Questionnaire for the public consultation on a New Competition Tool

Fields marked with * are mandatory.

Introduction

Objectives of the public consultation

The proposal for a New Competition Tool is one of the measures aimed at making sure that competition policy and rules are fit for the modern economy. It is meant to address gaps in the current EU competition rules, which have been identified based on the Commission's enforcement experience in digital and other markets, as well as the worldwide reflection process about the need for changes to the current competition law framework to allow for enforcement action preserving the competitiveness of markets.

EU competition law can address (i) anti-competitive agreements and concerted practices between companies pursuant to Article 101 of the Treaty on the Functioning of the European Union ("the EU Treaty") and (ii) the abuse by a company of its dominant position pursuant to Article 102 of the EU Treaty. The enforcement experience of the Commission and national competition authorities, as well as the worldwide reflection process on the fitness of the existing competition rules to tackle today's challenges have helped to identify certain structural competition problems that these rules cannot tackle (e.g. monopolisation strategies by non-dominant companies with market power) or cannot address in the most effective manner (e.g. strategies by companies with market power to extend their market position into multiple related markets).

The objective of this consultation is to collect stakeholder views on two aspects. First, stakeholders are asked to provide their views on whether there is a need for a new competition tool to ensure fair and competitive markets with a view to delivering lower prices and higher quality, as well as more choice and innovation to European consumers. Second, stakeholders are asked to provide their views on the characteristics that such a new competition tool should have in order to address structural competition problems in a timely and effective manner.

In parallel, the Commission is also engaged in a process of exploring, in the context of the Digital Services Act package, ex ante rules to ensure that markets characterised by large platforms with significant network effects acting as gatekeepers, remain fair and contestable for innovators, businesses, and new market entrants. As part of that process, the Commission has launched a consultation to seek views on the framing, on the scope, the specific perceived problems, and the implications, definition and parameters for addressing possible issues deriving from the economic power of large, digital gatekeeper platforms. As such, the work on a proposed New Competition Tool and on the ex ante rules complement each other. The work on the two impact assessments will be conducted in parallel in order to ensure a coherent outcome. In

this context, the Commission will take into consideration the feedback received from both consultations. We would therefore invite you, in preparing your responses to the questions below, to also consider your response to the parallel consultation on ex ante rules for large, digital gatekeeper platforms, which can be found at <u>Digital Services Act survey</u>.

About you

- * Language of my contribution
 - Bulgarian
 - Croatian
 - Czech
 - Danish
 - Dutch
 - English
 - Estonian
 - Finnish
 - French
 - Gaelic
 - German
 - Greek
 - Hungarian
 - Italian
 - Latvian
 - Lithuanian
 - Maltese
 - Polish
 - Portuguese
 - Romanian
 - Slovak
 - Slovenian
 - Spanish
 - Swedish
- * I am giving my contribution as
 - Academic/research institution
 - Business association

- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Rebekka

*Surname

Weiss

* Email (this won't be published)

r.weiss@bitkom.org

*Organisation name

255 character(s) maximum

Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V. (Bitkom)

*Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

*Web address

www.bitkom.org

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decisionmaking.

*Country of origin

Please add your country of origin, or that of your organisation.

Please add your country of origin,	or that of your organisation.	-	-
Afghanistan	Djibouti	Libya	Saint Martin
Åland Islands	Dominica	Liechtenstein	Saint Pierre
			and Miquelon
Albania	Dominican	Lithuania	Saint Vincent
	Republic		and the
			Grenadines
Algeria	Ecuador	Luxembourg	Samoa
American	Egypt	Macau	San Marino
Samoa			
Andorra	El Salvador	Madagascar	São Tomé and
			Príncipe
Angola	Equatorial	Malawi	Saudi Arabia
	Guinea		
Anguilla	Eritrea	Malaysia	Senegal
Antarctica	Estonia	Maldives	Serbia
Antigua and	Eswatini	Mali	Seychelles
Barbuda			
Argentina	Ethiopia	Malta	Sierra Leone
Armenia	Falkland Islands	Marshall	Singapore
		Islands	
Aruba	Faroe Islands	Martinique	Sint Maarten
Australia	Fiji	Mauritania	Slovakia
Austria	Finland	Mauritius	Slovenia
Azerbaijan	France	Mayotte	Solomon
			Islands
Bahamas	French Guiana	Mexico	Somalia
Bahrain	French	Micronesia	South Africa
	Polynesia		

BarbadosGabonMonacoSouth KoreaBelarusGeorgiaMongoliaSouth SudanBelgiumGermanyMontenegroSpainBelizeGhanaMontserratSri LankaBeninGibraltarMoroccoSudanBermudaGreeceMozambiqueSurinameBhutanGreenadaMarmarSvalbard and Jan MayenBoliviaGrenadaNamibiaSwedenBonaire SaintGuadeloupeNauruSwitzerlandLustatius and SabaGuernseyNepalSyriaBotswanaGuaremalaNew CaledoniaTajikistanBotiviaGuineaNew ZealandTajikistanBritish Indian Cean TerritoryGuyanaNigerThe GambiaBulgariaHaitiNigeriaTimor-LesteBulgariaHeard Island and McDonald IslandsNortfolk IslandTogoBurundiHungaryNortfolk IslandTogaBurundiHungaryNorth KoreaTrinidad and	Bangladesh	French Southern and Antarctic Lands	Moldova	South Georgia and the South Sandwich Islands
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-				Tobago

