

**Question for written answer P-003025/2016
to the Commission**

Rule 130

Matthias Groote (S&D)

Subject: Notification procedure for the vectoring agreement concluded between the Federal Network Agency (BNA) and Telekom

Germany's expansion of its broadband network calls for substantial investment. If the federal government's broadband objectives are to be achieved, and in order not to miss the bus on the gigabyte society, there is an urgent need to drive forward the work of laying fibre optic cables.

The agreement concluded between Telekom and the BNA on the increased use of vectoring makes the re-establishment of a monopoly on fixed network access markets a real possibility. Alternative service providers will be forced off the market by disproportionately stringent operating requirements. In keeping with free market principles, should the work of expanding the network not be done by the service provider which makes the best offer? How will access be guaranteed for households previously covered by the now-abandoned 'last mile' approach?

The monopoly will do away with the pressure to replace outmoded copper cables with fibre optic cables. Will this lead to Germany falling even further behind in the process of developing a gigabyte society, as the Federal Cartel Office fears?

The argument put forward by Telekom and the BNA that rural areas with low data speeds in particular will benefit from vectoring is unconvincing. Most of the areas in which vectoring will in fact be implemented are located in economically more attractive towns and suburbs, with the result that Telekom will surely be tempted to engage in 'cherry picking'. Only 1.47% of households are located in rural areas.

In such areas, data speeds may even be reduced, because copper is less conductive at the higher frequency required by vectoring.

Given that modern, forward-looking internet provision in rural areas is not economically viable, would transparent direct State subsidies for such areas not be preferable?