

ADMINISTRATIVE DECISION

The Office for Communications (AK) has in the official administrative matter regarding the

**Approval of the
Rates for Regulated Products
of**

Liechtensteinische Kraftwerke

with its registered office in FL-9494 Schaan, Im alten Riet 17,

on xx. MM 2014

ruled as follows:

RULING

1. The rates for all regulated products submitted by the Liechtensteinische Kraftwerke ("LKW") on 21 November 2014 are hereby approved as detailed in the tables in attachment 1.
2. LKW is obliged to include the approved prices in the respective approved versions of its reference offers and to publish same on its website.
3. LKW is obliged to apply the rates uniformly from 1 January 2015 in relation to all parties availing of wholesale services.
4. Any appeal against this administrative decision has its suspensive effect revoked pursuant to Art. 100(1) Liechtenstein National Administrative Act (LVG) in conjunction with Art. 116(3)(a) and (8) LVG.
5. The costs for this ruling remain with the State.

A. Established Facts

A.1 Party to the proceedings

The party to the proceedings Liechtensteinische Kraftwerke (hereunder also called "LKW") is the owner of fixed access networks in Liechtenstein. LKW's access networks include, in addition to copper pair (TPCW copper pair access) based subscriber connections, fibre optics based (FOC access) as well as cable television distribution networks (CATV; coax access). Furthermore, LKW also operates the fibre optics based infrastructure for the core network.

With its infrastructure, LKW provides in accordance with Government Decision No. 2014/606 solely wholesale service products to other providers of electronic communications and is not itself active on the retail customer market. Thus, a functional and organisation separation between network operators and service providers prevails in Liechtenstein.

As an operator of electronic communications networks, LKW is subject to the legislation on communications and in particular to the Law of 17 March 2006 concerning electronic communication (Kommunikationsgesetz; KomG), LGBI. 2006 No. 91, as well as the regulations issued on the basis of same.

A.2 The dominant market position of Liechtensteinische Kraftwerke (LKW)

It was determined by administrative decisions dated 16 December 2009 and 22 May 2014 from the Office for Communications (AK) due to the market analyses conducted in accordance with Art. 22(1) KomG that no effective competition prevails on the wholesale market for the physical access to network infrastructures at fixed locations (M4) and on the wholesale market for the physical access to network infrastructures for high capacity transmission routes in the core network and that LKW enjoys in both markets a position of sole significant market power in accordance with Art. 22 (1)(b) KomG.

In accordance with the administrative decisions, among others, LKW must as per Art. 23(1)(d) KomG and Art. 38(1) VKND charge cost oriented rates based on historic full cost accounting for the provision of the physical access and the annex services required for same. When assessing the cost orientation and efficient provision of the service, the AK can take into account international comparative values (benchmarking) pursuant to Art. 38(2) VKND.

Despite the time that has elapsed since the issuing of the above mentioned administrative decision regarding market 4 – and underpinned by the administrative decision regarding the wholesale market for access to the core network – nothing has changed in the circumstances determined at that time. Competition is still not prevailing on the market for the

physical access and LKW enjoys a dominant market position. LKW remains the sole undertaking in Liechtenstein that provides public communications networks throughout the State – in both the access network domain and the core network.

With the present administrative decision all rates for regulatorily mandated access products and services including all the annex services required for same are approved and defined respectively.

A.3 Procedure

As detailed above, in accordance with the administrative decision, among others, LKW must charge cost oriented rates based on historic full cost accounting for the provision of the physical access and the annex services required for same.

The basis – and requirement at the same time – for calculating the cost oriented rates is the cost accounting system or model ("CAM") from LKW. This CAM was approved by administrative decision from the Office for Communications (AK) on 7 October 2014.

In order to assess whether the rates which LKW applied for are cost oriented on the basis of historic full cost accounting, the CAM was inputted with corresponding numerical data, whereby the forward-looking approach was taken into account to the extent that, on the one hand, budget figures were used as a basis for the calculation and, on the other hand, foreseeable changes and developments were also taken into consideration.

LKW submitted the cost accounting with the corresponding inputted figures to the AK on 3 November 2014.