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Cameroon	Iceland	North	Tunisia
Canada		Macedonia	Turkey
Canada	India	Norway	Turkey
Cape Verde	Indonesia	Oman	Turkmenistan
Cayman Islands	Iran	Pakistan	Turks and
			Caicos Islands
Central African	Iraq	Palau	Tuvalu
Republic			
Chad	Ireland	Palestine	Uganda
Chile	Isle of Man	Panama	Ukraine
China	Israel	Papua New	United Arab
		Guinea	Emirates
Christmas	Italy	Paraguay	United
Island			Kingdom
Clipperton	Jamaica	Peru	United States
Cocos (Keeling)	Japan	Philippines	United States
Islands			Minor Outlying
			Islands
Colombia	Jersey	Pitcairn Islands	Uruguay
Comoros	Jordan	Poland	US Virgin
			Islands
Congo	Kazakhstan	Portugal	Uzbekistan
Cook Islands	Kenya	Puerto Rico	Vanuatu
Costa Rica	Kiribati	Qatar	Vatican City
Côte d'Ivoire	Kosovo	Réunion	Venezuela
Croatia	Kuwait	Romania	Vietnam
Cuba	Kyrgyzstan	Russia	Wallis and
			Futuna
Curaçao	Laos	Rwanda	Western
-			Sahara
Cyprus	Latvia	Saint	Yemen
		Barthélemy	
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Czechia	Lebanon	Saint Helena Ascension and Tristan da	Zambia
Democratic Republic of the	Lesotho	Cunha Cunha Saint Kitts and Nevis	Zimbabwe
Congo © Denmark	Liberia	Saint Lucia	

* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the personal data protection provisions

A. How to answer?

You are invited to reply to this public consultation **by 8 September 2020** by filling out the eSurvey questionnaire online. The questionnaire consists of four main sections:

- 1. General information on the respondent
- 2. Structural competition problems: this section aims to gather the experience and views of stakeholders on scenarios resulting in a structural lack of competition and structural risks for competition, as well as about whether the current EU competition rules can deal with them.
- 3. Assessment of policy options: this section aims to gather the views of stakeholders on the four policy options outlined in the Inception Impact Assessment.
- 4. Institutional set-up of a new competition tool: the section aims to gather the views of stakeholders about how the new competition tool should be shaped in order to address structural competition problems in a timely and effective manner.

The Commission will summarise the <u>results in a report</u>, which will be made publicly available on the Commission's <u>Better Regulation Portal</u>.

In the interest of time, the questionnaire is available in English only during the first two weeks. Thereafter the questionnaire will also be available in all official EU languages. You may respond to the questionnaire in any official EU language.

To facilitate the analysis of your reply, we would kindly ask you to <u>keep your answers concise</u> and to the point. You may include documents and URLs for relevant online content in your replies. <u>You are not</u> <u>required to answer every question</u>. You may respond 'not applicable/no relevant experience or knowledge' to questions on topics where you do not have particular knowledge, experience or opinion. Where applicable, this is strongly encouraged in order to allow the Commission to gather solid evidence on the different aspects covered by this questionnaire.

You are invited to read **the privacy statement attached** to this consultation for information on how your personal data and contribution will be dealt with.

You have the option of saving your questionnaire as a 'draft' and finalising your response later. In order to do this you have to click on 'Save as Draft' and save the new link that you will receive from the EUSurvey tool on your computer. Please note that without this new link you will not be able to access the draft again and continue replying to your questionnaire. Once you have submitted your response, you will be able to download a copy of your completed questionnaire.

Whenever there is a text field for a short description, you may answer in maximum 3000 characters.

Questions marked with an asterisk (*) are mandatory.

Digital markets in this questionnaire refer to markets largely relying on digital technologies with certain specific characteristics, such as extreme economies of scale and scope, strong network effects, zero pricing and data dependency.

No statements, definitions, or questions in this public consultation may be interpreted as an official position of the European Commission. All definitions provided in this document are strictly for the purposes of this public consultation and are without prejudice to definitions the Commission may use under current or future EU law or in decisions.

In case you have questions, you can contact us via the following functional mailbox: <u>COMP-NEW-</u> <u>COMPETITION-TOOL@EC.EUROPA.EU;</u>

If you encounter technical problems, please contact the Commission's <u>CENTRAL HELPDESK</u>.

*1. Please indicate your role for the purpose of this consultation.

