



PÓST- OG FJARSKIPTASTOFNUN

Draft Decision no. XX/2014 on the designation of a company with significant market power and on the imposition of obligations on the wholesale market for access networks at a fixed location (M4) and wholesale broadband access (M5)

The Post and Telecom Administration (PTA) has, with reference to Article 17 of the Electronic Communications Act no. 81/2003 analysed the market for wholesale network infrastructure access at a fixed location (M4) and wholesale broadband access (M5).

Specifically these are the markets that were numbered 4 and 5 in the ESA Recommendation on the relevant markets from 5 November 2008:

- Wholesale network infrastructure access at a fixed location (Market 4).
- Wholesale broadband access (Market 5).

With a letter dated 7 March 2013 a draft analysis of the above markets was sent to electronic communications companies and to the Competition Authority and they were invited to make comments on the market analysis and on its conclusions. The consultation ended on 7 May 2013.

The following parties submitted comments on the Preliminary Draft.

- Fjaraskipti ehf. (Vodafone)
- Gagnaveita Reykjavíkur ehf.
- Inter, Association of resale parties of Internet services
- IP-fjaraskipti ehf. (Tal)
- Mila ehf.
- The Competition Authority
- Siminn hf.

With a letter dated 20 December 2013, specific issues in the preliminary analysis were sent for limited additional consultation to electronic communications companies and to the Competition Authority and they were invited to make comments to the planned additions and amendments to the preliminary draft which were presented in that document. The consultation ended on 24 January 2014.

The following parties submitted comments in the additional consultation:

- Fjaraskipti ehf. (Vodafone)
- IP-fjaraskipti ehf. (Tal)

- Mila ehf.
- Siminn hf.

The analysis of Markets 4 and 5 has now been updated in accordance with the observations that were taken into account. The updated analysis can be found in Appendix A to this Decision, and the comments that were received have been answered in Appendix B. Appendix B2 includes the above specified PTA additional consultation document, and the comments made subsequent to the additional consultation are answered in Appendix B3 to this Draft Decision.

1. Designation of a company with significant market power on the market for wholesale access to fixed access networks (Market 4)

Mila ehf was designated as having significant market power on the relevant market (then Market 11) in PTA Decision no. 26/2007.

Mila has by far the largest market share, about 83% of the market by number of local loops in use while Gagnaveita Reykjavíkur ehf. is in second place with a much smaller share on a national basis. The Mila market share has dropped from being 100%, as previously the market only covered access to copper local loops but is now technology independent and fibre-optic local loops therefore belong to the market in this instance in the opinion of the PTA.

With a view to the market definition and analysis of competition on the wholesale market for access networks at a fixed location (now Market 4) and pursuant to Paragraph 2 Article 17, see Article 18 of the Electronic Communications Act, the PTA intends to designate Mila ehf. as still having significant market power on the relevant market.

2. Imposition of obligations on Mila ehf on Market 4

With the PTA Decision no. 26/2007 dated 21 December 2007, obligations were imposed on Mila ehf. on the relevant market (then Market 11) for access, non-discrimination, transparency, separation of accountancy, price control and cost accounting.

In accordance with Article 27 of the Electronic Communications Act, the PTA has decided to maintain the following obligations on Mila ehf as a result of the company's designation as having significant market power on the wholesale market for access networks at a fixed location (Market 4).

Those obligations that were imposed on Mila ehf. in 2007 and that the PTA intends to maintain are mostly unchanged. There are however various amendments to implementation, such as with respect to access to fibre-optic local loops, the elaboration of the obligation of non-discrimination and cost analysis methodologies. In the opinion of the PTA these obligations are both in accordance with the objectives presented in the EU Framework and Access Directives and with the provisions of legislation on electronic communications and are appropriate for the period of time that is expected to pass until the market will be analysed again. The PTA considers the obligations to be conducive to increasing competition on the relevant market. With respect to further discussion on the obligations the PTA refers to the revised analysis of Market 4, see Appendix A.

The following obligations replaced the obligations imposed on Mila ehf. (Mila) with the PTA Decision no. 26/2007. Further details are provided on the imposed obligations in Appendix A to this Decision.