In November 2014, the AK assessed the rates transferred by LKW as well as the cost accounting data submitted, posed numerous follow-up questions and required from LKW that certain points which were not comprehensible to be reviewed and/or adjusted respectively.

On 21 November 2014, LKW transferred a revised version of the rates, which forms the basis for the present administrative decision.

In November 2014, the AK conducted a national consultation as well as an international coordination of the draft administrative decision, through which the rates were to be approved. The results of the national consultation were summarised in a document by the AK and published on its website. Likewise, the comments letter from the EFTA Surveillance Authority (ESA) has also been published on the website of the AK together with the conclusively issued administrative decision.

B. Consideration of Evidence

The findings on the rates for regulated services from LKW in the version dated 21 November 2014 are reasoned on the repeated inspections by the Office for Communications (AK) of the cost accounting, as well as on the numerical data forming the basis for same, on

meetings with LKW, as well as on the comments from market players, which were provided in the context of the national consultations in September 2012 as well as in November 2014. The detailed examination and analysis of the comments are documented in the respective summary documents regarding the standard offers (for the comments dating back in 2012) as well as the "Summary of the comments concerning rates".

The dominant market position of LKW in the meaning of Art. 31(1) VKND was ascertained by the administrative decision of 16 December 2009 in the M4 proceedings and by the administrative decision of 22 May 2014 in the SMPO proceeding regarding the core network and still continues unchanged.

The present administrative decision was consulted nationally in the period from 26 November 2014 to 10 December 2014. The comments provided in the context of the national consultation procedure were evaluated and summarised in a document. Both the comments and the evaluation have been published on the website of the AK.

In the period from 28 November 2014 to 28 December 2014, the present administrative decision was coordinated internationally. In the context of this coordination, the EFTA Surveillance Authority (ESA) provided a letter on xxxx 2014 stating that xxxx.

Thus, all comments from the national consultation and the international coordination procedures were taken into consideration to the extent that they were relevant for the present administrative decision, and formed the basis for the present ruling.

C. Grounds for the Decision

C.1 Competent jurisdiction of the Office for Communications (AK)

In accordance with Art. 55 KomG in conjunction with Art. 3 of the Ordinance of 3 April 2007 on the tasks and powers of the regulatory authority in the area of electronic communications (RKV), LGBl. 2007 No. 68, the AK as the responsible regulatory authority is obligated with the fulfilment of all regulatory tasks in the electronic communications area in conformity with Art. 56 KomG. These tasks include in particular the promotion and the monitoring of effective competition in accordance with Art. 56(1)(a) KomG and the ordering of measures of special regulation in accordance with Art. 56(1)(h) KomG as well as Art 33 et seq. in the Ordinance of 3 April 2006 on electronic communication networks and services (VKND).

C.2 Assessment of the rates

The administrative decision related to M4, with which the dominant market position of LKW was defined and certain measures of special regulation were imposed, provided the following requirement in Ruling Point 2.5. with respect to the structure and design of the rates:

*"Liechtensteinische Kraftwerke (LKW) must as per Art. 23(1)(d) KomG and Art. 38(1) VKND charge **cost oriented rates based on historic full cost accounting** for the provision of the physical access and the annex services required for same. When assessing the cost orientation and efficient provision of the service, the Office for Communications (AK) takes into account international comparative values (benchmarking) pursuant to Art. 38(2) VKND."*

The administrative decision related to the wholesale market for the physical access to network infrastructures for high capacity transmission routes in the core network, with which the dominant market position of LKW was defined and certain measures of special regulation were imposed, provided the following requirement in Ruling Point 2.5. with respect to principles of the rates:

"In pursuance of Article 23 para. 1 lit. a ComL and Article 38 para. 1 VKND, Liechtensteinische Kraftwerke shall set cost-oriented prices for the provision of physical access to network infrastructures for high capacity transmission routes in the core network including the access to civil engineering infrastructure and necessary associated services, based on historical full cost accounting."

Pursuant to Article 38 para. 2 VKND, the Office for Communications will assess compliance with the requirements for cost orientation and efficient service provision using international benchmarking."

