



Telecommunications Newsletter Switzerland

Swisscom Faces a Stiff Breeze in the Unbundling Discussions

The Committee on Transportation and Telecommunication recommends, after consultation with the OFCOM, a full unbundling of the last mile for all networks, including copper, fibre, mobile and television broadband.

This proposal made by the Committee on Transportation and Telecommunication finds its full support from the new market entrants including the mobile operators such as Orange and Sunrise who, however, would like to exclude the mobile network from the unbundling provision. It is obvious, that they are afraid loosing their cash cow in the fixed to mobile termination. Cablecom takes the position that their broadband access to the home will not be liberalized because they do not have a dominant position.

Swisscom strongly opposes the proposal made by the Committee on Transportation and Telecommunication. According to Jens Alder, Swisscom would be in agreement with a full unbundling of the copper cable, although - according to Swisscom - this would be against the entrepreneurial interests. The opening of the other networks is deemed unacceptable.

The primary interest of Swisscom is the ADSL internet access. Today, Swisscom offers ADSL internet access to its competitors without a clear legal obligation and, therefore, determines the prices. If access and resale of ADSL is liberalized, the OFCOM would have the last word. In this case, Swisscom would have to make available to its competitors cable as well as access apparatus at regulated prices. If the copper cable is fully liberalized, as proposed by Alder, then the alternative operators would also have to invest on their own.

Tele2, an alternative no-network operator, strongly opposes the proposal made by Jens Alder to only unbundle the copper cable. A full unbundling of the

copper cable is only then of interest, if the customers frequently use the telephone as this is the case with small and medium sized enterprises. For all other customers it is important that alternative operators may use the infrastructure of Swisscom but may also issue their own invoice for the local loop.

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