

Tele2 Nederland B.V.
Postbus 22697
1100 DD Amsterdam
Phone +31(0)20 750 10 00
tele2.nl

Kvk Amsterdam 33303418
Tele2 is een handelsnaam
van Tele2 Nederland B.V.

Public Reaction

Diemen, 4-9-2015

Autoriteit Consument en Markt
t.a.v. Directie Mededinging
o.v.v. Consultatie IP Interconnectie
Postbus 16326
2500 BH Den Haag

IP interconnection in the Netherlands

Dear Sir, Miss,

Tele2 acts as both a provider of ECS as well as a CAP (through InterNLnet) in the Dutch market. In the Nordic region it is also active as an IP transit provider. It therefore has a strong interest in a well-functioning IP-interconnection market, because a non-functioning market could affect each of its business areas.

Tele2 thanks you for a thorough report on IP interconnection in The Netherlands. The competitive aspects of IP interconnection are essential to the functioning of the Internet communication market, but are often unknown with telecom regulators. The OECD and BEREC have in recent years written reports and organised seminars on the topic, which has raised the visibility of IP interconnection with regulators.

Tele2 agrees with most of the report as it stands. However, it appears that ACM underestimates the likelihood of competition problems in the market for IP interconnection in the Dutch market. The European Commission has already imposed remedies on one player in the Dutch market, forcing it to maintain uncongested transit links in the Netherlands. It found that that player already actively used its IP interconnection to limit the possibilities of OTT content providers over its network.

The competitive situation in the Netherlands is such that there are two dominant multiplay consumer broadband players. Competition is moving to OTT content provision, therefore it could well be that interconnection between access networks become a competitive bottleneck. Denying access to a well-functioning transit connection has in the past been used to create a competitive bottleneck for alternative access providers in Australia and New Zealand, which has been documented by the OECD in its report on 'Connected television'.¹ The UKE case mentioned in the report was an example of an incumbent trying a similar tactic. This should be reflected in the report as an area that warrants continued attention.

Tele2 would also like to call to attention that the interconnection of VoIP is completely separate from IP interconnection as discussed in this document. VoIP interconnection has proven to be more akin to traditional voice interconnection and more difficult to achieve between networks.

Some specific comments on the report are:

Page 9: It would be good to mention organisations such as the Dutch Tax Service and the Municipalities of Heerlen and Den Haag also have their own AS-numbers. This would show that IP interconnection extends beyond traditional ISPs and CAPs. It would also be good to mention them in Figure 7 and its explanation in paragraph 3.3.

Page 10: Transit is purchased based on capacity expressed in peak Mbit/s (95 percentile) per month and not on quantity. The price is not determined by whether 300 Gigabyte needs to be delivered but why it needs to be delivered over 1 month (1Mbit/s) or 1 second (2.4Tbit/s).

TELE2

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Page 22: Though the academic research on improved QoS over interconnection is older than the IP interconnection market, there so far have been no succesful commercial implementations. The OECD-report on Connected Television explains how CAPS have dealt with the best effor Internet and why commercial offers have not emerged.

Page 25: It would be good to mention that competition in the Dutch broadband market is moving towards the provision of OTT services, such as television, which makes IP interconnection more of a possible competitive bottleneck between access providers. Almost all providers now have a TV offer that can be viewed on mobile devices.

Page 27: There are also a number of regional IXPs that play a small role in IP interconnection in The Netherlands. Mentioning them would make the report more complete.

Page 29: It would appear the UPC-Ziggo case took place in The Netherlands, but was decided at the EU level.

Page 33-34: The EC found that UPC-Ziggo would only purchase transit outside of Europe to the detriment of EU players. It therefore imposed remedies to force the merged company to purchase transit in Europe.

Page 45: It goes too far to state that the research has not revealed any significant problem related to IP interconnection in the market. Indeed the UPC-Ziggo merger revealed a situation that was serious enough to warrant an 8 year remedy.

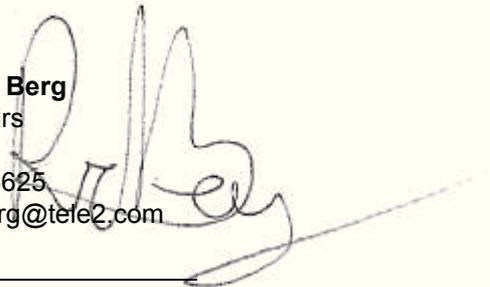
Page 56: The discussion on whether CAPs, such as hosting providers, but also Internet voice providers fall under the Dutch Telecom Act has been discussed in the Dutch parliament in relation to the implementation of the Cybercrime Convention (art. 126 Strafvordering) and lawful interception (Chapter 13 DTA). So far successive ministers of Economic Affairs have excluded CAPs from the definition of providers of ECS.

Should you have any further questions, Tele2 remains at your disposal.

Kind Regards,

Rudolf van der Berg
Regulatory Affairs

Mobile 0636356625
rudolf.vanderberg@tele2.com



ⁱ <http://oecdinsights.org/2014/01/23/the-connected-television-debate-in-oecd-countries/>