The Office for Communications will approve or set the appropriate charges on the basis of the Cost Accounting according to Section 2.7 "

Art. 38(2) VKND stipulates that for the procedure to define the rates, the undertaking which is subject to special regulation must prove that its rates are calculated from the costs as well as from a reasonable return on investment. The regulatory authority can demand comprehensive justification from this undertaking for its rates and order their adjustment as required.

In September 2014, LKW informed the AK that regarding the forthcoming FTTH/FTTB roll-out and the foreseeable changes to the access network resulting from same, a value adjustment of the following assets is being undertaken:

- 31% reduction in the copper network
- 10 % reduction in the ducts assets in the access network
- 35% reduction in the ducts assets in the core network
- 32% reduction in the technology in the collocations

These changes/value adjustments are applicable from 1 January 2015.

Due to these changes, the carrying amounts of the respective assets are reduced correspondingly, the result of which is that the costs for the depreciation of and interest on the asset groups concerned are reduced.

Taking these circumstances as a basis, in November 2014 the AK examined the rates submitted for approval by LKW on 21 November 2014 to the extent that all of the rates applied for were assessed with the approved CAM provided on the basis of the budget figures and foreseeable changes. The result of this assessment is that the individual rates are cost oriented on the basis of historic full cost accounting. Thus the approved rates correspond to the intended underlying conditions.

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C.2.1 Rates regarding TPCW copper pair based subscriber connection access

The following rates regarding the TPCW copper pair based subscriber connection access (ULL and shared access) are approved as submitted:

	one-off fee	monthly fee
Unbundling local loop (Copper)		
2-wire	SFr. 185.00	SFr. 13.30
4-wire	SFr. 185.00	SFr. 23.30
6-wire	SFr. 185.00	SFr. 33.30
8-wire	SFr. 185.00	SFr. 43.30
10-wire	SFr. 185.00	SFr. 53.30
12-wire	SFr. 185.00	SFr. 63.30
16-wire	SFr. 185.00	SFr. 83.30
Shared access	SFr. 147.00	SFr. 0 / 13.30 ¹
Extended service levels		
Surcharge for Service level 'Business', per 2-wire copper		SFr. 2.90
Surcharge for Service level 'Top', per 2-wire copper		SFr. 6.60
Surcharge for Express-Set-Up (within 2 working days)	SFr. 100.00	
Unauthorized ordering (slamming)	SFr. 1'000.00	
Compensation payments for delayed recovery of service		
Standard from 1st up to 24th hour	SFr. 40.00	
Standard from 25th up to 48th hour	SFr. 80.00	
Standard from 49th up to 72nd hour	SFr. 120.00	
Standard with expiry of each further week	SFr. 140.00	
Business from 1st up to 8th hour	SFr. 130.00	
Business from 9th up to 16th hour	SFr. 260.00	
Business from 17th up to 24th hour	SFr. 390.00	
Business with expiry of each further week	SFr. 500.00	
Top from 1st up to 6th hour	SFr. 170.00	
Top from 7th up to 12th hour	SFr. 340.00	
Top with expiry of each further week	SFr. 500.00	

¹ If a voice telephony service has already been set up and is in operation for the purpose of shared access to unbundled access lines, no (additional) monthly rate is to be paid for the use of the higher frequency spectrum for high bit-rate services. Only in those cases in which the baseband is not used for voice telephony services, is the monthly rental fee as detailed due for payment.

The price list contains the following footnote regarding the access lines used on a shared basis (shared access loops):

"If a voice telephony service has already been set up and is in operation for the purpose of shared access to unbundled access lines, no (additional) monthly rate is to be paid for the use of the higher frequency spectrum for high bit-rate services. Only in those cases in which the baseband is not used for voice telephony services, is the monthly rental fee as detailed due for payment."

This explanation is consistent with the opinion of the AK, that the rate for the access-line is already paid via the telephone connection, which is available to all users at a uniform price as a universal service and is to be provided by Telecom Liechtenstein AG in line with its universal service obligation. Additional costs arise with shared access only as one-off costs for the set-up work (see below).

Information on individual rates:

■ One-off rate, loops/shared access loops (set-up rate)

In the context of the administrative decision related to Market 4, the obligation was imposed on LKW to charge certain rates for the core services of the TPCW unbundling until the submission of and conclusive approval of a cost accounting model and reference offer corresponding to the requirements.