2.1 Obligation to provide access

With the authority in Articles 28 and 34 of the Electronic Communications Act the PTA intends to impose on Mila the obligation to meet normal and reasonable requests for wholesale access to its copper and fibre-optic local loops and related facilities. It is problematic to provide access for more than one VDSL operator access to street cabinets. Therefore the access obligation must be resolved with open virtual access (VULA). VULA needs to fulfil conditions related to service an access and they are: Access at each location, access independent of service provided on the line, specific and fixed definition of line capacity, full control of access and service/service definitions and full control of customer premises equipment. Since shared access to fibre-loops is not technically possible an exemption is granted where open virtual access is offered. Access to fibre-optic local loops shall be provided from cabinet/node point in the distribution frame. The PTA also imposes the duty on Mila to offer co-location/sharing along with access to support systems and appropriate information and Mila is required to notify all technical migration with advance notice. Mila shall authorise open access for other companies to technical interfaces, communications protocols and other technologies that ensure interoperability of services. Mila shall provide a list of planned excavation and duct activities (Civil Works) with six months' notice.

2.2 Obligation for non-discrimination

With the authority of Article 30 of the Electronic Communications Act the PTA intends to impose the obligation on Mila that all electronic communications companies that purchase access to local loops, whether copper or fibre-optic, enjoy the same conditions including price as apply to related parties or to those cooperating with Mila. Quality of access provided to unrelated parties shall not be less than quality of access provided by Mila to related parties. The obligation for non-discrimination that the PTA intends to impose on Mila is what is called Equivalence of Input (EoI) where the company is obliged to offer the same prices, use the same service procedures/service systems, the same time limits and publish the same information about the service to related and unrelated customers. Mila shall open those systems that are used within the Skipti Group and that are necessary in connection with local loop leasing for unrelated parties.

The non-discrimination obligation in question shall be fully implemented no later than three months after this Decision has come into force. Within this period of time Mila shall submit documentation to the PTA which demonstrates that the non-discrimination obligation has been implemented. Otherwise the PTA reserves the right to prescribe price obligations with respect to the Mila fibre-optic local loops and as is stated in section 2.5 here below it is planned to refrain from imposing price obligations on Mila fibre-optic local loops given that certain conditions are fulfilled. The PTA imposes the obligation on Mila that unrelated parties be informed about distribution, enlargement or other developments of Mila local loop networks with the same notice as parties related to Mila and this notice shall not be shorter than 6 months. Furthermore Mila shall give related and unrelated parties the opportunity to influence development of new wholesale products and planned interfaces.

In order to ensure that Mila fulfils the above specified non-discrimination obligation the PTA can perform a technical and/or economic investigation as to whether unrelated parties can

replicate the product offer of related parties in a sustainable manner (Technical and Economic Replicability Test). Should the PTA conclusion be that unrelated parties cannot replicate the product offer of related parties for technical or economic reasons, the PTA can instruct Mila to alter its product offer and/or offer new wholesale products to enable unrelated parties to replicate the product offer of related parties on normal commercial grounds.

The PTA further plans to impose the obligation on Mila to make Service Level Agreements (SLAs) with all purchasers of local loops. Such agreements shall cover the various service issues that relate to non-discrimination in respect of local loop leasing, including orders, delivery, service access, service switching and maintenance. Mila shall complete service level agreements with all of its counterparties no later than six months after the publication of the decision on the relevant market. All service level agreements shall be published on the Mila website. In addition the PTA intends to impose the obligation on Mila to issue a specific declaration on quality guarantees (Service Level Guarantees (SLG)). Such service level guarantees shall cover all necessary service issues that relate to non-discrimination in local loop leasing including orders, delivery, service access, service switching and maintenance. Such service level guarantees shall among other things prescribe specific fines which Mila must pay to its counterparties should the service level guarantee not be honoured. Mila shall issue the service level guarantees within six months from the publication of this Decision. Mila shall inform interested electronic communications companies about the content of the service level guarantee. Finally the PTA intends to impose the obligation on Mila that the company gather and regularly publish specific key performance indicators, including criteria that relate to processing of orders, delivery of service, maintenance services and service switching - for internal transactions on the one hand and external on the other. It is planned that Mila should publish the information in question in the first instance no later than six months after this Decision has been published and subsequently at monthly intervals.

The information gained by Mila from other companies when making agreements for access, or completion of agreements, shall solely be used for the purpose provided for and shall at all stages be treated as confidential. It is unauthorised to supply information to related or unrelated parties, see Article 26 of the Electronic Communications Act.

