

European Commission
DG CONNECT, B1
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Feedback from BUGLAS to the draft act on voice call termination rates in the EU (Eurorates)

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The German Federal Association of Fiber Access Operators („BUGLAS“ - as per German initials) represents those enterprises and operators which are already accountable for about 1.1 million FttB/H connections. Our members, among them NetCologne, M-net, Wilhelm.tel, MDCC and over 150 other enterprises, plan to connect another million further homes and enterprises directly via fiber.

Regarding the Commission's draft act on voice call termination rates in the EU (Eurorates) we generally appreciate the Commission's approach to set a single maximum Union-wide mobile voice termination rate and a single maximum Union-wide fixed voice termination.

While we consider the proposed maximal fixed voice termination rate of 0.07 cent/min to be appropriate and welcome its one-year transitional period, we request the European Commission to review the proposed maximum mobile voice termination rate of 0.2 cent/min as well as the 3-years glide period.

With respect to the maximum fixed voice termination rate, we generally welcome the significant reduction of the upper limit in comparison with the current status quo. However, we raise doubts that differences in incremental costs justify that mobile voice termination rates are proposed to be set 3 times higher than the fixed voice termination rates. Since *“traffic-related costs which would be avoided in the absence of*

a wholesale voice termination service” in practice equal each other, the gap should be closed soon.

Furthermore, the proposal foresees a three-years glide path for the mobile line termination rates, since “*current mobile voice termination rates are on average significantly higher than the cost-efficient rate*”. This implies that mobile network operators obviously were for a long time enabled to define mobile voice termination rates that significantly exceeded their efficient costs of the termination service. Thus, we consider the 3-years glide path to be another gift for mobile operators, even though such a path is mentioned to be a “*common regulatory practice*”.

As a conclusion, we generally support the Union-wide harmonisation of the termination rates, whereby the gap between mobile and fixed voice termination rates should be reduced as fast as possible.



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