In the context of the present rates approval, LKW submitted a detailed analysis of the tasks to be fulfilled in the context of set-up work. Following its assessment of these details, the AK came to the conclusion that the following steps with the listed time lengths (provided in minutes) are to be set in the context of set-up work:

	<u>Shared access loops</u>	<u>Loops, copper</u>
<u>Administration</u>		
• Order receipt,		
• Processing customer order,	30'	40'
• Order completion/billing		
<u>Planning</u>		
• Processing order,	20'	25'
• Monitoring construction contract		
<u>Construction/operation</u>		
• Construction work,	40'	48'
• Construction conclusion		
Total	90'	113'

Taking the production cost for the tasks listed as a basis, an amount of CHF 185.00 results for the set-up of a fully unbundled line and an amount of CHF 147.00 results for the set-up of the broadband usage on a shared access line.

When these values are compared with other comparative European values, it can be seen that while the approved rates are in the upper range, they are within the comparative values. In light of the small size of the State, due to which the set-up volume is low and because of which there is a demonstrable lack of economies of scale and – due to the vertical separation – of scope, this value also seems to be reasonable and justified on the basis of the international comparative values.

■ Monthly rates, ULL/shared access loops

The assessment of the amount of the monthly rate has occurred by utilising the values applied for on the basis of the budgeted quantity structure in the approved CAM.

The result of this assessment, taking the foreseeable changes and those which actually impact as per 01.01.2015 as a basis, is that the rates applied for are cost oriented.

It becomes clear on comparing the approved rates with the applicable rates to date, that the new rates consistently lead to a financial benefit for the providers:

Fully ULL Copper	Up to 31.12.2014 monthly, CHF	From 01.01.2015 monthly, CHF	Change
2-wire	16	13.3	-17%
4-wire	28	23.3	-17%
6-wire	40	33.3	-17%
8-wire	52	43.3	-17%
10-wire	64	53.3	-17%
12-wire	76	63.3	-17%
16-wire	100	83.3	-17%
Shared access	0	0	

Likewise, a comparison with the monthly rates charged in Europe shows that the approved rates are within the observed range of rates:

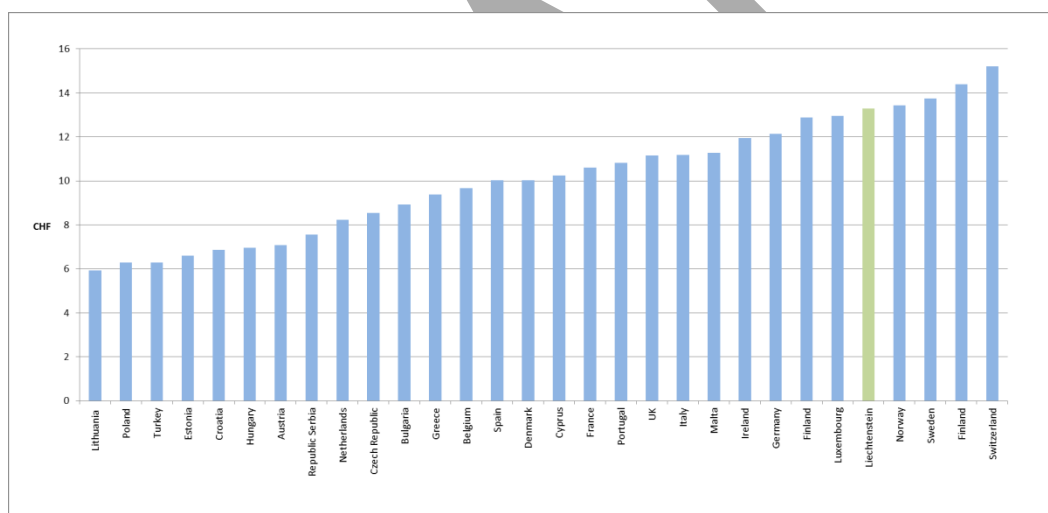


Figure 1 – rates for fully unbundled local loops (in CHF without VAT)
Data basis: BNetzA Survey Monthly LLU dated 3 April 2013

Thus the rates were approved as submitted.