- An individual citizen
- An association or trade organisation representing consumers
- An association or trade organisation representing businesses
- An association or trade organisation representing civil society
- A business / economic operator of small size
- A business / economic operator of medium size
- A business / economic operator of large size
- A public authority
- A research institution / Think tank

- Academia (Legal field)
- Academia (Economics)
- Academia (Engineering)
- Academia (Other)
- Law firm / consultancy
 Other: Optional
- *2. Only for businesses / economic operators: Please identify the markets /sectors in which you provide your services.
 - A Agriculture, forestry and fishing
 - B Mining and quarrying
 - C Manufacturing
 - D Electricity, gas, steam and air conditioning supply
 - E Water supply; sewerage; waste managment and remediation activities
 - F Construction
 - G Wholesale and retail trade; repair of motor vehicles and motorcycles
 - H Transporting and storage
 - I Accommodation and food service activities
 - J Information and communication
 - K Financial and insurance activities
 - L Real estate activities
 - M Professional, scientific and technical activities
 - N Administrative and support service activities
 - O Public administration and defence; compulsory social security
 - P Education
 - Q Human health and social work activities
 - R Arts, entertainment and recreation
 - S Other services
 - T I am not a business/economic operator
 - Other

*3. Please briefly explain your activities/describe your organisation/company and - if applicable - the main goods/services you provide.

3000 character(s) maximum

Bitkom represents more than 2,700 companies of the digital economy, including 2,000 direct members. Through IT- and communication services alone, our members generate a domestic annual turnover of 190 billion Euros, including 50 billion Euros in exports. The members of Bitkom employ more than 2 million people in Germany. Among these members are 1,000 small and medium-sized businesses, over 500 startups and almost all global players. They offer a wide range of software technologies, IT-services, and telecommu-nications or internet services, produce hardware and consumer electronics, operate in the digital media sector or are in other ways affiliated with the digital economy. 80 percent of the members' headquarters are located in Germany with an additional 8 percent both in the EU and the USA, as well as 4 percent in other regions of the world. Bitkom promotes the digital transformation of the German economy, as well as of German society at large, enabling citizens to benefit from digitalisation. A strong European digital policy and a fully integrated digital single market are at the heart of Bitkom's concerns, as well as establishing Germany as a key driver of digital change in Europe and globally.

*4. Only for businesses / economic operators: Does your company provide digital goods or services?

- I am not a business operator/representative of businesses
- 🔲 No
- Not applicable
- Yes, I am active as an e-commerce marketplace
- Yes, I operate an app store
- Yes, I develop and provide apps
- Yes, I provide a search engine
- Yes I provide an operating system
- Yes I provide a social network
- Yes, I provide network and/or data infrastructure/cloud services
- Yes, I provide digital identity services
- Other

5. Only for business / economic operators: As a business user, do you rely on digital services or on digital operators and/or online platforms? (For the purposes of this questionnaire 'online platform' refers to a firm operating in two (or multi)-sided markets, which uses the Internet to enable interactions between two or more distinct but interdependent groups of users so as to generate value for at least one of the groups.)

- Yes, my business is fully dependent on digital operators and/or online platforms
- Yes, my business is largely dependent on digital operators and/or online platforms
- Yes, my business is somewhat dependent on digital operators and/or online platforms
- No

I am not a business operator/representative of businesses

Not applicable / no relevant experience or knowledge

5.1. If yes, please describe those digital services you use. If no, please explain why you do not use digital services, and whether you expect/plan to rely on them in the next five years.

3000 character(s) maximum

C. Structural competition problems

Structural competition problems concern structural market characteristics that have adverse consequences on competition and may ultimately result in inefficient market outcomes in terms of higher prices, lower quality, less choice and innovation. These market characteristics (explained in more detail below) include extreme economies of scale and scope, strong network effects, zero pricing and data dependency, as well as market dynamics favouring sudden and radical decreases in competition ('tipping') and 'winner-takes-most' scenarios. These characteristics can typically be found in digital but also in other markets.

As the Commission has established in some of its competition decisions, these characteristics can make a position of market power or dominance, once acquired, difficult to contest.

While structural competition problems can arise in a broad range of different scenarios, they can be generally grouped into two categories depending on whether harm is about to affect or has already affected the market:

- Structural risks for competition refer to scenarios where certain market characteristics (e.g. network and scale effects, lack of multi-homing and lock-in effects) and the conduct of the companies operating in the markets concerned create a threat for competition, arising through the creation of powerful market players with an entrenched market position. This applies notably to tipping markets. The ensuing risks for competition can arise through the creation of powerful market players with an entrenched market position, the emergence of which could be prevented by early intervention. Other scenarios falling under this category include unilateral strategies by non-dominant companies to monopolise a market through anti-competitive means.
- Structural lack of competition refers to a scenario where a market is not working well and not delivering competitive outcomes due to its structure (i.e. structural market failures). These include (i) markets displaying systemic failures going beyond the conduct of a particular company due to certain structural features, such as high concentration and entry barriers, customer lock-in, lack of access to data or data accumulation, and (ii) oligopolistic market structures characterised by a risk for tacit collusion, including markets featuring increased transparency due to algorithm-based technological solutions.

The questions in this section aim to gather information on the types of market characteristics that may result in structural competition problems, and on gaps in Articles 101 and 102 of the EU Treaty, in order to understand the most appropriate scope for a new competition tool. (Article 101 of the EU Treaty prohibits agreements between companies which prevent, restrict or distort competition in the EU and which may affect trade between Member States ('anti-competitive agreements'). These include, for example, price-

fixing or market-sharing cartels. Article 102 of the Treaty prohibits any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it.)