2.3 Obligation for transparency

With the authority of Article 29 of the Electronic Communications Act in mind the PTA plans to impose the obligation on Mila for transparency in leasing of copper and fibre-optic local loops and open virtual access (VULA) where appropriate. Mila was obliged to publish information related to access to copper local loops, for example on registering local loops, technical descriptions, characteristics of networks, terms and conditions for delivery and use and tariff. Part of this obligation was that Mila was to issue a reference offer for local loops which was to be maintained and updated as required and submitted to the PTA for endorsement no later than six months after the PTA published its Decision on Market 4.

2.4 Obligation for separation of accountancy

With the authority in Article 31 of the Electronic Communications Act the PTA imposes the obligation on Mila for separation of accountancy. Such separation shall constitute as a minimum that the operation of terminating segments of local loops in wholesale is separated in the accounts from other operations. The Mila wholesale prices and internal prices within the company shall be transparent, among other things to prevent unfair subsidies. In its bookkeeping Mila shall separate revenue, costs, assets and liabilities for access to local loops. Mila is required to submit separate profit and loss accounts annually to the PTA along with a

balance sheet for the operations of local loops, which shows a division between copper local loops on the one hand and the fibre-optic on the other, and a statement of the division of indirect costs that cannot be allocated with comparison with other cost items. The above specified statement should have reached the Administration no later than five months after the end of the financial year. Míla shall furthermore deliver a report from an independent auditor to the PTA to show that there is correspondence between the Míla description to the PTA on how costs had been divided and the implementation of accounting separation by Míla.

2.5 Obligation for price control

With reference to the authority in Article 32 of the Electronic Communications Act the PTA intends to impose on Míla an obligation for price control for wholesale access to the company's copper access networks at a fixed location with related facilities. Pursuant to Paragraph 4 of Article 32 of the same act the tariff for the access in question provided through copper local loops shall be cost-oriented.

When deciding prices, Míla shall use historical costs allocated to the relevant service (HCA FAC). Míla shall submit the cost analysis to the PTA for endorsement no later than six months from the publication of the Decision. The tariff shall then be reviewed annually in accordance with annual updating of the cost analysis. The Administration is authorised to reject prices that are outside the price range proposed by the EU Commission at any given time. The PTA will also have in mind that the tariff should relate logically to Míla's bitstream prices.

The PTA does not plan for the time being to impose an obligation on Míla for price control for access to fibre local loops, but PTA intends however to impose obligation on Míla to provide open access to the company's fibre-optic local loops, as well as obligations for non-discrimination (including EoI), transparency, separation of accountancy and cost accounting. Furthermore Míla shall not apply margin squeeze. Should the margin squeeze test show abnormal pricing by Míla then the PTA can prescribe amendments to the Míla tariff.

2.6 Cost accounting

Pursuant to Article 32 of the Electronic Communications Act the PTA plans to impose the obligation for cost accounting on Míla for specific types of interconnection or for access, in accordance with a cost-oriented tariff. According to Chapter IV of Regulation no. 564/2011, on bookkeeping and cost analysis in the operations of an electronic communications companies, an electronic communications company with SMP on whom special obligations have been imposed pursuant to the Electronic Communications Act shall inform the PTA on the structure of separation in bookkeeping, with respect to income and expenses, among other things for the user network and the backbone network. The PTA plans to impose an obligation on Míla for cost accounting of those parts of the electronic communications operations necessary for giving access to local loops. Míla shall submit to the PTA a description of the cost accounting for copper and fibre-optic local loops which shall show among other things cost categories, cost items and their relationship with the cost driver. Míla shall, no later than six months after the publication of the Decision on the relevant market, submit to the PTA a description of cost accounting for fibre-optic and copper local loops and related facilities and shall publish cost categories and rules used to allocate costs. Míla shall at the same time submit a report to the PTA from an independent auditor showing that there is correspondence between the Míla description to the PTA of how costs are split and the implementation in the Míla cost bookkeeping system.

3. The designation of a company with significant market power on the market for wholesale broadband access (Market 5)

Siminn hf. was designated with significant market power on the relevant market (then Market 12) with the PTA Decision no. 8/2008. All wholesale of bitstream access within the Skipti Group has now been transferred to Mila ehf. from Siminn hf. in accordance with the settlement between the Skipti Group and the Competition Authority from 26 March 2013 so Siminn hf. no longer operates on this market.

