



# Regulation in Germany in the European Context

Freedom of Competition through Regulation?  
The View of Competitors

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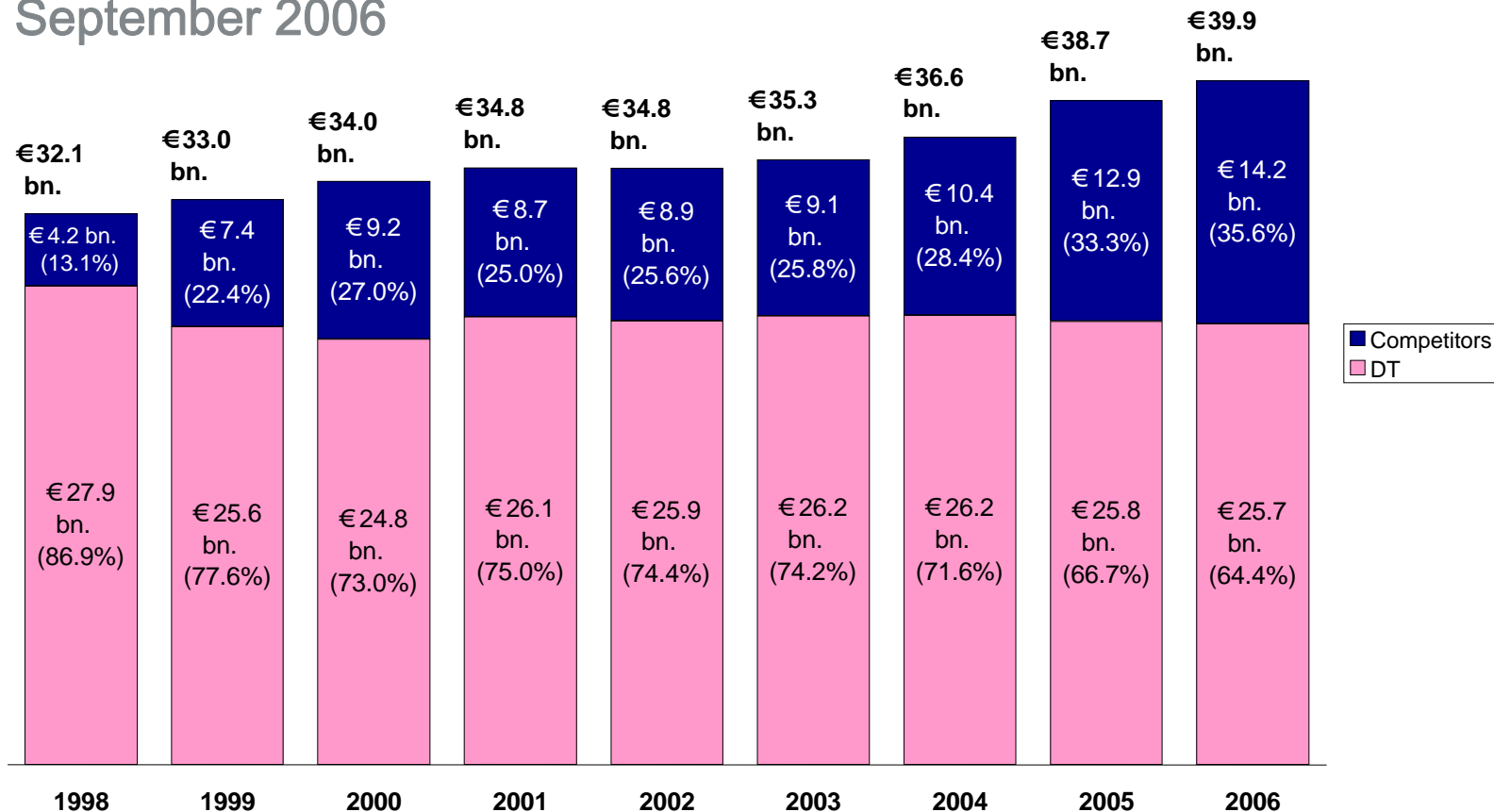
The present situation in Germany:

- DTAG still dominates the market due to local loop ownership
- Regulation means freedom:
  - Market losses of DTAG are normal
  - Natural monopolies in network-bound markets
- Regulation in Germany is not over-strict



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## Market development for fixed line services in Germany September 2006