■ Surcharge for Express set up

The surcharge for Express set up is regarded as reasonable and is approved. The accelerated connection has been consistently demanded by the market players as a necessity and has now been implemented.

■ Unauthorized ordering (Slamming)

The one-off rate that LKW intends to charge for unauthorized order placements is justified and necessary in the opinion of the AK in order to eliminate any instances of abuse arising from unauthorized order placements – i.e. the placing of an order to unbundle a line although in fact there is no retail customer order at all for same. In the opinion of the AK, the intended rate is suitable for preventing such grossly abusive order placements – both for LKW as the wholesale service provider, as well as for the retail customer whose line is being encroached on – and thus to protect both LKW and the retail customers.

■ Extended service levels

Extended service levels are envisaged for the first time with the standard contracts applied for approval. In this way, LKW is implementing a longstanding demand from the market players for extended service levels. This demand is comprehensible to the extent that extended fault/interference elimination regulations are required for a differentiation of the products and/or for targeted products respectively depending on the customer groups.

As the extended service level is being newly offered on the market, there are no values available based on experience to date for either the regulations or the processes themselves, nor indeed for the intended rates or flat-rate based damage claim amounts. As both the monthly surcharges envisaged by LKW and the flat-rate based damage claim amounts applied for for the extended network services fundamentally seem to be in line with the market, they are – as indeed are the fundamental regulations for fault/interference elimination – provisionally approved with the stipulation that the AK reserves the right should the occasion arise to subject the amounts and regulations to an assessment and set other amounts or new regulations as required.

C.2.2 Rates regarding collocation, dark fibre/backhaul

The following rates for collocation and dark fibre/backhaul are approved as submitted:

	one-off fee	monthly fee	per meter and year	Other	Remarks
Collocation					
1/1 rack (rackspace) incl. feasibility study	SFr. 1'250.00	SFr. 450.00			
1/2 rack (rackspace) incl. feasibility study	SFr. 1'250.00	SFr. 340.00			
1/3 rack (rackspace) incl. feasibility study	SFr. 1'250.00	SFr. 230.00			
1 high unit (HU) incl. feasibility study	SFr. 500.00	SFr. 30.00			
Space (gross space of closed room/sealed space)		SFr. 18.00			per m ²
Power supply rackspace		1 kWh included			
Power supply space (separate electric metre)		according to use			
Handover-Twisted-pair internal tie-cable to the MDF of LKW (also for extensions)	SFr. 1'200.00				per 25 twin-pairs
2-wire cable for delivery of leased lines 2 Mb/G.703	SFr. 450.00				
Ethernet copper cable Cat5/6	SFr. 450.00				
Inhouse optical fibre cable to optical distribution frame LKW	SFr. 1'000.00				6 fibres
Inhouse optical fibre cable to optical distribution frame LKW	SFr. 2'000.00				12 fibres
Inhouse optical fibre cable to optical distribution frame LKW	SFr. 3'600.00				24 fibres
Other types of inhouse cables (copper or optical)	T & M basis				
Delivery of auxiliary services					
Cable ducts (wire mesh trays at wall or ceiling)	SFr. 200.00				per meter
Keys, each additional key (1 x included)	SFr. 100.00				
Escorted access, service level 'Standard' (notification >48 h)	SFr. 180.00				
Escorted access, service level 'Express' (notification <48 h)	SFr. 260.00				
Core Net, Dark Fibre / Backhaul					
1 fibre, standard service level			SFr. 0.75		
1 pair of fibres, standard service level			SFr. 0.95		
n*pair of fibres, standard service level			SFr. 0.95		per fibre pair
1 fibre, extended service level			SFr. 0.92		
1 pair of fibres, extended service level			SFr. 1.16		
n*pair of fibres, extended service level			SFr. 1.16		per fibre pair
MF1 setup dark fibre, incl. 2 splicings, incl. examination of feasibility	SFr. 2'200.00			SFr. 200.00	per additional patch
MF2 setup dark fibre, incl. 2 splicings, incl. examination of feasibility	SFr. 2'300.00			SFr. 275.00	per additional patch
MF4 setup dark fibre, incl. 2 splicings, incl. examination of feasibility	SFr. 2'500.00			SFr. 550.00	per additional patch
MF6 setup dark fibre, incl. 2 splicings, incl. examination of feasibility	SFr. 2'700.00			SFr. 825.00	per additional patch
MF8 setup dark fibre, incl. 2 splicings, incl. examination of feasibility	SFr. 2'900.00			SFr. 1'100.00	per additional patch
Extension dark fibre from 1 fibre to 2 fibres	SFr. 100.00				
Extension dark fibre, per additional 2 fibre pair	SFr. 200.00				
Reduction dark fibre 1 - 2 fibre steps	SFr. 100.00				
Reduction dark fibre 3 - 6 fibre steps	SFr. 200.00				