Mila ehf., which has taken over the Siminn hf. bitstream system still has by far the largest market share. Taking Vodafone's self-supply into account, Mila ehf. has about 65% share of the market by number of connections, while Gagnaveita Reykjavíkur ehf. comes next with about 21% and Fjarskipti hf. (Vodafone) with about 13%. Other companies have a joint share of less than 1%. The market share of Mila ehf. and formerly of Siminn hf. has maintained stable during the period 2007-2013 about 60% and higher. Currently Vodafone and other smaller operators have no wholesale customers to speak of, Vodafone almost only supplies its own retail service. When this self-supply is excluded from the market, Mila has a calculated 76% market share of bitstream connections in wholesale and Gagnaveita Reykjavíkur 24%. Looking forward, the possibilities of Vodafone exerting competitive pressure upon Mila's bitstream operations are diminishing every year as they are operating a legacy ADSL system in a market quickly developing and moving to a more capable VDSL and fibre technology.

The planned conclusion of the market analysis in this instance is that Mila ehf. has 76% share and Gagnaveita Reykjavíkur 24% share of the wholesale bitstream market, when considering number of connections. PTA is of the view that Vodafone's ADSL system does not have the capability to constrain Mila's behaviour in the market for bitstream when looking forward and finds that these are therefore the most relevant market situation.

With a view to the definition and analysis of competition on the wholesale market for wholesale broadband access (now Market 5) and pursuant to Paragraph 2 Article 17, see Article 18 of the Electronic Communications Act, the PTA plans to designate Mila ehf. as having significant market power on the relevant market while the Siminn hf. designation is withdrawn.

4. Imposition of obligations on Mila ehf on Market 5

With the PTA Decision no. 8/2008 dated 18 April 2008 obligations were imposed on Siminn hf. on the relevant market (then Market 12) for access, non-discrimination, transparency, separation of accountancy, price control and cost accountancy.

In accordance with Article 27 of the Electronic Communications Act, the PTA plans to maintain and transfer the following obligations from Siminn hf. to Mila ehf. as a result of the company's designation as having significant market power on the wholesale market for broadband access (Market 5).

The obligations that were imposed on Siminn hf. in 2008 and that the PTA intends to maintain and transfer to Mila ehf. are mostly unchanged. There are however specific amendments to implementation, such as with respect to the non-discrimination obligation and to the methodology for cost analysis. In the opinion of the PTA these obligations are both in

accordance with the objectives presented in the EU Framework and Access Directives and with the provisions of legislation on electronic communications and that they are appropriate for the period that is expected to pass until the market will be analysed again. The PTA considers that the obligations are conducive to increasing competition on the relevant market. With respect to further discussion on the obligations the PTA refers to the revised analysis on Market 1, see Appendix A.

The following obligations on Mila replace the obligations that were imposed on Siminn with the PTA Decision no. 8/2008. Further details are provided on the imposed obligations in Appendix A to this Decision.

4.1 Obligation to provide access

With the authority in Article 28 of the Electronic Communications Act the PTA intends to impose on Mila an obligation to meet normal and reasonable requests for open access to specific network facilities on local loops at wholesale level. The network facility in question is access to bitstream through the upper frequency range of copper local loops on one hand, see Access Options 1-3, and access to bitstream passing through fibre-optic local loops on the other hand. Mila should also, if this is requested, handle the sending of bitstream through its backbone network to a location where the electronic communications company in question has a connection with the Mila network. Mila shall offer wholesale broadband access for resale to electronic communications companies that provide broadband services. Mila is obliged to provide hosting of equipment of other electronic communications companies and access to other facilities necessary for the bitstream access to be fully used. Mila shall also provide access to support systems and information systems analogous to those used by Siminn's departments. In addition to this Mila is required to notify all technical migration in advance so that customers can react in a sufficiently timely manner. Mila shall also offer access to the service taking place on broadband such as VoIP and multicast. Access to the Mila VDSL system is also included in these obligations. In order to limit Mila's possibilities to delay negotiations on agreements it is necessary to impose obligations on the company for non-discrimination and transparency and the obligation to publish a reference offer.

4.2 Obligation for non-discrimination

With the authority of Article 30 of the Electronic Communications Act the PTA intends to impose the obligation on Mila that all electronic communications companies that purchase access to local loops, whether copper or fibre-optic, enjoy the same conditions including price as apply to units within the Skipti Group or unrelated parties. Quality of access provided to unrelated parties shall not be less than quality of access provided by Mila to units within the Skipti Group or for related parties. The obligation for non-discrimination that the PTA imposes on Mila is what is called Equivalence of Input (EoI) where the company is obliged to offer the same prices, use the same service procedures/service systems, the same time limits and publish the same information about the service to related and unrelated customers. Mila shall open those systems that are used within the Skipti Group and that the necessary in connection with bitstream access for unrelated parties.

