

Media release

Date

Tough COMCO verdict: Swisscom loses in fiber optic dispute

25. April 2024

The Competition Commission (COMCO) has decided. The market leader Swisscom is being forced to build fiber optics in such a way that the competition in the telecommunications industry desired by the legislator is not hindered. Swisscom must also pay an antitrust fine of around CHF 18 million.

Background

At the beginning of 2020, Swisscom changed the way to build its fiber optic networks. Instead of the industry standard P2P (Point to Point), it now built the P2MP (Point to Multipoint) network architecture. Without free access to continuous fiber optics between the central office and the end customer, alternative providers would be degraded to resellers of pre-assembled Swisscom products. This would not only restrict price competition, but also deliberately prevent innovation. Swisscom was thus aiming for a monopolization of fibre optics.

Precautionary measure

Init7 therefore filed a complaint with COMCO in September 2020. Just three months later, on December 14, 2020, COMCO imposed a precautionary measure and banned the expansion of the P2MP network topology with immediate effect. At the same time, an investigation was initiated, known as the main proceedings. However, Swisscom continued to build the illegal network unperturbed and has implemented several hundred thousand illegal fiber optic connections since December 2020, which are not allowed to go into operation almost everywhere.

Long duration of proceedings

Swisscom lodged an unsuccessful appeal against COMCO's precautionary measure, first with the Federal Administrative Court and then with the Federal Supreme Court. Only shortly before the looming defeat in front of the Federal Supreme Court in fall 2022 did Swisscom relent and announce that it would change the illegally installed connections to the compliant type.

Conclusion of the main proceeding

Today's decision by COMCO fully confirms the precautionary measure taken. It safeguards the future-proof and sustainable fiber-optic standard, which enables all market participants in the Internet industry to implement innovative and independent offerings. The rural population in particular also benefits from this; thanks to the fiber optic dispute, the feared urban-rural divide in the Internet has been successfully prevented.

What's next?

Init7 is pleased with the COMCO verdict and, as a technology leader, will continue to advocate competition and diversity of supply. It will do this by expanding its presence throughout Switzerland with new PoPs (Points of Presence). For 2024 alone, 120 new PoPs are planned, which will supplement the current approx. 260 existing and enable the 25 gigabit offering for further parts of the population.

Appeal is likely

However, the fiber optic dispute is unlikely to be over yet, as it can be assumed that Swisscom will take legal action against COMCO's ruling. This is likely to take several years, but is ultimately just a rearguard action. After all, the only thing that remains relevant for the future of the Swiss economy is that optical fibre remains openly accessible to all and cannot be monopolized by anyone.

Further information

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Image

www.init7.net/de/news/glasfaserstreit.jpg

About Init7

For more than 24 years, Init7 has been operating as an independent Internet provider in Winterthur in the national and international market for private and business customers. We aim to operate the infrastructure ourselves as far as possible, as this is the only way we can meet our quality standards. Our customers appreciate this - between 2018 and 2023, Init7 won the coveted Bilanz Telekom Rating in the "No. 1 internet provider residential customers" category six times in a row. Find out more on our website: www.init7.net

Older media releases on the fiber optic dispute:

17.12.20 Anzeige gegen Swisscom: WEKO eröffnet Untersuchung

<https://www.init7.net/de/news/mm-p2mp-201217.pdf>

5.10.2021 WEKO und Init7 gewinnen vor Bundesverwaltungsgericht gegen Swisscom

https://www.init7.net/de/news/211005_mm_bvger_p2mp.pdf

27.10.2022 Etappensieg im Glasfaserstreit

https://www.init7.net/de/news/221027_mm_init7_glasfaserstreit.pdf

29.11.2022: Glasfaserstreit: WEKO und Init7 gewinnen vor Bundesgericht

https://www.init7.net/de/news/221129_mm_init7_bger_p2mp.pdf