■ Collocation – monthly rate

It becomes clear on comparing the monthly rates with the applicable rates to date, that the new rates consistently lead to a financial benefit for the providers:

Collocation	Up to 31.12.2014 monthly CHF	From 01.01.2015 monthly CHF	Change
1/1 Rack (rackspace) incl. feasibility study	557.60	450.00	-19%
1/2 Rack (rackspace) incl. feasibility study	418.20	340.00	-19%
1/3 Rack (rackspace) incl. feasibility study	278.80	230.00	-18%
1 Height unit (HU) incl. feasibility study	40.00	30.00	-25%
Space (gross space of closed room/sealed space)	25.00	18.00	-28%

■ Monthly rates for dark fibre

It becomes clear on comparing the monthly rates with the applicable rates to date, that the new rates consistently lead to a financial benefit for the providers:

Dark Fibre	Up to 31.12.2014 monthly, CHF	From 01.01.2015 monthly, CHF	Change
1 fibre, standard service level	1.10	0.75	-32%
1 pair of fibres, standard service level	1.48	0.95	-36%
n*pair of fibres, standard service level	1.48	0.95	-36%
1 fibre, extended service level	no offer	0.92	new
1 pair of fibres, extended service level	no offer	1.16	new
n*pair of fibres, extended service level	no offer	1.16	new

■ One-off rates for collocation and the provision of dark fibre (set-up rates)

The increases in the set-up rates – which are moderate when viewed in both percentage and absolute terms – in comparison to the rates applicable to 31.12.2014 can be traced back to the fact that the listed flat-rate price now also includes the required feasibility study.

In the opinion of the AK, the integration of the feasibility study into the set-up rate is preferable to a (permissible) separate charging of the feasibility study. The reasoning for this is that with the approach selected, in the event of the feasibility not being a given, a requesting provider does not also have to pay for the (frustrated) costs for this request. In view of the circumstance of the clearly low number of negative feasibility requests (less than 10%), the impact (as cost increase) on the actually charged set up fee for collocation services are also clearly low.

The other one-off rates have been assumed unchanged at the respective amounts.

The total calculation of all services falling within “collocation” is, based on the quantity structures provided by LKW, in agreement with the underlying conditions intended on a statutory and regulatory basis, i.e. that the service provision occurs in a cost oriented manner.

In summary, the AK assumes that the approved price structures will impact positively on the market overall and thus on the products offered to retail customers, as the fundamental financial benefits, i.e. reductions, in the monthly rates are not only capable of leading to a permanent price reduction in the retail customer products on offer, but also of compensating for the merely moderately higher one-off rates.

C.2.3 Rates regarding core network cable ducts

The following rates in the field of cable ducts are approved:

	one-off fee	monthly fee
Ducts		
Feasibility Study incl. cost estimate for project planning order	SFr. 272.00	
Local inspection, finalisation of project, documentation of network	SFr. 410.00	
Use of cable ducts, access (per meter)		SFr. 0.676
Use of cable ducts, core (per meter)		SFr. 0.101

■ One-off rates in the field of cable ducts

The feasibility study and the on-location work approval together with the conclusion of the project and the updating of the network documentation represent services in the regulated area. LKW presented the individual work items to be carried out here together with the time periods required for same in a comprehensive and conclusive manner, for which reason the AK has approved the rates applied for as flat-rate amounts.