The non-discrimination obligation in question shall be fully implemented no later than three months after this Decision has come into force. Within this period of time Mila shall submit documentation to the PTA which demonstrates that the non-discrimination obligation has been implemented. Otherwise the PTA reserves the right to prescribe a price control obligation for Mila bitstream access provided through fibre-optic local loops. The PTA plans to impose the obligation on Mila that unrelated parties be informed about distribution,

enlargement or other developments of Mila bitstream networks with the same notice as parties related to Mila and this notice shall not be shorter than three months. Furthermore Mila shall give related and unrelated parties the opportunity to influence development of new wholesale products and planned interfaces.

A VDSL operator, such as Mila, may publish its roll-out plans of distribution and planned connection points with three months advance for each street cabinet planned for VDSL and notify the PTA of that plan. By publishing such a plan and notifying the PTA the operator can assure itself priority rights to VDSL development in that specific area for those three months.

In order to ensure that Mila fulfils the above specified non-discrimination obligation the PTA can perform a technical and/or economic investigation as to whether unrelated parties can replicate the product offer of units within the Skipti Group or of other related parties in a sustainable manner (Technical and Economic Replicability Test). Should the PTA conclusion be that unrelated parties cannot replicate the product offer of the Skipti Group or of other related parties for technical or economic reasons, the PTA can instruct Mila to alter its product offer and/or offer new wholesale products to enable unrelated parties to replicate the product offer of related parties on normal commercial grounds.

Furthermore the PTA plans to impose the obligation on Mila to make service level agreements (SLAs) with all purchasers of bitstream. Such agreements shall cover the various service issues that relate to bitstream access, including orders, delivery, service access, transfer of service and repairs. Mila shall complete service level agreements with all of its counterparties no later than six months after the publication of the Decision on the relevant market. All service level agreements shall be published on the Mila website. In addition, the PTA intends to impose the obligation on Mila to issue a specific declaration on quality guarantees (Service Level Guarantees (SLG)). Such service level guarantees shall cover all necessary service issues that relate to non-discrimination in local loop leasing including orders, delivery, service access, service switching and repairs. Such service level guarantees shall among other things prescribe specific fines which Mila must pay to its counterparties should the service level guarantee not to be honoured. Mila shall issue the service level guarantees within six months from the publication of this Decision. Mila shall inform interested electronic communications companies about the content of the service level guarantee. Finally the PTA intends to impose the obligation on Mila that the company regularly gather and publish specific Key Performance Indicators (KPIs), including factors which relate to maintenance services and service switching - for internal transactions on the one hand and external on the other. It is planned that Mila should publish the information in question in the first instance no later than six months after this Decision has been published and subsequently at monthly intervals.

The information gained by Mila from other companies when making agreements for access, or completion of agreements, shall solely be used for the purpose provided for and shall at all stages be treated as confidential. It is unauthorised to supply information from related or unrelated parties, see among other things Article 26 of the Electronic Communications Act no. 81/2003.

4.3 Obligation for transparency

With reference to Article 29 of the Electronic Communications Act the PTA intends to impose an obligation on Mila for transparency in wholesale sales and access to bitstream. Mila shall publish information related to access to the company's systems for example on

bookkeeping for local loops, technical descriptions, characteristics of networks, terms and conditions for delivery and use and tariff. Part of this obligation is that Mila shall issue a reference offer for access to bitstream which shall be maintained and updated as required and submitted to the PTA for endorsement no later than six months after the PTA publishes its decision on Market 5. The reference offer shall also fulfil the requirements specified by the PTA. The PTA demands that Mila authorise open access to technical interfaces, communications protocols and other technologies that ensure interoperability of services.

4.4 Obligation for separation of accountancy

With the authority in Article 31 of the Electronic Communications Act the PTA imposes the obligation on Mila for separation of accountancy. Such separation shall constitute as a minimum that the operation of wholesale bitstream is separated in the accounts from other operations. The Mila wholesale prices and internal prices within the company shall be transparent, among other things to prevent unfair subsidies. In its bookkeeping Mila shall separate revenue, costs, assets and liabilities for access to its bitstream service. Mila is required to submit separate profit and loss accounts annually to the PTA along with a balance sheet for the operations of its bitstream operations, with DSL technology on the one hand and fibre-optic on the other, and a statement of the division of indirect costs that cannot be allocated with comparison with other cost items. The above specified statement should have reached the Administration no later than five months after the end of the financial year. Mila shall furthermore deliver a report from an independent auditor to the PTA to show that there is correspondence between the Mila description to the PTA on how costs had been divided and the implementation of accounting separation by Mila.