6. Please indicate to what extent each of the following market features/elements can be a source or part of the reasons for a structural competition problem in a given market in your view.

Please, give examples of sectors/markets or scenarios you are aware of in the follow-up question.

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
A - One or few large players on the market (i.e. concentrated market)	0	۲	۲	۲	0
B - High degree of vertical integration ('Vertical integration' relates to scenarios where the same company owns activities at upstream and downstream levels of the supply chain)	©	©	0	۲	0
C - High start-up costs (i.e. non-recurring costs associated with setting up a business)	0	۲	۲	0	۲
D - High fixed operating costs (i.e. costs that do not change with an increase or decrease in the amount of goods or services produced or sold)	O	O	O	0	۲
E - Regulatory barriers ('Regulatory barriers' refer to regulatory rules that make market entry or expansion more cumbersome or extensively expensive)	0	O	O	0	۲
F - Importance of patents or copyrights that may prevent entry	0	0	۲	0	0
G - Information asymmetry on the customer side ('Information asymmetry' occurs when customers (consumers or businesses) in an economic transaction possess substantially less knowledge than the other party so that they cannot make informed decisions)	۲	0	0	©	0
H - High customer switching costs ('Switching costs' are one-time expenses a consumer or business incurs or the inconvenience it experiences in order to switch over from one product to another or from one service provider to another)	0	0	0	۲	0
I - Lack of access to a given input/asset which is necessary to compete on the market (e.g. access to data)	O	0	0	۲	0

J - Extreme economies of scale and scope ('Extreme economies of scale' occur when the cost of producing a product or service decreases as the volume of output (i.e. the scale of production) increases. For instance serving an additional consumer on a platform comes at practically zero cost. 'Economies of scope' occur when the production of one good or the provision of a service reduces the cost of producing another related good or service)	©	©	۲	©	©
K - Strong direct network effects (Where network effects are present, the value of a service increases according to the number of others using it. For instance in case of a social network, a greater number of users increases the value of the network for each user. The more persons are on a given social network, the more persons will join it. The same applies e.g. to phone networks)	©	©	©	۲	0
L - Strong indirect network effects (Indirect network effects, also known as cross-side effects, typically occur in case of platforms which link at least two user groups and where the value of a good or service for a user of one group increases according to the number of users of the other group. For instance, the more sellers offer goods on an electronic marketplace, the more customers will the marketplace attract and vice versa)	©	©	O	۲	0
M - Customers typically use one platform (i.e. they predominantly single-home) and cannot easily switch	۲	O	O	0	0
N - The platform owner is competing with the business users on the platform (so- called dual role situations, for instance the owner of the e-commerce platform that itself sells on the platform)	O	O	۲	©	O
O - Significant financial strength	0	0	۲	0	0
P - Zero-pricing markets ('Zero-price markets' refer to markets in which companies offer their goods/services such as content, software, search functions, social media platforms, mobile applications, travel booking, navigation and mapping systems to consumers at a zero price and monetise via other means, typically via advertising (i.e. consumers pay with their time and attention)	©	©	۲	©	O
Q - Data dependency ('Data dependency' refers to scenarios where the operation of companies are largely based on big datasets)	O	O	۲	O	0

R - Use of pricing algorithms ('Pricing algorithms' are automated tools that allow very frequent changes to prices and other terms, taking into account all or most competing	0	0	۲	0	(
offers on the market.)					

Please explain your answers above and give examples of the features/elements you indicated if possible. Please specify the letter of the row of the feature /elements you are referring to.

5000 character(s) maximum

Market concentration may lead to the inability of upcoming other market players to compete in the same market and indeed high costs in setting up new business models can hinder market entry and competition. In general, we are convinced that none of the above mentioned factors alone automatically lead to competition issues.

In our view, access to data can be a competitive advantage, especially if the dependency on data for business models has an effect on competitors, but it does not automatically lead to market failure and competition problems (Row Q). The same is true for the use of pricing algorithms (Row R), which can also be a procompetitive factor. With regard to Row M we think it is necessary to define platforms more clearly to define which markets are encompassed by the question and the relevant factors for fair competition, f.i. whether multihoming is possible. Row G seems to address factors that are partly already addressed by the P2B regulation and the data protection framework. Row K addresses direct network effects and makes a reference to phone networks. However, the described network effect does not manifest in phone networks anymore nowadays. The zero-pricing markets addressed in Row P are in our view not a competition factor per se.

6.1. Can you think of any other market features/elements that could be a source or part of the reasons for a structural competition problem in a given market?

- Yes
- No

6.2. Please indicate which are these other market features/elements that can be a source or part of the reasons for a structural competition problem in a given market and rate them according to their importance from 0 to 4 (0 = no knowledge/no experience; 1 = no importance/no relevance; 2 = somewhat important; 3 = important; 4 = very important).

7. Please indicate <u>what market scenarios may in your view qualify as structural competition problems</u> and rate them according to their importance.

