

# VISION 2010

for healthy competition, high innovation power  
and a successful liberalisation of  
the Austrian telecommunications market

# MANAGEMENT SUMMARY

## SUCCESS OF LIBERALISATION

The vision 2010 of the Association of Alternative Telecommunications Operators is concerned with the development of the liberalisation of the Austrian telecom sector. The members of this association represent around 97% of the Austrian alternative telecom market. Since competition was first introduced in the mid-1990s, we have seen far-reaching improvements for consumers and the economy. In many areas prices have fallen dramatically. Private customers and businesses benefit strongly from reduced prices as well as from improved service quality, which has been caused by rapid technological developments. The improvement of customers' welfare based on the liberalisation of the telecom market amounts to around € 14 billion. Competition has proven to be a success story wherever regulation has intervened quickly and courageously for the benefit of competition. We must emphatically continue to work on this success story.

## FURTHER INTENSIFY COMPETITION

The future of the telecom industry in Austria is portrayed in detail and the consequences that will be decisive for a continued positive development in the coming years are derived. For a successful development it will be necessary to further intensify competition and expand it to other areas of telecommunication, which are not yet fully competitive, such as the access market. A re-monopolisation—even if only in part—would be absolutely unfavourable for consumers as well as for the business location and must be prevented by means of an adequate legal framework and—if necessary—by means of strict regulatory measures.

## DEMANDS OF ALTERNATIVE OPERATORS

The demands of the alternative operators are addressed towards political decision makers and those in charge in Austria and also on a European level, always focusing on competition as the central aim. A main issue is to continue the path of the ladder of investment in the fixed-line sector, which little by little gives the alternative operators the opportunity of full competition with the incumbent. This shall be realised by means of wholesale line rental and realistic low costs for unbundled lines and implementation.

### ■ **Courage and power of innovation on the part of the legislator and one person in charge within the federal government**

The telecommunications and information sector is a key industry for Austria's future as a business location. This should be taken account for with strong-willed decisions and a person responsible for these matters within the federal government. The customer benefit created by means of competition is the measure for all activities.

### ■ **A master plan for regulation**

The state of the communication markets as strived for by politics is to be clearly defined. The goals and measures of new regulatory approaches are to be set out within a framework of milestones as regards time and content.

### ■ **Leading position in communication services as a national aim**

The Austrian economy shall be able to develop the necessary strength in order to improve its position in international competition. It should become a national aim to have the best telecommunications services in comparison with the rest of Europe.

#### ■ **Intelligent framework conditions rather than halfhearted subsidies**

The market mechanism is in the foreground. Only if it fails, may promotions be used as a corrective. An intelligently organised environment, in which all operators can develop, is more important than financial support. A climate supporting innovations as well as opportunities for reinvestment are to be secured.

#### ■ **Fair access to infrastructure**

The infrastructure financed by the general public and developed under the protection of the monopoly, must be fully opened for competition, because it could not be justified from an economic point of view to multiply it. What is needed are definitive steps towards the resale of access services and unbundling, where the separation of this infrastructure from the incumbent by forming an independent infrastructure unit is also a possibility.

#### ■ **Regulation with adequate strictness and active prevention of abuse**

The decisions of the regulation authority must not lose track of the aims, especially the creation of sustainable competition. The measures necessary to reach these goals must be ordered with adequate strictness. Wherever signs of abuse of market power are recognised, the regulation authority must become active of its own accord by means of quick intervention and effective execution.

#### ■ **Implementation of effective competition**

Competition is the basis for keeping prices low for the economy and consumers on the one hand and keeping the service variety as well as the economic and individual overall benefit high on the other hand. Tendencies towards re-monopolisation as can be seen in the broadband sector must be countered vigorously.

#### ■ **Security of planning and investment**

Charges based on local interests prevent the installation and operation of nation-wide infrastructures, massively reduce the coverage quality for the economy and the population, and thus cause great harm to the business location. Only the stability of the basic conditions can in the long run secure the success of well-founded business models.

#### ■ **Realism in legal interception, data retention and safety of networks**

Operators must be relieved from the costs of legal interception. The privacy of people and data is to be protected. The legal basis shall be designed and applied independently of any technology.

#### ■ **Free access to infrastructure by means of adequate right of way for telecommunication lines, consideration in public construction projects**

Access, implementation, and operation of infrastructure may not be hindered or raised in price by means of local interests or interpretations of the legal framework that disagree with the competitive goal. In the case of public construction projects, requirements of the communication infrastructure must be considered.

#### ■ **Competition also in the provision of a universal service**

The necessity of a universal service shall be examined regularly, and the services are to be tendered independently of any technology. The costs of the universal service must be made predictable for all market participants, in order to guarantee planning reliability, and shall largely be financed by the government as these services are in the interest of the general public.

VAT – VERBAND ALTERNATIVER  
TELEKOM-NETZBETREIBER  
ASSOCIATION OF ALTERNATIVE  
TELECOMMUNICATIONS OPERATORS

MARIAHILFER STRASSE 37-39  
A-1060 VIENNA, AUSTRIA

PHONE: +43/1/588 39-37  
FAX: +43/1/586 69 71  
E-MAIL: OFFICE@VAT.AT  
WEBSITE: WWW.VAT.AT

