

Brussels, 31 January 2017

TKK
c/o Rundfunk und Telekom Regulierungs-GmbH
A-1060 Wien, Mariahilfer Straße 77-79
Austria

konsultationen@rtr.at

**Ref: Öffentliche Konsultation zu M 1.7/15 – Markt für Festnetzoriginierung –
Konsultation eines Maßnahmenentwurfes**

Dear Madam, Dear Sir,

On 15 December 2016, RTR-TKK opened a public consultation on a draft decisionⁱ, in which it proposes to withdraw the regulatory obligation on A1TA to provide wholesale fixed call origination (call-by-call carrier selection and carrier preselection – hereafter ‘CS/CPS’).

ECTA, the European Competitive Telecommunications Associationⁱⁱ, hereby respectfully expresses its disagreement with the TKK’s draft decision, and urges the TKK to reconsider the matter, including by taking into account the points made hereafter.

Concern about re-monopolisation of fixed voice markets

We believe that the market situation in Austria, seen in conjunction with the availability alternative infrastructure, wholesale inputs, and user preferences, is such that CS/CPS cannot be withdrawn at this point in time without having drastic detrimental effects on competition, which consequentially will harm end-users (consumers and business users).

This is the case, because:

(a) alternative operators do not have their own nation-wide infrastructure, and it is not readily duplicable on a wide scale;

(b) the wholesale VULA product of A1TA does not currently support the provision of POTS/ISDN, and

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(c) many end-users, in particular business users, continue to buy stand-alone fixed voice services, and do not consider Voice over Broadband (VoB) to meet their needs (and there are use cases, especially for legacy PABX's (Private Automatic Branch Exchange), elevators, industrial machines, etc. which lack interfaces for VoB).

Based on the above, our Austrian members are extremely concerned about re-monopolisation of the fixed voice markets, both for consumers and for business users, i.e. the return to a situation in which only A1TA can offer fixed voice services throughout the Austrian territory. Note: The ability to bid for business services contracts requires nation-wide coverage.

Concern about major retail price increases for end-users (consumers and businesses)

The retail prices currently charged by A1TA for fixed outgoing calls (to fixed, to mobile, international) are considerably higher than those of alternative operators relying on CS/CPS, as is shown in the table below.

Prices A1TA		Prices favorable operator		Customer's savings		Share in %
National fixed network						
GZ	FZ	GZ	FZ	GZ	FZ	
8,9	6,9	3	1,8	5,9	5,1	59,66
Abroad (D)						
GZ	FZ	GZ	FZ	GZ	FZ	
21,99	10,99	2,5	2,51	19,49	8,49	16,66
Mobile (inland)						
GZ	FZ	GZ	FZ	GZ	FZ	
8,9	8,9	7,9	7,9	1	1	23,66

Source: Expert opinion on the importance of call-by-call and carrier preselection regarding competition and end-consumers in Austria, SBR-net Consulting AG, May 2016.

It will be seen from this that if TTK removes CS/CPS regulation, not only will competition decline, the effect on end-users will most likely be very direct, in the form of considerable retail price increases.

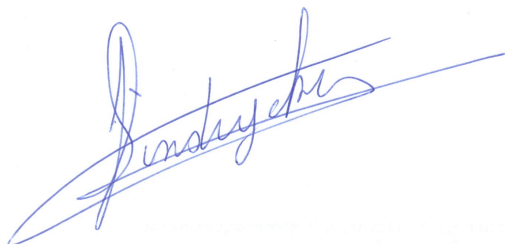
ECTA's request

ECTA requests the TTK to reconsider its position, and, at least, to maintain the CS/CPS remedy in place, at cost-oriented wholesale rates, until such time as: (a) a fit-for-purpose wholesale VULA-based POTS/PSTN product is effectively available (and tested for margin-squeeze), and (b) alternative operators have had adequate time to migrate customers to the new wholesale input. We note that, even in this scenario, harm to end-users is highly likely, as the cost of the wholesale input is likely to be higher than it is today.

Please allow us also to draw attention to the fact that several NRAs, including most recently the German NRA, have decided to maintain CS/CPS regulation in placeⁱⁱⁱ.

We remain at your entire disposal should you require any further information or wish to discuss this matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Luc Hindryckx', is written over a faint, light blue watermark of the signature.

Luc Hindryckx
Executive Director, ECTA

ⁱ https://www.rtr.at/de/inf/Konsult_M_1_7_15_Originierung

ⁱⁱ <http://www.ectportal.com/en/>

ⁱⁱⁱ https://circabc.europa.eu/sd/a/83daa41c-cdf7-425b-aa5f-d2140148ceab/2017-01-23%20BNetzA%20M1%20Draft%20Measures_non-confidential%252bSummaries.zip