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
 A (not necessarily dominant) company with market power in a core market extends that market power to related markets. 	0	0	۲	0	0
 Anti-competitive monopolisation, where one market player may rapidly acquire market shares due to its capacity to put competitors at a disadvantage in the market unfairly. 	0	0	0	۲	0
 Highly concentrated markets where only one or few players are present, which allows to align their market behaviour. 	0	0	۲	0	0
* The widespread use of algorithmic pricing that allows easily to align prices.	0	۲	۲	0	0
 Gatekeeper scenarios: situations where customers typically predominantly use one service provider/platform (single-home) and therefore the market dynamics are only determined by the gatekeeper. 	O	0	0	۲	0
* Tipping (or 'winner takes most') markets ('Tipping markets' refer e.g. to markets where the number of customers is a key element for business success: if a firm reaches a critical threshold of customers, it gets a disproportionate advantage in capturing remaining customers. Therefore, due to certain characteristics of that market, only one or very few companies will remain on those markets in the long term.)	©	0	۲	©	©

*7.1. Please explain your answers above and give examples if possible.

5000 character(s) maximum

We would like to stres that in our view the factors mentioned above cannot in themselves or on their own create structural competition problems. Only under specific circumstances and with an interplay of several factors competition problems could arise. This assessment should be evidence based and detailed.

Row 2: In our view it is necessary to include the factor "unfairly". The expansion of entrepreneurial activity alone is not a factor for structural competition problems.

Row 3: The presence of only a few players in a market does not automatically mean that the agreements mentioned here are a necessary foregone conclusion (criterion of market transparency may be required as a further condition).

Row 4: The purely theoretical scenario of price adjustment / price agreement should not be linked with the permitted use of price algorithms.

*7.2. Can you think of any other market scenarios that qualify as structural competition problems?

Yes

No

8. Structural competition problems may arise in markets where a (not necessarily dominant) company with market power in a core market may apply <u>repeated strategies to extend its market</u> <u>position to related markets</u>, for instance, by relying on large amounts of data.

*8.1. Do you have knowledge or did you come across such market situation?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*9. Do you think that there is a need for the Commission to be able to intervene in situations where structural competition problems may arise due to repeated strategies by companies with market power to extend their market position into related markets?

Yes

No

Not applicable /no relevant experience or knowledge

*9.1. Please explain your answer. If you replied yes, please also indicate the type of intervention that would be needed.

3000 character(s) maximum

The current system of Art. 101 and 102 suffices in our view.

*9.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective to address those market situations?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*9.3 Please explain your answer.

3000 character(s) maximum

Articles 101 and 102 can address most of the emerging issues sufficiently. Improvement may be needed especially with regard to speeding up processes.

10. Anti-competitive monopolisation refers to scenarios where one market player may rapidly acquire market shares due to its capacity to put competitors at a disadvantage in the market unfairly, for instance, by imposing unfair business practices or by limiting access to key inputs, such as data.

*10.1. Do you have knowledge or did you come across such market situation?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*11. Do you think that there is a need for the Commission to be able to intervene in situations where structural competition problems may arise due to anti-competitive monopolisation?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*11.1. Please explain your answer. If you replied yes, please also indicate the type of intervention that would be needed.

3000 character(s) maximum

We would need more in depth analyses to answer that question.

*11.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective to address anti-competitive monopolisation?

Yes

No

Not applicable /no relevant experience or knowledge

*11.3. Please explain your answer.

3000 character(s) maximum

Please see the Bitkom Position on the Gatekeeper Rules in the DSA Consultation

12. An oligopoly is a highly concentrated market structure, where a few sizeable firms operate. Oligopolists may be able to behave in a parallel manner and derive benefits from their collective market power without necessarily entering into an agreement or concerted practice of the kind generally prohibited by competition law. In those situations rivals often 'move together' to e.g. raise prices or limit production at the same time and to the same extent, without having an explicit agreement. Such so-called coordinated behaviour can have the same outcome as a cartel for customers, e.g. price increases are aligned.

*12.1. Do you have knowledge or did you come across such market situations?

- Yes
- No
- Not applicable /no relevant experience or knowledge

* 12.2. Please identify the markets concerned and explain those market situations.

3000 character(s) maximum

We would need more in depth analyses to answer that question.

12.3. In your experience, what are the main features of an oligopolistic market with a high/substantial risk of tacit collusion?

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
* High concentration levels	0	0	0	۲	0
* Competitors can monitor each other's behaviour	0	0	۲	۲	0
* Oligopolists competing against each other in several markets	۲	0	0	0	0
* Homogeneity of products	0	0	۲	0	0
* High barriers to enter (e.g., access to intellectual property rights, high marketing costs, global distribution footprint, strong incumbency advantages, network effects)	0	0	0	۲	0
* Strong incumbency advantages due to customers' switching costs and/or inertia	0	0	0	۲	0
* Lack of transparency for customers on best offers available in the markets	0	0	۲	0	0
* Vertical integration into key assets of the vertical supply chain	0	0	۲	0	0
* Existence of a clear price leader, resulting in leader-follower behaviour	۲	0	0	۲	0

* Please explain your answer and your rating above.

3000 character(s) maximum

While some of the features may be important for the determination, the abovementioned features cannot determine a substantial/high risk on their own. A combination of several features and specific circumstances would always be necessary. The assessment always needs to be evidenced based and detailed.

