

# Germany

## Comments on the Draft Report of the Secretary-General on IP Telephony (WTPF01)

### **1. General comments**

Germany believes that the Draft Report of the Secretary-General gives a good overview of major technical and regulatory aspects of IP Telephony and, at the same time, of the impact of IP Telephony on the development of voice telephony markets and the challenges for business strategies used by the players on these markets.

### **2. Ad section 3 of the Draft Report: Policy and Regulatory Issues for IP Telephony**

It is the responsibility of the German Government, as set out in the Constitution, to ensure the balanced provision of telecommunication services to the population. The Government believes that this objective can best be attained through competitive structures. That is why sector-specific regulation in the German telecommunications sector explicitly aims at creating workable competitive structures that will in the long term allow a transition to general competitive legislation. To this end, depending on the extent of competition reached, the intensity of regulation will have to be reduced.

At present, "internet telephony" is not subject to regulation in Germany since, for the time being, it is not considered a voice telephony service. The main reason given for this is the less satisfactory quality of "internet telephony".

It is open to question, however, whether or not it will be necessary or reasonable to include "internet telephony" in sector-specific regulation even if it has reached the quality standard of voice telephony. In the view of Germany it is to be expected that the free, i.e. non-regulated, development of "internet telephony" in particular will lead to stiffer competition in voice telephony and as a result will help to reduce the intensity of regulation in the latter sector.

Germany's policy is aimed at eliminating unnecessary regulation. Therefore, the basic approach should be to de-regulate sectors rather than to subject sectors to regulation that, up to now, are not regulated.

**3. Ad section 5 of the Draft Report: Assistance to Member States and Sector Members: Avenues for International Cooperation**

With a view to enabling participants in an international exchange of experience within the Policy Forum to better assess the particular aspects and impact of a general regulatory framework, we would like to suggest including a further paragraph in this section.

- Germany believes that a reliable empirical analysis of the current price advantage that internet telephony has over PSTN services would be helpful. The analysis should provide information on what types of calls (broken down by time and distance) in what countries have what kind of advantage.
- Moreover, it appears reasonable to compare cost structure aspects of IP networks or internet telephony and their individual components with cost structure aspects of traditional telecommunication networks.