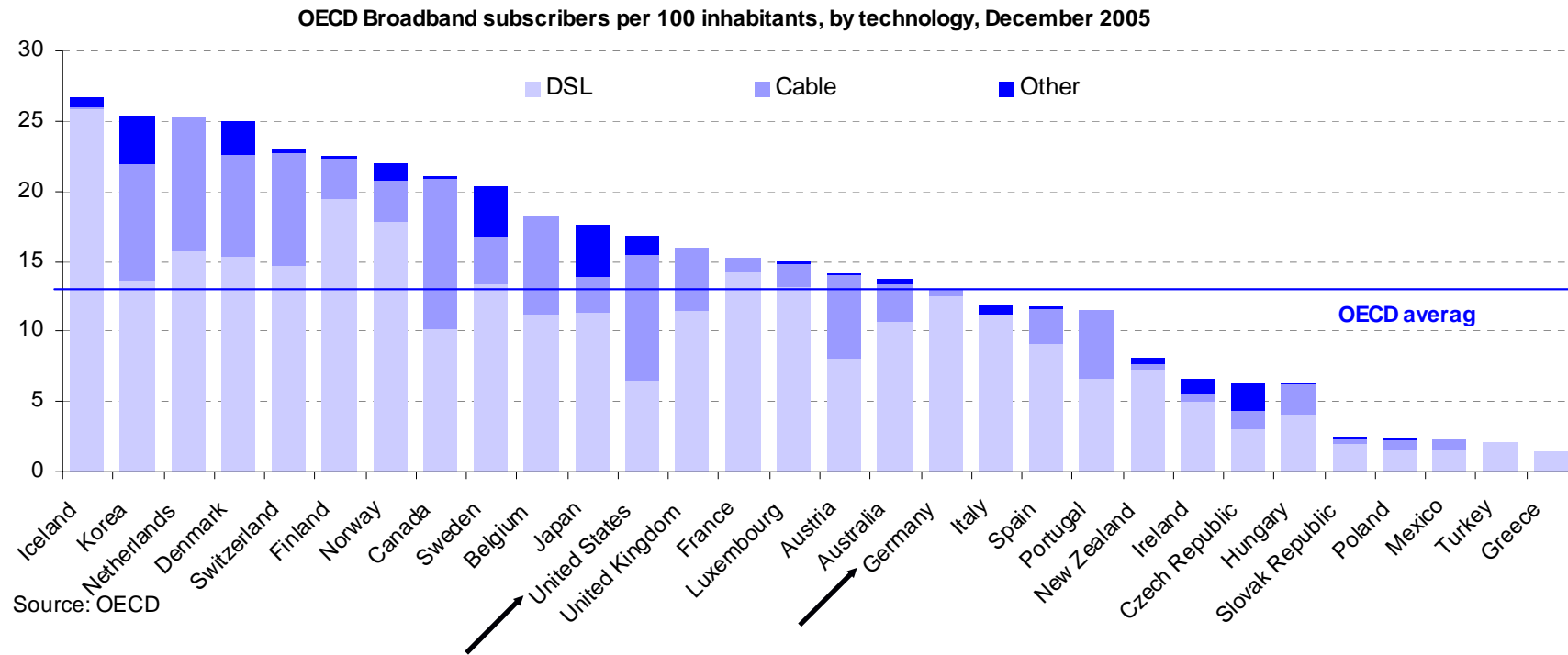
Source: DIALOG CONSULT / VATM: Achte gemeinsame Marktanalyse zur Telekommunikation

### VDSL Deregulation?

- DTAG: investors deserve a „pioneer premium“
- VDSL does not constitute a „new market“
- Even temporary deregulation means a new permanent monopoly
- Comparisons between EU and U.S. markets are not sustainable

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## No infrastructure platform competition in Germany



DTAG local loop market share: 94%.