* 12.4. Can you think of any other features of an oligopolistic market with a high /substantial risk of tacit collusion?

Yes

No

* 12.5. Please indicate which are these other features of an oligopolistic market with a high/substantial risk of tacit collusion and rate them according to their importance from 0 to 4 (0 = no knowledge/no experience; 1 = no importance /no relevance; 2 = somewhat important; 3 = important; 4 = very important).

3000 character(s) maximum

We would need more in depth information to answer that question.

*12.6. In your experience, what are the main competition concerns that arise in oligopolistic markets prone to tacit collusion?

3000 character(s) maximum

See above.

* 12.7. Do you consider that oligopolistic market structures are common in digital sectors/markets?

- Not applicable / no relevant experience or knowledge
- 🔘 No
- Yes, to some extent
- Yes, common
- Yes, very common

*12.8. Please explain your answer and identify the sectors/markets concerned.

3000 character(s) maximum

See above.

*13. Do you consider that there is a need for the Commission to be able to intervene in oligopolistic markets prone to tacit collusion in order to preserve /improve competition?

Yes

No

Not applicable /no relevant experience or knowledge

* 13.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective instruments to address oligopolistic market situations prone to tacit collusion?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*13.3. Please explain your answer.

3000 character(s) maximum

See above.

14. Relying on digital tools, companies may easily <u>align their behaviour, in particular retail prices</u> <u>via pricing algorithms</u>. (Pricing algorithms are automated tools that allow very frequent changes to prices and other terms taking into account all or most competing offers on the market.)

*14.1. Do you have knowledge or did you come across such market situations?

- Yes
- No
- Not applicable /no relevant experience or knowledge.

*14.2. Please list and explain those situations and in which markets you encountered them.

3000 character(s) maximum

See above.

14.3. In your view, what are the main features of markets where pricing algorithms are used?

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
* The market is highly transparent (i.e. competitors can easily observe and understand the market behaviour of other players, and align their conduct), even without using the pricing algorithms	0	0	۲	©	۲

* The market is not transparent (i. e. without the pricing algorithms, competitors would not be able to observe and understand market behaviour of other players)	0	0	۲	۲	۲
 Prices might be aligned, without market players explicitly agreeing their prices 	0	0	۲	0	۲
* The goods and services offered in the market where the pricing algorithms are used are digital	0	۲	0	0	۲
* The goods and services offered in the market where the pricing algorithms are used are not digital	0	۲	0	0	O

* 14.5. Do you consider that pricing algorithms are common in digital sectors /markets?

- Not applicable / no relevant experience or knowledge
- No
- Yes, to some extent
- Yes, common
- Yes, very common

14.7. In your experience, what are the main competition concerns that arise in markets where pricing algorithms are used?

[Multiple choice possible]

- Alignment of prices / less competition between market players
- Prices increase
- Less choice for customers
- Others

*14.8. Please explain.

3000 character(s) maximum

In general, we do not see an issue arising solely from the fasct that pricing algorithms are used.

* 15. Do you consider that there is a need for the Commission to be able to intervene in markets where pricing algorithms are prevalent in order to preserve/improve competition?

Yes

No

Not applicable /no relevant experience or knowledge

*15.1. Please explain your answer.

3000 character(s) maximum

In general, we do not see an issue arising solely from the fasct that pricing algorithms are used.

* 15.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective instruments to address all scenarios where algorithmic pricing can raise competition issues?

Yes

No

Not applicable /no relevant experience or knowledge

*15.3. Please explain your answer.

3000 character(s) maximum

The current system is sufficient to address arising issues. In general, we do not see an issue arising solely from the use of pricing algorithms

16. So-called tipping (or 'winner takes most') markets are markets where the number of users is a key element for business success: if a firm reaches a critical threshold of customers, it gets a disproportionate advantage in capturing remaining customers. Therefore, due to certain characteristics of that market, only one or very few companies will remain on those markets in the long term.

*16.1. Do you have knowledge or did you come across such market situations?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*16.2. Please list and explain those situations and in which markets you encountered them.

3000 character(s) maximum

We would need mor in depth information to answer that question.

16.3. Please indicate what are in your view, the main market features of a tipping market. Please rate each of the listed competition concerns according to its importance.

	No knowledge/No experience	No importance/No relevance	Somewhat important	Important	Very important
* Direct network effects	۲	0	0	0	0
* Indirect network effects	۲	0	0	0	0
* Economies of scale	0	0	0	۲	0
 Users predominantly single-home (i.e. they use typically one platform only) 	0	0	O	۲	0

* 16.4. Please explain your answer, indicating why you consider the above features relevant for a tipping market and describe any other feature that you consider important.

3000 character(s) maximum

While some of the features may be important for the determination, the abovementioned features cannot determine a substantial/high risk on their own. A combination of several features and specific circumstances would always be necessary. The assessment always needs to be evidenced based and detailed.

*16.5. In your view, is tipping common in digital sectors/markets?

- Not applicable / no relevant experience or knowledge
- No
- Yes, to some extent
- Yes, common
- Yes, very common

16.7. In your experience, what are the main competition concerns that arise in tipping markets? Please rate each of the listed competition concerns according to its importance.

