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Public consultation on the Draft BEREC Progress Report on managing copper network switch-off

1&1 Versatel has the second largest fiber optic network in Germany after Deutsche Telekom. Through this network, 1&1 Versatel connects its business customers throughout Germany who have high bandwidth requirements and demand high reliability. At the same time, this network is also used to supply private customers and smaller commercial customers of the Group's sister company 1&1 Telecom. Since the successful acquisition of the 5G mobile communications licenses, 1&1 Versatel has also used its nationwide broadband network to connect the mobile base stations of its sister company 1&1 Mobilfunk.

Despite a vast network of fiber optic lines, it is still necessary to fall back on Deutsche Telekom's wholesale services in the copper network, usually based on DSL, particularly in sparsely populated areas. At the same time, 1&1 Versatel is actively advancing its own expansion of the fiber optic network, just as Deutsche Telekom and other competitors continue their expansion.

In our view, the draft BEREC report correctly describes that there is currently neither a binding nor a voluntary timetable for the shutdown of copper networks in Germany. In our view, it is also true that there has so far been little acceptance and use of fiber optic products, particularly among private households. Both in terms of price and available performance, the existing copper-based offerings are often still sufficient or even comparable.

We therefore agree with the conclusions of the draft BEREC report that a forced migration at this stage would be counterproductive.

We also support the view that migration and copper switch-off are important but must be approached with caution, ensuring that the protection of end users takes priority. Sufficient deadlines and comprehensive information are critical here. Comparable and reasonably priced alternatives must therefore also be available before copper networks are switched off.

It is important to emphasize that processes, products, and prices must be defined in advance and that substitutes should be available for all products.

It is important to note that products that played only a minor role with copper can also be redeployed on the fiber optic network. The local loop must be considered explicitly here. With the introduction of vectoring in Germany, the copper local loop became largely unusable, or the access obligation was lifted. However, this must not mean that unbundling is also ruled out for FTTH. Rather, it must be provided again as a mandatory wholesale product as part of the migration.

For Germany, a substitution matrix regarding the incumbent must therefore be provided as follows:

Migration matrix

	Base product	Targetproduct (partly based on Telekom-Products)
Privat customers/ Massmarket	Voice-Only	Depending on demand: Bandwidths, from 16 Mbit/s (or the minimum supply threshold in accordance with the right to be provided with telecommunications services are necessary). <ul style="list-style-type: none"> • L3BSA FTTH (activ, supraregional), • L2BSA FTTH (activ, supraregional) • Fiber Local loop (passiv, handover local) or alternatively, for example, unbundled wavelength (WDM-offer) Wholesale prices must be in line with competition (i.e. cost-oriented plus an appropriate return on capital).
	Copper Local loop (TAL) (up to 16 Mbit/s)	
	(copper based, handover local)	
	L2BSA (copper based) (up to 250 Mbit/s)	
	(handover supraregional)	
Business customers	IPBSA / WIA Gate / L3BSA (up to 250 Mbit/s)	Depending on the demand / area of application: Bandwidths must be available according to the demand for GK. (low bandwidths are also required to connect terminals, for example). <ul style="list-style-type: none"> • Fiber based leased line CFV2.0 (handover local) • Fiber based VPN2.0 (handover regional & supraregional) • L2BSA with improved QoS features ("Business customers useable") • Fiber with dedicated bandwidth (OTN based) • naked fiber (local handover) or alternatively unbundled wavelength (WDM offer) Wholesale prices must be in line with competition (i.e. cost-oriented plus an appropriate return on capital).
	(copper based, handover supraregional)	
	leased line „SDH“ (copper based, handover local)	
	leased line „Ethernet over SDH“ (copper based, handover local)	
	leased line „Hub and Spoke“ (copper based, handover supraregional)	
Business customers	leased line „VPN 2.0“ (copper based, handover regional & supraregional)	Wholesale prices must be in line with competition (i.e. cost-oriented plus an appropriate return on capital).

Migration costs must be borne in accordance with the "cost causer pays" principle. The incumbent switches off its copper network to optimize its cost structure. It is therefore appropriate for the incumbent to bear the costs of the associated forced migration of wholesale customers. The only exception to this is when Telekom switches off and the migration to an alternative network takes place. In this case, the alternative network operator must (partially) bear the costs.