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media release

## **Competition authority once again confirms important aspects of the SFN shunting model**

**In its response to an additional request for advice published today, the Secretariat of the Competition Commission (COMCO) once again confirmed important aspects of the competitive suitability of the SFN shunting model: The SFN shunting model does not violate the precautionary measures even if only one partner (e.g. SFN) is building a fiber optic network in a certain area. In addition, the Secretariat expressly confirms that the capacities for a Layer1 offer can be made available with the SFN shunting model based on demand.**

The COMCO secretariat made a positive statement at the end of October 2022 in the answer and subsequent publication of a request for advice on the SFN shunting model. As a result, on the basis of various discussions with market participants, SFN made a more precise and supplementary, additional request for advice to the COMCO secretariat. It was about specific questions about the applicability of the shunting model with different characteristics.

In concrete terms, it is now expressly confirmed that the submitted SFN shunting model (P2MP-L1) is also harmless in terms of competition law if only one infrastructure partner builds an FTTH fiber optic network according to this model in a specific municipality or a specific area / region. This statement is important insofar as the Cartel Act does not place any limits on the competition between different infrastructures and network architectures based on them.

In addition, the Secretariat states that the Layer1 access capacity must be provided on a demand-oriented basis (i.e. according to the ex-post principle). This means that when building an FTTH network, the demand for real Layer1 access determines the corresponding expansion of capacity. This makes economic sense and is important because it prevents unnecessary costs and any civil engineering work without contradicting the principle of real Layer1 access..

Andreas Waber, CEO of Swiss Fibre Net AG, says: *«We are very pleased about the renewed confirmation of the COMCO secretariat for the SFN shunting model. Important points in the application could be clarified. This shows us that we are on the right track with the implementation of corresponding projects. We are particularly pleased that the advantages of the model - namely the construction in the P2MP-L1 architecture in different infrastructures - can also be played out by using a demand-oriented capacity expansion. In this way, we can serve demanders for pure P2P networks at any time with Layer1 access to every household.».*

### **SFN model is a fast, cost-effective solution - especially in underserved areas**

The concept is very attractive in terms of supply technology and offers secure, rapid access to all telecom providers in communities and regions that have not yet been provided with an FTTH fibre optic network in relation to their telecom infrastructure. The conclusion of the authority assessment is significant for SFN and the other telecom providers. The P2MP-L1 industry standard aimed at in the SFN shunting model offers a wide range of real benefits: far fewer trenches have to be dug for the fibre optic connections and fewer coverings need to be restored. This significantly reduces disruption during the

construction phase. As a rule, the existing installations from cable network companies can be used and this underlines the sustainability of the model. The SFN shunting model is currently the most economical and the fastest possible expansion option. It can also be easily combined with P2P networks in cooperation projects.

Underserved, rural areas in particular can be developed more quickly and cost-effectively thanks to the use of the P2MP-L1 model, which will make a significant contribution to overcoming the digital divide between urban and rural areas.

The solution, which has now been approved under competition law, is also in line with the political direction desired: parliament has thus far refrained from regulating fibre optic technology for the last mile. However, real, non-discriminatory fibre optic access (layer 1) must be guaranteed in all cases. This principle is guaranteed with the SFN model. In conjunction with institutional investors, SFN will take part in FTTH construction projects across Switzerland, thus facilitating FTTH expansion in Switzerland.

**Swiss Fibre Net AG**

Swiss Fibre Net AG is a joint venture between local energy suppliers and cable network operators in Switzerland. It connects the local fibre optic networks of its network partners to form the extensive, standardised and open "Swiss Fibre Net" and offers this for use by national telecom providers for use on a non-discriminatory basis. This means that Swiss Fibre Net AG is the guarantor of competition within the telecommunications market

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