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
 Efficient or innovative market players will disappear 	۲	0	0	0	0
 There will not be sufficient competition on the market in the long run 	0	0	0	۲	©
 Customers will not have enough choice 	0	0	0	۲	0
* Customers may face insufficient innovation	0	0	0	۲	0
 Customers may face higher prices 	۲	0	0	0	0

*16.8. Please explain your answers above. Please also use this space to mention any other competition concerns that arise in tipping markets and rate their importance.

3000 character(s) maximum

While some of the features may be important for the determination, the abovementioned features cannot determine a substantial/high risk on their own. A combination of several features and specific circumstances would always be necessary. The assessment always needs to be evidenced based and detailed.

* 17. Do you consider that there is a need for the Commission to be able to intervene early in tipping markets to preserve/improve competition?

- Yes
- No
- Not applicable /no relevant experience or knowledge.

*17.1. Please explain your answer.

3000 character(s) maximum

We think the current system of Art. 101 and 102 is enough to address those issues.

* 17.2. Do you consider that Articles 101/102 of the EU Treaty are suitable and sufficiently effective instruments to intervene early in 'tipping markets', to preserve/improve competition?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*17.3. Please explain your answer.

3000 character(s) maximum

The current system is generally sufficient to address the issues.

18. So-called 'gatekeepers' control access to a number of customers (and/or to a given input /service such as data) that – at least in the medium term – cannot be reached otherwise. Typically, customers of gatekeepers cannot switch easily ('single-homing'). A gatekeeper may not necessarily be 'dominant' within the meaning of Article 102 of the EU Treaty.

*18.1. Have you encountered or are you aware of markets characterised by 'gatekeepers'?

- Yes
- No
- Not applicable / no relevant experience or knowledge

*18.2. Please list which companies you consider to be 'gatekeepers' and in which markets.

In depth market analyses is needed to answer that question. Without a clear definition of gatekeepers, companies cannot be named.

*18.3. Do you consider that gatekeeper scenarios are common in digital sectors/markets

- Not applicable / no relevant experience or knowledge
- No
- Yes, to some extent
- Yes, common
- Yes, very common

*18.4. Please explain your answer and identify the sectors/markets concerned.

3000 character(s) maximum

No relevant knowledge.

* 18.5. Do you consider that gatekeeper scenarios also occur in non-digital sectors/markets?

- Not applicable / no relevant experience or knowledge
- No
- Yes

18.7. Please indicate what are, in your view, the features that qualify a company as a 'gatekeeper'. Please rate each of the listed features according to its importance.(0 = no knowledge/no experience; 1 = no importance/no relevance; 2 = somewhat important; 3 = important; 4 = very important).

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
* High number of customers/users	0	0	۲	0	0
* Customers cannot easily switch (lack of multi-homing)	0	0	۲	0	0
 Business operators need to accept the conditions of competition of the platform - including its business environment - to reach the customers that use the specific platform 	0	0	۲	0	0

* 18.8. Please explain your answer, indicating why you consider the indicated features relevant for qualifying a company as a gatekeeper. Please also add any other relevant features that qualify a company as a gatekeeper and rate their importance.

3000 character(s) maximum

Even if all three criteria are met, a gatekeeper role cannot automatically be assumed. Each factor can contribute relatively to the individual case, but is not a meaningful criteria on its own for this determination. Especially the feature "high number of customers/user" is in our view not a precise feature: Every business model aims at generating / winning as many customers as possible. With regard to single-homing we would like to point out the importance of it being more nuanced. The threat of switching of even of a smaller section of customers, and the fact that other sets of users of the platform can multi-home, leads to sufficient competitive pressures.

18.9. In your experience, what are the main competition concerns that arise in markets featuring a gatekeeper? Please rate each of the listed competition concerns according to its relevance.

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
* Gatekeepers determine the dynamics of competition on the aftermarket/platform	0	0	0	۲	0
* As customers/users cannot easily switch, they have to accept the competitive environment on the aftermarket/platform	0	0	۲	0	0
* Business operators can only reach the customers that use the specific platform /aftermarket by adapting their business model and accepting their terms and conditions	O	0	۲	0	0

* 18.10. Please explain your answers above. Please also use this space to mention any other competition concerns that arise in markets featuring a gatekeeper and rate them in importance.

3000 character(s) maximum

Each of the factors posited by the Commission in Q18.9 may be relevant to varying degrees in a particular industry, and this may change over time. As such a case-by-case analysis is required to identify whether an undertaking's role as a gatekeeper gives rise to any potential competition problems.

With regard to single-homing we would like to point out that its importance should be nuanced. The threat of switching of even of a smaller section of customers, and the fact that other sets of users of the platform can multi-home, leads to sufficient competitive pressures.

*19. Do you consider that there is a need for the Commission to be able to intervene in gatekeeper scenarios to prevent/address structural competition problems?

- Yes
- No
- Not applicable /no relevant experience or knowledge

* 19.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective instruments to intervene in markets characterised by 'gatekeeper platforms' in order to preserve/improve competition?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*19.3. Please explain your answer.

3000 character(s) maximum

We do not see the need to introduce the NCT to address this. Please see the Bitkom position on the gatekeeper Rules in the Digital Services Act Consultation for more details.

