EU-review elaborated)

- Strengthen predictability of regulation, and provide planning reliability for investors.
- Apply geographic differentiation, to finetune regulation.
- Admit and promote risk-sharing elements of commercial agreements.
- Loosen the rigid shackles of access and price regulation.

