



Press release

Bonn, 10 October 2018

Bundesnetzagentur publishes position paper on significance of data in network sectors

The Bundesnetzagentur has today published a position paper on the significance of data in the network sectors. The paper analyses the significance of data as a factor in competition and value creation, both in the traditional network sectors and for new data-based business models that have an ever-increasing influence on established market structures.

"Physical network infrastructure in the telecommunications, postal, energy and rail sectors is becoming increasingly smart because of data," declared Dr Wilhelm Eschweiler, Bundesnetzagentur Vice President. *"Big data analytics enables new, innovative products and services that build on the network infrastructure, such as smart home applications, networked mobility services, and streaming and communication services."*

The paper looks at the need for regulatory action as well as various options for action, ranging from imposing transparency obligations, through promoting standardisation and interoperability, to establishing rules for access to data (pools).

General solutions not expedient

The typical characteristics of data, such as parallel collection and processing options or relevance for a limited time, mean that traditional economic analysis tools are increasingly reaching their limits.

"Data cannot be compared to conventional factors of production. This is why traditional solutions cannot automatically be applied to the digital world and, in many cases, completely new approaches are needed," explained Dr Eschweiler.

The suitability of specific remedies can only be assessed on the basis of the market conditions of the individual sector or business model, with complex causal relationships and possibly conflicting goals often needing to be taken into account.

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"One of the main challenges, as I see it, is the need to maintain a balance between consumer protection interests and the interests of companies in the innovative use of data."

At the same time, it must not be forgotten that individual data categories are to be classified as personal, commercially sensitive, or relevant to public safety.

"This often places clear limitations on the options for data access and exchange," Dr Eschweiler continued.

New challenges in the network sectors

The increasing economic significance of data also gives rise to new challenges in the network sectors. Should network operators have exclusive access to certain data, this may result in distortion of competition and restrictions on innovation. To be able to leverage data-based potential in the energy sector, for example, there is a need from a competition perspective for stricter unbundling requirements for integrated network operators. An entitlement for market players to have network operators publish specific network data could also facilitate the development of innovative services in the electricity market.

In addition, further challenges are arising across all the sectors, for instance with regard to market transparency, data cooperation, the creation of a level playing field, or how to deal with internet-based platforms and networks.

Intensifying market monitoring

The dynamic changes in the market are leading to differences between companies, consumers and government institutions in the levels of information. Continual and proactive market monitoring is therefore of decisive importance. In the digital age, too, changes in the market can only be properly assessed on the basis of suitable market data.

"The first step will be to hold a forum to bring together market players and external data experts. Our aim must be to consolidate the collection of information in the field of data. One conceivable option would be data-specific market consultations, which in turn could provide a basis for a reporting platform to be developed by the Bundesnetzagentur."

Such a platform would provide market players with a quick and easy way to communicate to the Bundesnetzagentur problems or suggestions relating to data handling, for example regarding discriminatory behaviour or the implementation of data standards. This would benefit all those involved.



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The Bundesnetzagentur's paper (in German) has been published online at www.bundesnetzagentur.de/grundsatzpapier-digitalisierung.

The Bundesnetzagentur plans to launch the discussion with market players and experts on the significance of data as a factor in competition and value creation in the network sectors at a forum planned for mid-January 2019.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn, its other main sites in Mainz and Saarbrücken, and its 46 regional offices.