Source: Prof. Torsten J. Gerpott, Fakten zur Wettbewerbs- und Regulierungsrealität im deutschen Telekommunikationsmarkt, [http://www.vatm.de/content/sonstige\\_materialien/inhalt/13-09-2006.pdf](http://www.vatm.de/content/sonstige_materialien/inhalt/13-09-2006.pdf)

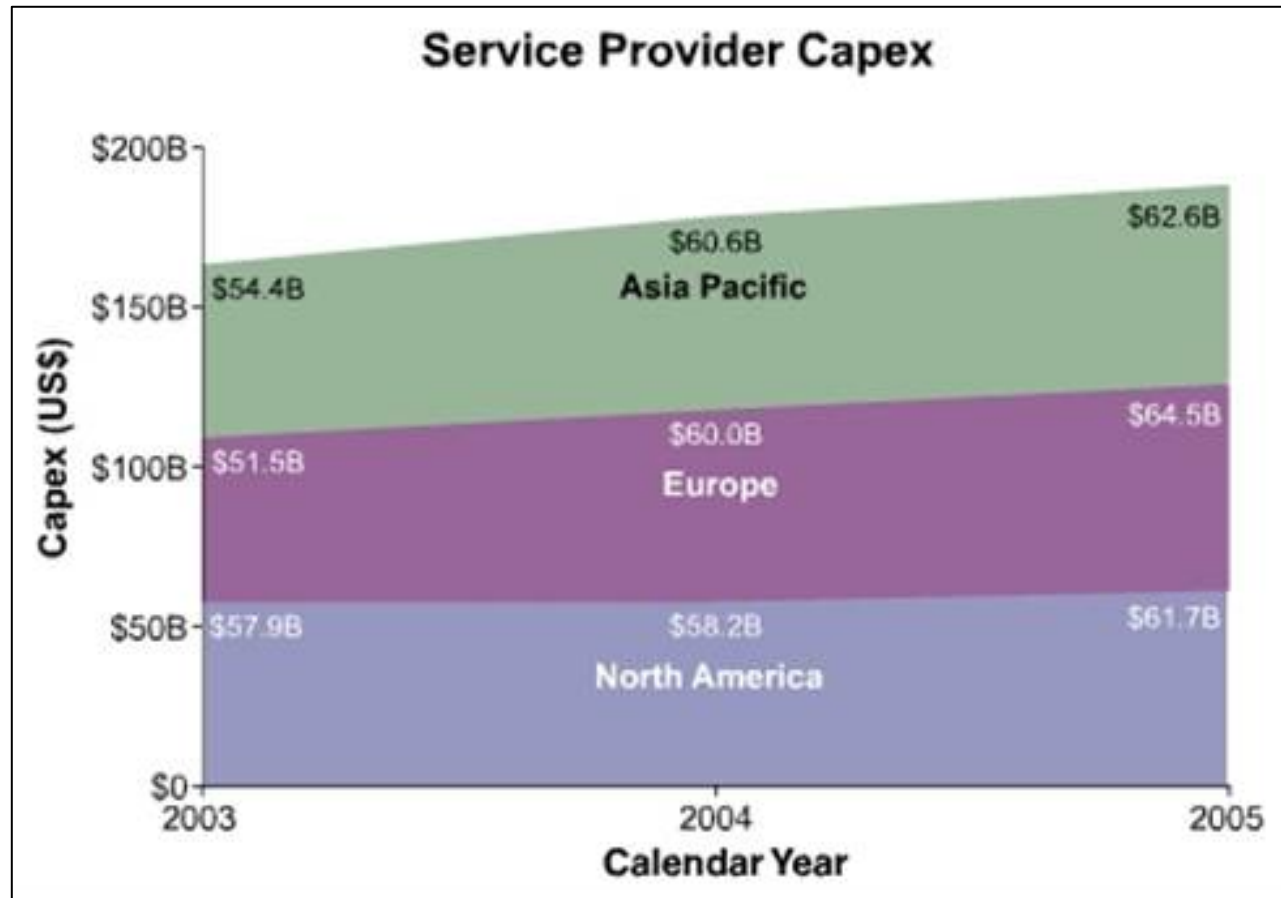
VDSL Deregulation?

EU Commissioner Reding:

*„Regulatory holidays” are not a policy option for the Review 2006, where the way for completing the successful process of market liberalisation is to be paved. We cannot go into the future in reverse gear.*

## Regulation in Germany in the European Context

Service Provider Capital Expenditures: Europe outpacing the world



Source: Infonetics Research December 2005, in: ECTA: Driving growth and jobs through competition in telecoms.

## EU Review

- Article 7 procedures timescales need tightening-up
- More rights for the European Commission
- Market Recommendation: no premature lifting of ex-ante regulation





I thank you for your patience.

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