

**Short form relating to notifications of draft measures pursuant to Article 7 of Directive
2002/21/EC (Framework Directive)**

(Short notification form)

INTRODUCTION

The short notification form specifies the summary information to be provided by national regulatory authorities to the Authority when notifying draft measures under the short notification procedure in accordance with Article 7 of Directive 2002/21/EC (Framework Directive).

It is not necessary to provide a copy of the draft regulatory measure or to attach any other document to the short notification form. However, it is necessary to indicate the Internet reference through which the draft measure can be accessible in the short notification form.

**This short notification form concerns the draft
market review of the Office for Communications
regarding the**

**Market for Access to the Public Telephone Network
at Fixed Locations (Market no. 1 of EFTA Surveillance
Authority Recommendation of 5 November 2008)**

1. One or several markets which has/have been removed from or have not been previously listed in the Recommendation on relevant markets is/are found to be competitive or not to meet the three criteria

Please briefly describe the content of the notified draft measure. In particular, please refer to the relevant market concerned and the reasons why you consider that the market is effectively competitive or the three criteria are not met:

Market concerned:

Access to the Public Telephone Network at Fixed Locations

(Market no. 1 of EFTA Surveillance Authority recommendation on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation, of 5 November 2008).

In the currently valid Market Recommendation of the EFTA Surveillance Authority of 5 November 2016, the access market to the public telephone network at a fixed location is no longer included, as it no longer meets the three-criteria test for ex ante regulation, according to recital 30. NRAs however could justify maintaining ex ante regulation in the market in question, provided that the three-criteria test is met for the subsequent review period.

After conducting a market analysis, the Office for Communications finds that the market for access to the public telephone network at fixed locations is competitive, and the three criteria are not cumulatively fulfilled.

Market Definition:

The defined market includes telephone connections at fixed locations with numbers for fixed network services of the Liechtenstein numbering plan, which enable calls to be accepted and made via the public telephone network. The fixed network telephone connection is defined in a technology neutral manner and includes residential and business customer connections. The market comprises the entire national territory of Liechtenstein. The market definition thus corresponds to the definition of the previous market analysis.

State of Competition:

The overall picture, based on market shares and price data, shows a functioning, effective, sustainable competition.

The high number of nine providers in the fixed-line telephone access market (as of the end of 2021) results in a fundamentally high countervailing power for end-users,

who make effective use of their powers, as shown by continued market share losses of Telecom Liechtenstein ("TLI").

Looking ahead, the AK has no information that the structural characteristics of the electronic communications market could change considerably and that the continued existence of effective competition in the defined market could be called into question.

- Market shares

In the last market analysis, TLI was still a monopolist in the market for fixed-network telephone connections. Its market share has been falling steadily since the first market entries in 2016. TLI still had a market share of 66% at the end of 2021 in the VoIP market. Even if TLI's market share may still seem high in absolute terms, the uninterrupted decline of 5 to 8 percentage points per year since 2016 is a strong indication that TLI's competitive strength in the market for fixed-network telephone connections can no longer be classified as higher than that of its competitors and that a tendency towards effective competition is developing.

- Price development

At the time of the last market analysis, most of TLI's telephone connections were still offered with a monthly fee of CHF 25.25 (analogue) or 39.80 (ISDN-Light) or 53.75 (ISDN-Basis). The market entries from 2016 onwards led to a marked price reduction, so that VoIP telephone connections in a bundled connection are now available for CHF 3.00 to 5.00 per month. On the voice call tariff side, TLI also reacted to the entry of the first alternative VoIP wholesale provider with significant price reductions. TLI's price adjustments indicate a significant intensification of competition in recent years. TLI has thus reacted to the market entries and offers of the alternative operators and adjusted its prices to the competitive level. Despite these price reductions, TLI has clearly lost market share, i.e. TLI cannot behave independently of competitors or consumers.

Three Criteria Test:

The market structure tending towards competition as well as the absence of barriers to market entry mean that the

	<p>three-criteria test is no longer met. Even without regulation at the wholesale VoIP level, competition can be assumed to be sustainable, so that regulation at the wholesale VoIP level is no longer necessary.</p> <ul style="list-style-type: none"> • Barriers to market entry: Due to the fact that eight providers already entered the market, in an environment of an overall shrinking market, the AK assumes that there are no longer any significant barriers to market entry. This is because effective competition in the VoIP wholesale market, in which TLI had a market share of 35% at the end of 2020 alongside three other providers, gives potential new providers without their own VoIP infrastructure a sufficient, barrier-free basis for entry, and providers already active in the market sufficient countervailing power for the provision of competitive retail offerings. • Competition behind the barriers: The development of competition, which is characterised by price reductions and continuous loss of market share by TLI, suggests that the second criterion is also no longer fulfilled. <p><u>Conclusion: Lifting of regulatory obligations</u></p> <p>The prerequisite necessary for ex ante regulation, that there are persistent competition problems on the retail market for access to the public telephone network at fixed locations, is no longer given. Based on these findings the regulatory obligations imposed on Telecom Liechtenstein since 4 October 2010 must therefore be lifted.</p>
<p>Please indicate the Article 7 notification reference of the previously notified draft measures:</p>	<p>ESA Case Number 66391, Event No 539086, 2009, Summary Notification: https://www.eftasurv.int/cms/sites/default/files/documents/gopro/307-538443.PDF</p> <p>Market Analysis: https://www.eftasurv.int/cms/sites/default/files/documents/gopro/308-538441.PDF</p> <p>Comments: https://www.eftasurv.int/cms/sites/default/files/documents/gopro/305-539086.DOC</p>

Does the NCA agree with the proposed draft measure as regards the analysis of the relevant market?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please outline reasons: There is no national competition authority in Liechtenstein.
Internet reference to the draft measure:	https://www.llv.li/files/ak/marktanalyse-telefonan-schluss-festnetz_2022-final.pdf - Chapter 7
Comments:	

2. One or several markets which was/were found to be competitive in a previous market review is/are still competitive

Please briefly describe the content of the draft measure, indicating the relevant market concerned:	not applicable
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3. Changes to technical details of a previously imposed regulatory remedy

Please summarise the notified changes to the remedies indicating the relevant market concerned:	not applicable
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4. Imposition on further operators of remedies already analysed and notified in relation to other undertakings that are similar as regards their customer base or total turnover in telecoms markets, without changing the principles applied by the NRA in the previous notification

Please briefly summarise the content of the draft measure, indicating the relevant market concerned:	not applicable
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