

## **ecta-VATM position on the regulatory conditions for a successful transition into the fibre world**

**Brussels, 22 November 2022.** *Today **ecta** and its German member VATM e.V. co-host an event where the regulatory conditions for a successful transition into the fibre world will be debated. On this occasion **ecta** and VATM reiterate their common position:*

As we all know, and as Thierry Breton, the European Commissioner for the Internal Market, has pointed out on several occasions, incumbent operators (the ex-monopolist telecommunications companies) have historically received their copper networks for free.

The European regulatory approach has allowed them to earn excessive profits on their copper infrastructure and the access takers have co-financed and continue to co-finance the incumbents' networks, including the expansion of the fibre network.

Therefore, those profits should be used to pay for and encourage the migration process to fibre networks.

Furthermore, it is crucial now to prevent that the Significant Market Power on the copper network would be strengthened while migrating to the fibre network(s). The transition from copper to fibre must not result in entrenching dominant positions, but rather be a vector for the promotion of competition, which is in the interests of citizens, enterprises, and public institutions.

**ecta** and VATM further reiterate their strong call for more transparency in the Art. 32/33 EECC<sup>1</sup> procedures and in the upcoming EU-level regulation and legislation. More particularly, and, considering the potential important impact the envisaged recommendation replacing the 2010 and 2013 Recommendations<sup>2</sup> may have on the ability of alternative operators to compete in serving customers with differentiated and innovative offers on fibre networks, a full consultation on a draft text on any decision-making instrument must be foreseen.

Moreover, at a time when the European Institutions are making every effort to combat inflation, telecommunications regulation should not promote inappropriate wholesale pricing mechanisms that would fuel inflation e.g., any mechanism that would directly or indirectly link the wholesale prices of the operators with Significant Market Power to their retail prices.

Indeed, the copper to fibre transition raises several questions that have not been answered so far.

---

<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L1972&from=EN#d1e4445-36-1>

<sup>2</sup> Recommendation of 20 September 2010 on regulated access to Next Generation Access Networks (NGA Recommendation) and Recommendation of 11 September 2013 on consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment (NDCM Recommendation).

**ecta** and VATM support a quick and voluntary transition from copper to fibre under the following minimum conditions:

- Sufficient safeguards must be put in place to guarantee the contestability of the market. From a sales and marketing perspective, the transition might benefit more the operator with the highest ‘copper’ market share (usually the incumbent) as it is easier to migrate a customer than to acquire a new customer. The migration from copper to fibre often resets the contract term. Therefore, there is a risk that a rapid transition will lock in customers for 12 to 24 months and thus hamper market competition. This must be avoided.
- Stable wholesale copper prices. As mentioned by BEREC in the draft report on a consistent approach to migration and copper switch-off<sup>3</sup>, incumbent operators want to switch off their copper-based access networks to reduce their costs. It is therefore not appropriate to penalise the alternative operators and provide an undue rent to the incumbent operator by allowing the incumbent operators to artificially raise wholesale prices that only competitors pay. This would also be at odds with the efforts of the European Institutions to combat inflation.
- Appropriate wholesale fibre products and services to substitute the copper-based products must be made available in a timely manner.
- Appropriate quality of service (QoS) of wholesale products and services must be guaranteed.
- Clear and transparent processes are discussed and agreed with the access takers, including KPIs, service levels and dissuasive penalties in case of breach, that allow a smooth customer migration.
- Copper switch-off, commercial and/or operational, means copper switch off for everybody, even more so for the incumbent’s own retail, wholesale and any internal or other use.
- Non-discriminatory approach according to the receiving fibre network i.e., the incumbent's fibre network versus any alternative fibre network.
- Public authorities have their role to play in this sensitive process.

\* \* \*

**ecta** members are united in their belief that competition is the best driver of efficient investments and the greatest enabler of innovation, choice and benefits for citizens and businesses, as well as for the European economy overall. This is the key message that **ecta** and its members continuously promote.

*For further information on the contents of this press release and **ecta**’s positions, please contact:*

**Luc Hindryckx**, Director General, +32 472 35 06 54

---

<sup>3</sup> BEREC Draft Report on a consistent approach to migration and copper switch-off, BoR (21) 171, 09 December 2021, page 25, para 2.

*For further information on the contents of this press release and VATM's positions, please contact:*

**Corinna Keim**, Head of Press and Communications, VATM, +49 163 3767723

Follow **ecta**'s latest views and activities:  @twECTA

**ecta**, the **European Competitive Telecommunications Association** ([www.ectaportal.com](http://www.ectaportal.com)), represents those alternative operators who, relying on the pro-competitive EU legal framework that has created a free market for electronic communications, have helped overcome national monopolies to give EU citizens, businesses and public administrations quality and choice at affordable prices. ecta represents at large those operators who are driving the development of an accessible Gigabit society, who represent significant investments in fixed, mobile and fixed wireless access networks that qualify as Very High Capacity Networks and who demonstrate unique innovation capabilities.