

“Federal Network Agency Reinforces Oligopoly on the Mobile Telecommunications Market”

- **AIRDATA not admitted to the mobile frequencies auction – “can’t understand why”**
- **Decision puts consumers at a disadvantage**
- **Action against the German Federal Network Agency announced**

In future, the German mobile telecommunications market will continue to be reserved for the three major providers. The German Federal Network Agency is preventing an increase in competition, to the detriment of consumers.

Stuttgart, 22 April 2015: The Federal Network Agency’s latest decision to only admit the three major German mobile telecommunications companies to the upcoming auction process for new frequencies has met with sharp criticism from adversely affected companies. The Stuttgart-based mobile telecommunications provider AIRDATA referred to it as an “an anti-competitive and anti-consumer decision” that will reinforce the “current oligopoly” on the telecommunications market in Germany.

“Medium-sized companies have been systematically pushed out of the market. The Federal Network Agency is not only sealing off the market, but also consistently preventing competition at the cost of consumers”, said AIRDATA CEO Christian Irmler. As Irmler sees it, the process bore no resemblance to a transparent auction process in which smaller providers had a realistic chance.

Irmler added: “We are in an ideal financial and technological position, so we can’t understand why the Federal Network Agency has now excluded us for the second time.

We’re beginning to suspect that the Federal Network Agency never wanted fair access for smaller providers in the first place, because it

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clearly only wants to keep the big companies in the game.” This approach, Irmler added, is not in keeping with the Federal Network Agency’s regulatory responsibilities and clearly comes ‘at the cost of the consumer’”. As Irmler sees it, more competition would lower prices and promote innovative technologies.

AIRDATA developed portable broadband internet access in 2003 and launched its own network. “We want to keep building on that”, said Irmler. “We will proceed against the Federal Network Agency’s decision with all the legal means available.”

In 1999, the company had purchased a 2.6 GHz frequency, initially limited to the period before 31 December 2007, from the Federal Network Agency. At the time, the reason for this limitation was the Europe-wide, technology-specific reservation of the 2.6 GHz band as a potential “UMTS expansion band” as of 2008. This approach of reserving frequency bands for specific technologies was abandoned at both the German and the European levels as early as 2006. Nevertheless, the Federal Network Agency rejected AIRDATA’s 2005 request for the extension it needed to continue developing and expanding its network. The agency claimed that this was due to the scarcity of frequencies. However, to this day, no other company makes commercial use of the AIRDATA frequency band.

More information is available at:

AIRDATA AG
Dieselstr. 18
70771 L-Echterdingen, Germany

Contact:

Thomas Katz, Commercial Director

Tel.: +49 (0)711 96 438 100

Fax: +49 (0)711 96 438 444

E-mail: presse@airdata.ag

Website: <http://www.airdata.ag>

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