

## **No to new regulations means yes to investment**

The Swiss ICT market is characterised by rapid connections nationwide, dynamic competition, a wide range of services and moderate prices. In the proposal adopted today on the partial revision of the Telecommunications Act, the Federal Council acknowledges the successful expansion of the infrastructure and consequently sees no urgent need for action with regard to network access regulation. Swisscom welcomes this position as extremely good broadband provision, the dynamic expansion of ICT infrastructure and the extensive range of new services support the retention of the applicable regulatory regime.

Swisscom will assess the Federal Council's proposal on the partial revision of the Telecommunications Act over the coming days and will explain in detail our opinion on the matter by the end of March 2016. Today, however, it is clear that Switzerland has one of the most modern ICT infrastructures in the world thanks to forward-looking legislation that promotes investment. The basis for Switzerland's outstanding coverage with high bandwidths and a high level of investment in comparison with other countries is the intensive competition between various network operators including mobile providers, cable network companies and electrical utilities.

It is not just customers who benefit from competition between the networks in the form of increasingly high-performance networks; providers that do not have their own networks also reap the rewards. They can hire network services – at market rates – from electrical utilities or Swisscom, thus enabling them to provide their customers with attractive ICT services. Access to the networks is also in the interests of the network providers as it allows them to amortise their high investment costs.

### **Competition is working – pre-emptive regulation curbs investment**

Cable network providers and electricity companies have invested in the expansion of existing infrastructure and the set-up of new infrastructure over recent years. Swisscom alone is investing CHF 1.75 billion in Switzerland this year. There is no end in sight to the expansion owing to the continued strong growth in demand for fast data connections. “The main objective of regulation must be to permanently create incentives for high levels of investment,” remarked Urs Schaeppi, CEO of Swisscom. “It would be a mistake to change the prevailing network access regime and effectively pre-emptively



regulate intact competition, thus jeopardising investment. New networks will only be set up and expanded if there is the prospect of sufficient compensation for high investment risks.”

Swisscom disapproves of the proposal to allow the Communications Commission (ComCom) to intervene ex officio. The current primacy of negotiation has proven effective, as is shown by the dynamic market.

### **Unnecessary regulation of roaming charges and network neutrality**

The regulation of roaming charges is also unnecessary. These have been falling for years and there is growing competition from alternative services, such as the iO and WhatsApp communications apps. With respect to roaming charges alone, price erosion at Swisscom in 2015 stood at over CHF 100 million. Since 13 April 2015, Swisscom has also been offering unrestricted use of the roaming service abroad in the EU, i.e. unlimited calls and SMS, and 1 GB of data transmission are included in all infinity plus subscriptions.

There is also no need for the statutory regulation of network neutrality. There have been no cases in Switzerland to date where services or offerings have been blocked. Swisscom, Sunrise, Salt Mobile SA, UPC and the Suissedigital association also signed a code of conduct on network neutrality in November 2014. The companies ensure an open Internet and the competition between infrastructures provides a guarantee of network neutrality. As of September 2015, an ombudsman’s office has mediated in disputes between customers and Internet service providers in the event of breaches of the code. In contrast to legal provisions, such industry solutions can be implemented quickly and easily, can be flexibly adapted to new requirements and are consistent with proven Swiss principles.

The individual adjustments to the technical developments and with regard to the protection of consumers and minors are nevertheless worthy of consideration. However, they do not require the Telecommunications Act to be revised in any way. Swisscom shares the opinion that unwanted calls from telemarketers must be prevented and has already joined together with the rest of the telecoms sector in entering into discussions with consumer protection organisations, authorities and competitors to find a customer-friendly solution that meets both technical and legal requirements. Swisscom participated in the round table discussions organised by Allianz der Konsumentenschutzorganisationen (“The Alliance of Customer Protection Organisations”) in September 2015 and will continue to support the working groups.



**swisscom**

**Press release**

Swisscom holds the same opinion as the Federal Council that today's market provides the most varied and attractive range of offerings possible, as high-speed Internet access is available on the Swiss market without having to take a bundled telephony, Internet and TV package. We therefore believe that bundled services do not need to be regulated.

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