## Press release

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# Bundesnetzagentur aims for long-term stable basis for migration from copper to fibre

The Bundesnetzagentur today approved new prices for the local loop, the "last mile" in access networks.

"For the first time, the rates are being approved for a period of ten years. This decision accommodates fundamental interests of the telecommunications industry players, who present a very united front in this matter," said Klaus Müller, Bundesnetzagentur President. "The Bundesnetzagentur's aim is to support the digitalisation process and promote accessing and using fibre networks."

### Local loop prices to fall

The price for access to the local loop at main distribution frames, which increased in the last few approval periods, will fall from €11.19 to €10.65 with effect from 1 July 2022. The main distribution frames are the central points in Telekom's network where the individual copper lines run to the end-users.

The price for access to the sub-loop at street cabinets, for which demand will be higher in future, will fall from €7.05 to €6.92.

The local loop is important in the context of the migration from copper to fibre networks and represents an "anchor product" for network operators, providers and investors in the transition to high-speed networks.

#### Long approval period to give firm planning basis

For the first time, the rates are being approved for a period of ten years instead of three. After five years there will be a 4% price increase. This approach accommodates fundamental interests of the telecommunications industry players, who present a very united front in this matter. Setting the

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rates for a longer period of time aims to make it easier to expand and migrate to fibre networks.

It gives network operators, providers and investors a firm planning basis for their calculations for copper lines, which fibre competes with. The longer approval periods will also be good for competition. The significant investments in fibre networks and further upgrades to broadband cable networks are leading to a gradual transition from copper to very high capacity networks. The stable, long-term local loop prices will make this migration more calculable not only for operators of the faster networks, but also for users of the copper cables. Users should also benefit from the stability. The new networks will make it possible to improve the range of offers and to plan offers on a stable basis without the risk of local loop costs increasing.

#### National consultation and coordination within the EU

The draft decision first underwent a national consultation in which interested parties had the opportunity to state their views on the proposed rates. The Bundesnetzagentur then submitted the draft decision to the European Commission, the Body of European Regulators for Electronic Communications (BEREC) and the national regulatory authorities of the other EU Member States. There were no fundamental objections to the draft decision, which will now enter into force on 1 July 2022.

The Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen is an independent higher federal authority with its main office in Bonn and is under the responsibility of the Federal Ministry for Economic Affairs and Climate Action (BMWK). Some of its areas of activity fall under the substantive supervision of the Federal Ministry for Digital and Transport (BMDV).