

DRAFT RECOMMENDATION ON NON-DISCRIMINATION OBLIGATIONS AND COSTING METHODOLOGIES RELATED TO THE ACCESS TO ELECTRONIC COMMUNICATIONS NETWORKS

Letter sent to Vice-President of the European Commission Neelie Kroes

L2013_003/MGO/MST/rs – 10 January 2013

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Ms Neelie Kroes
Vice-President
European Commission
BERL 10/226
1040 Brussels

Ref.: L2013_003/MGO/MST/rs

10 January 2013

RE: Draft Recommendation on non-discrimination obligations and costing methodologies related to the access to electronic communications networks.

Dear Vice-President,

I write on behalf of The European Consumer Organisation (BEUC) to express our concerns regarding the approach put forward by your services with respect to the draft Recommendation on non-discrimination obligations and costing methodologies related to the access to electronic communications networks.

The draft Recommendation will set a common cost methodology for the wholesale prices to be paid by alternative operators to incumbents in order to get access to telecom networks. According to this draft which has been submitted to the Body of European Regulators for Electronic Communications for its opinion, the average monthly rental access price of the full unbundled copper local loop in the EU should be set between €8 and €10.

In our opinion, keeping high price of wholesale access to copper networks is contrary to the interests of consumers. In addition, the draft Recommendation provides neither the guarantee nor the real incentive for incumbents to invest in ultra-fast broadband networks. BEUC is therefore highly concerned that the approach chosen by your services will result only in high prices for European consumers without providing them with a high-quality connection at a reasonable price.

We are also concerned that your services have not taken into account the views expressed by consumer organisations¹ in the context of the public consultation that was launched in 2011 in preparation of the Recommendation. In our view, cost methodologies have to be integrated in a program that aims to promote innovation and creates incentives for operators to invest in the Next Generation Access networks. It is crystal clear that the objectives set in the EU Digital Agenda can only be achieved if telecoms markets are effectively regulated, the right approach of setting the wholesale costs is chosen and the investments in ultra-fast broadband networks are safeguarded.

¹ x2011_121 mst_Prices in electronic communications.

If adopted in its current form, BEUC fears that the EU will fail in delivering ultra-fast broadband access to its citizens. Therefore, BEUC suggests the final Recommendation includes a clear requirement for the operators to invest in the Next Generation Access networks. At the same time, this guarantee must be accompanied by a proper monitoring by National Regulatory Authorities.

Given the significantly divergent approach chosen by your services, we urge you to thoroughly assess its impact on retail markets to ensure that benefits in terms of choice, affordable price and quality of telecommunications service are delivered to European consumers. In this respect, BEUC truly believes the involvement of all stakeholders is crucial and will only benefit the final Recommendation.

Yours sincerely,

Monique Goyens
Director General