

Regulations for new networks jeopardising investment

The Federal Council today confirmed the results of the consultation on the partial revision of the Telecommunications Act (TCA) and commissioned the Federal Department of Environment, Transport, Energy and Communications (UVEK) to draw up a dispatch on the amendment of the TCA by September 2017. In view of the dynamic competition within the industry and the ongoing expansion of ICT infrastructure, Swisscom is sceptical about the idea of extending network access regulations to new technologies and revising the Telecommunications Act at this time. Roaming prices have been radically reduced, and the issues of network neutrality as well as the protection of consumers and minors have been addressed through self-regulation.

Swisscom is against expanding regulation of access to new networks. New networks such as optical fibre and mobile telecommunications are in competition with one another and ensure rapid connections and a wide range of moderate prices nationwide. Swisscom, cable network providers and electricity companies have invested massively in the expansion of existing infrastructure and the set-up of new infrastructure in recent years and have no immediate plans to stop doing so.

The most important aim of regulation must be to create a reliable framework for the sustained high level of capital expenditure. Investments will be made in new, increasingly high-performance networks only if there is the prospect of sufficient compensation for the associated investment risks. Fast, well-developed networks, in turn, form the basis for digitisation of the economy and society and are key to Switzerland's success. No other OECD country invests as much per inhabitant in infrastructure as Switzerland.

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 network infrastructure 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.

Swisscom welcomes the rejection of the option 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 following on from massive price reductions

The regulation of roaming charges is unnecessary. These have already been massively reduced. Since the spring of 2015, Swisscom has offered unrestricted use of the roaming service within the EU: unlimited calls and SMS messages as well as a certain data transmission volume are all already included in all infinity plus and 2.0 subscriptions. Thanks to the inclusive data volume, the reduction in fees for 2016 remains virtually unchanged year-on-year at around CHF 100 million, with a very positive impact for customers: Three-quarters of global data volume was no longer billed to residential customers in the second quarter of 2016, and this figure is still rising. Switzerland is not part of the EU or the digital European area. As a result, Swiss mobile network operators are treated as providers from third countries by the EU and do not benefit from standard purchase prices.

Swisscom advocates self-regulation instead of rigid regulations

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 already 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 has long supported the idea that unwanted calls from telemarketers must be prevented. Swisscom will be offering all its All IP customers – currently numbering more than 1.4 million – an optional free filter for blocking unwanted calls from telemarketers by the end of 2016. Media protection for minors is already strongly supported by the ICT sector. For this reason, the industry initiative for youth media protection, comprising measures such as child and youth protection filters and the promotion of media competency, was updated in March 2016.



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