

## PRESS RELEASE

### **1&1 Drillisch criticises award terms for 5G spectrum auction — Dommermuth calls for changes to encourage competition**

**Montabaur, 16 November 2018.** 1&1 Drillisch AG has criticized the planned award terms for the 5G spectrum auctions proposed by the Federal Network Agency (Bundesnetzagentur). The final draft for the agency's Advisory Board still does not contain any service provider obligation or obligatory national roaming.

"The regulatory authority has improved the terms and conditions, but they are still not rigorous enough and pose a significant challenge to the market entry of a new provider," explains Ralph Dommermuth, CEO of 1&1 Drillisch AG. "With the help of the draft now proposed by the Federal Network Agency, we come closer to the goal of securing full-area mobile coverage in Germany. In this respect, we see significant progress. However, it is not yet enough for the claim to become a leading 5G market and to assume technological leadership. The requirement to add or install 1,000 instead of 500 antennas per provider does not appear particularly ambitious; in China, for instance, 500 antenna towers are being built every day."

Dommermuth emphasizes: "We would have liked to see a stronger commitment to more competition in the award terms. As a new player, we would invest directly in a powerful 5G network — in contrast to the current oligopoly of the network operators who want to expand their current antenna locations step by step."

Dommermuth adds: "We need reliability for our investments. This means that we must have access — against rent payments, of course — to the existing networks during the construction phase of our own 5G network so that we can offer full-area reception to our customers. This national roaming is taken for granted in many countries, and it is the indispensable prerequisite for the entry of a fourth network operator. If this is not ordered as a binding condition, the only alternative is for commercial negotiations about co-utilisation of the existing networks among competitors. We need fast processes and binding arbitration decisions by the Federal Network Agency when there are disputes so this can be achieved quickly."

Dommermuth appeals to the Federal Network Agency and its Advisory Board to be more exacting in modifying the award terms in favour of competition and Germany's readiness for the future. "When it comes to the subject of national roaming, we hope that there will be some changes before the frequencies are awarded and that the political

establishment and the Federal Network Agency will make corrections before a final decision is made, so that we can offer our customers nationwide reception during the years of network rollout.”

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