■ Monthly rates for cable ducts

The rates applied for by LKW take into account the circumstance that access to the cable ducts occurs in either the access network or the core network. The AK has refrained from having a uniform rate for the access to the cable ducts as this approach would lead to a situation whereby the rates in the access area would decrease, but that at the cost of the access in the core network.

On the one hand, the AK regards the access to the core network infrastructure for the setting up of an NGN network to be significantly more important and, secondly, the approved price scheme takes into account that individual access routes are fundamentally shorter in normal cases than are routes in the core network. Moreover, in this way the requirement is fulfilled whereby the services are provided in a non-discriminatory manner and at the same conditions to third parties as the undertaking does for itself or its associated companies. This also corresponds to the presentation in the CAM where the ducts costs for the access and core ducts assets are separated and allocated on the basis of the cost causation principle.

As the access to the core network infrastructure represents a new access service in the network from LKW and the corresponding reference offer for the access to the core network has not yet been approved, the setting of the rate represents a first step in gaining experience with the access product.

C.2.4 Rate for the access to the CATV network

The following rate has been approved for the access to the CATV network from LKW:

	Other	Remarks
CATV-Network		
HF frequency channel	SFr. 23'960.00	per channel per year

The allocation of the CATV costs has occurred on the basis of the approved cost accounting model. As the access price is not dependent on anything else other than the volume of available channels, this volume is predetermined on the basis of the technology and all of the available channels are being used, the price setting has occurred by simply dividing the complete costs by the number of channels, as no further parameters have to be taken into account.

C.3 Admissibility and appropriateness of the measure ordered

Art. 33 VKND, which implements Art. 8(4) Framework Directive, lays down, in an explicit embodiment of the general administrative law principle of proportionality, that measures of special regulation must correspond to the kind of problem that has emerged, be appropriate in light of the regulatory principles in accordance with Art. 5(2) KomG and be justified.

The suitability, appropriateness and justification for the measures of special regulation to be set were presented extensively, coherently and conclusively in the market analysis.

Even if delays have occurred in the implementation of measures intended in the administrative decision, said delays are not suitable for casting doubt on the appropriateness of the measures:

Despite the delays – which have not been represented by the AK and are objectively comprehensible – LKW, the other market players and the AK remained in continuous contact about the details of the measures and any required adaptations and changes.

For LKW especially, it was always foreseeable and to be expected that the obligation to publish a reference offer with cost oriented prices would actually be imposed. Likewise for the market players, nothing would be gained in the event that the measures which are the subject of this administrative order were not implemented due to the period of time which has passed since the market analysis.

The lack of competition determined at that time on the market which is the subject of these proceedings continues to exist, so that the period of time which has lapsed between the market analysis and the present administrative decision has not changed anything in the necessity and appropriateness of the measures. The lack of competition determined

on the market which is the subject of these proceedings can only be removed by means of the implementation of the publication of a reference offer as ordered with cost oriented prices according the approved CAM.

In summary, the AK assumes that the approved price structures will impact positively on the market overall and thus on the products offered to retail customers, as the fundamental financial benefits, i.e. reductions, in the monthly rates are not only capable of leading to a permanent price reduction in the retail customer products on offer, but also of compensating for the merely moderately higher one-off rates.

On all of these grounds, the decision was taken in accordance with the ruling.

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INSTRUCTION ON THE RIGHT TO APPEAL

An appeal can be raised against this administrative decision within 14 days of its notification before the Appeals Commission for Administrative Matters.

The appeal must include:

- the name/designation of the ruling to be contested;
- the declaration as to whether the ruling is to be contested in its entirety or only in individual parts;
- in the latter case, the exact name/designation of the parts to be contested;
- the grounds of appeal;
- the applications;
- the evidence on which the grounds for contesting should be supported and proven, and
- the signature of the complainant.

Vaduz, XX. November 2014

3803.05-LKW-Entgelte/SKMA/GIS/brca

OFFICE FOR COMMUNICATIONS (AK)

Kurt Bühler
Head of Office

Enclosures:

- Attachment 1 – Approved Rates
- Evaluation of the comments which were submitted to the AK in the context of the public consultation from xx November 2014 to xx November 2014.

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