4.5 Obligation for price control

With the authority in Article 32 of the Electronic Communications Act the PTA intends to impose an obligation on Siminn for price control for wholesale bitstream access with xDSL technology and related facilities.

Mila shall therefore submit to the Administration for endorsement a wholesale tariff for access to bitstream at differing locations on the network with differing DSL standards, that is to say VDSL and ADSL. In addition to this Mila shall submit to the Administration for endorsement a wholesale tariff for hosting equipment of other electronic communications companies and for access to other facilities related to bitstream and access to support systems and information necessary for a customer to be able to utilise bitstream. The tariff shall in accordance with Paragraph 4 of Article 32 of the Electronic Communications Act be cost-oriented.

When deciding prices for the above specified bitstream service, Mila shall use historical costs allocated to the relevant service (HCA FAC). Emphasis shall be placed on determining the division of costs of the company's DSL wholesale service between general bitstream service (best effort) on the one hand and priority service on the other hand (IPTV, VoD and VoIP). Mila shall submit the cost analysis to the PTA for endorsement no later than six months from the publication of the Decision. The tariff shall then be reviewed annually in accordance with annual updating of the cost analysis. The Administration shall have in mind tariffs from analogous competition markets when assessing the conclusions of the Mila cost analysis. The PTA will also have in mind that the tariff should relate logically to Mila's local loop leasing prices.

The PTA plans at this stage not to impose an obligation on Mila for price control on the company's bitstream service offered through fibre-optic local loops but PTA intends to impose obligation on Mila to provide open access to the company's bitstream service offered through fibre-optic local loops, as well as obligations for non-discrimination (including EoI), transparency, separation of accountancy and cost accounting. Furthermore Mila shall not apply margin squeeze. The PTA may implement a margin squeeze test to clarify whether Mila has breached the above specified conditions. Should the margin squeeze test show abnormal pricing by Mila then the PTA can prescribe amendments to the Mila tariff.

4.6 Cost accounting

Pursuant to Article 32 of the Electronic Communications Act the PTA plans to impose the obligation for cost accounting on Mila for specific types of interconnection or for access, in accordance with a cost-oriented tariff. According to Chapter IV of Regulation no. 564/2011, on bookkeeping and cost analysis in the operations of an electronic communications companies, an electronic communications company with SMP on whom special obligations have been imposed pursuant to the Electronic Communications Act shall inform the PTA on the structure of separation in bookkeeping, with respect to income and expenses, among other things for the user network and the backbone network. The PTA obligation for cost accounting covers those parts of the Mila electronic communications operations necessary for providing access to the company's wholesale bitstream service through copper or fibre-optic local loops. Mila shall submit to the PTA a description of the cost accounting for bitstream which shall show among other things cost categories, cost items and their relationship with the cost driver. Mila shall, no later than six months after the publication of the Decision on the relevant market, submit to the PTA a description of cost accounting for bitstream access and related facilities and shall publish cost categories and rules used to allocate costs. Mila shall at the same time submit a report to the PTA from an independent auditor showing that there is correspondence between the Mila description to the PTA of how costs are split and the implementation in the Mila cost bookkeeping system.

5. The coming into force of the Decision and channels for appeal

This Decision comes into force from the day that it is published and will be in force until a Decision is made to the contrary by the Post and Telecom Administration.

This Decision can be appealed to the Appellate Committee for Electronic Communications and Postal Affairs, see Article 13 of Act no. 69/2003 on the Post and Telecom Administration. The appeal shall have reached the Appellate Committee four weeks from the time that the party in question became aware of the Decision of the Post and Telecom Administration.

Reykjavík, xx August 2014.

Hrafnkell V. Gíslason

Óskar Hafliði Ragnarsson

Attached:

Appendix A - Analysis of Markets 4 and 5.

Appendix B - Comments by stakeholders and the conclusions from consultation on the preliminary draft.

Appendix B2 - PTA Additional consultation document

Appendix B - Comments by stakeholders and the conclusions from the additional consultation.