



Press Release

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ADDRESS
Tulpenfeld 4
53113 Bonn

TEL +49 228 14-9921
FAX +49 228 14-8975

pressoffice@bnetza.de
www.bundesnetzagentur.de

Bundesnetzagentur keen on clarifying frequency use after 2016 at an early stage

Mr Kurth: „Competition on the German mobile market not impaired“

The four mobile network operators active on the German market are equipped with competitive frequencies enabling them to operate sophisticated, broadband, wireless infrastructures in line with their business models. This is the conclusion reached by the Bundesnetzagentur in its draft consultation on the frequency allotment study on the 900-MHz range published today. With the possible use of the GSM frequencies after 2016 in mind when the assignments expire, the Bundesnetzagentur also published a key elements paper for consultation to determine the future frequency requirements in the ranges 900 MHz and 1800 MHz.

„Last year's frequency auction was the key means by which all German mobile operators obtained new and additional frequencies. Such a spectrum package is unique in Europe. However, we are keen on setting the course for the next decades and to settle the issue of frequency use after 2016 at an early stage. A redistribution merely for a few years would entail considerable problems and from an economic viewpoint would certainly not lead to the desired results“, explained Matthias Kurth, President of the Bundesnetzagentur.

„The draft consultation and key elements paper give the market players early planning and investment security. This concerns both the current use of the frequencies and the plans for the period after the licences expire. This ensures transparency regarding future steps and gives significant impulses for future developments in mobile communications“, continued Mr Kurth.

In its draft consultation the Bundesnetzagentur comes to the conclusion following comprehensive investigations that competitive distortions resulting from the current spectrum packages are unlikely. No competitive distortions were identified when examining the 900-MHz range in isolation or when studying the totality of frequencies made available to the parties concerned for the provision of radio access networks for the offer of telecommunications services.

„The mobile operators' spectrum packages are the outcome of open, unbiased, transparent and non-discriminatory procedures. Furthermore, all mobile network operators in Germany have been assigned spectrum in the 900-MHz range. Cost disadvantages and efficiency handicaps



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due to the spectrum assigned have not been identified in any of the network operators' cases or else have been counterbalanced by different bidding and business models at the last auction. Hence competition on the German mobile market is not impeded. There is therefore no need to redistribute current frequency usage rights by means of a revocation and re-assignment prior to expiry of the GSM frequency assignments“, explained Mr Kurth.

The key elements paper outlines the conditions pertaining to the procedure for the future use of the frequencies in the ranges 900 MHz and 1800 MHz. In view of the expiry of the GSM licences in 2016, the Bundesnetzagentur plans to launch a formal requirements assessment procedure to determine the frequency needs in the ranges mentioned earlier. The Bundesnetzagentur will use this procedure to determine whether demand would exceed supply and whether the number of frequency assignment requests would exceed the number of frequencies available. The key elements paper also sheds light on the future options for using the frequency ranges as well as possible assignment proceedings. „The questions relating to these issues are highly complex and the decision to be taken will have far-reaching consequences for the market“, continued Mr Kurth.

The consultation on the frequency allotment study ends on 16 September 2011. Comments on the key elements of the requirements assessment procedure may be submitted until 12 August 2011. Determination of the frequency requirements is scheduled for the fourth quarter of this year.