*20. In <u>which sectors/markets</u> do you consider that structural competition problems may occur?

- Structural competition problems may occur in all sectors/markets
- Structural competition problems may occur in some specific sectors/markets (including but not only digital sectors/markets).
- Structural competition problems only occur in digital sectors/markets
- Structural competition problems mainly occur in digital sectors/markets

Not applicable / no relevant experience or knowledge

* 20.1. Please explain your answer and identify the sectors/markets your reply refers to.

3000 character(s) maximum

Structural competition problems may occur in all sectors/markets.

*21. If in response to question 7 you indicated that other forms of structural competition problems in addition to the ones listed above exist, do you consider that there is a need for the Commission to be able to intervene in order to address these other forms of structural competition problems in order to preserve/improve competition?

Yes

- No
- Not applicable /no relevant experience or knowledge

*21.1. Please explain your answer.

3000 character(s) maximum

We do not see the need for a new Competition Tool.

*21.2. Do you consider that Articles 101 and 102 of the EU Treaty are suitable and sufficiently effective instruments to address these other forms of structural competition problems?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*21.3. Please explain your answer.

3000 character(s) maximum

Yes, Art. 101 and 102 are enough to address the issues. Please see the Bitkom Answer to the Gatekeeper Rules in the Digital Services Act Consultation for more details.

*22. Article 101 of the EU Treaty prohibits agreements between companies which prevent, restrict or distort competition in the EU and which may affect trade between Member States (anti-competitive agreements). These include, for example, price-fixing or market-sharing cartels. Is Article 101 of the EU Treaty, in your view, a suitable and sufficiently effective instrument to address structural competition problems?

- Yes
- No
- Not applicable/no relevant experience or knowledge

* 22.1. Please explain your answer. If you replied 'no', please indicate the types of conduct and situations that in your view, Article 101 of the EU Treaty does not sufficiently or effectively address, and why.

3000 character(s) maximum

Art. 101 and 102 are sufficient to address the issues.

*22.2. Please explain in which markets the market situations and problematic conducts you have identified manifest themselves.

3000 character(s) maximum

see above

- *23. Article 102 of the Treaty prohibits any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it. Is Article 102 of the Treaty, in your view, suitable and sufficiently effective to address structural competition problems?
 - Yes
 - No
 - Not applicable/no relevant experience or knowledge

^{*}23.1. Please explain your answer. If you replied 'no', please indicate the type of conduct and situations that in your view, Article 102 of the EU Treaty does not sufficiently or effectively address, and why.

3000 character(s) maximum

see above

*23.2. Please explain in which markets the market situations and problematic conducts you have identified manifest themselves.

3000 character(s) maximum

see above

The questions in this section seek to gather feedback on the policy options outlined in the <u>Inception Impact</u> <u>Assessment</u>.

24. In light of your responses to the questions of Section C, do you think that there is a need for a new competition tool to deal with structural competition problems that Articles 101 and 102 of the EU Treaty (on which current competition law enforcement is based) cannot tackle conceptually or cannot address in the most effective manner? (Article 101 of the EU Treaty prohibits agreements between companies which prevent, restrict or distort competition in the EU and which may affect trade between Member States (anti-competitive agreements). These include, for example, price-fixing or market-sharing cartels. Article 102 of the Treaty prohibits any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it.)

- Yes
- No
- Not applicable /no relevant experience or knowledge

*24.1. Please explain your answer. Please indicate which structural competition problems the new tool should tackle or address.

3000 character(s) maximum

In our view the EC has not provided sufficiently clear evidence of the need for an NCT. The powers proposed by the EC could be very intrusive, particularly on non-dominant players, which could lead to distortion of competition and meddling in markets.

*25. Do you think that such a new competition tool (that would not establish an infringement by a company and would not result in fines) should also be able to prevent structural competition problems from arising and thus allow for early intervention in the markets concerned?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*25.1. Please explain your answer. Please indicate which structural competition problems the new tool should prevent.

3000 character(s) maximum

Only if this makes it possible to speed up the procedures or, conversely, to speed up the release of e.g. cooperations, this can be useful.

*26. What are in your view the most important structural competition problems that should be tackled with such a new competition tool?

3000 character(s) maximum

see above

*27. In your view, what should be the basis for intervention for the new competition tool?

- The tool should be dominance-based (i.e. it shall only be applicable to dominant companies within the meaning of Article 102 of the EU Treaty)
- The tool should focus on structural competition problems and thus be potentially applicable to all undertakings in a market (i.e. including dominant but also non-dominant companies).
- Other
- Not applicable /no relevant experience or knowledge

If you indicated "Other", please explain.

3000 character(s) maximum

Market dominance and exploitation of the position should remain the relevant factors

*28. In your view, what shall be the scope of the new competition tool?

- It shall be applicable to all markets (i.e. it should be horizontal in nature)
- It shall be limited in scope to sectors/markets where structural competition problems are the most prevalent and/or most likely to arise
- Other
- Not applicable / no relevant experience or knowledge

*28.2. Do you consider that the new competition tool should apply only to markets/sectors affected by digitisation?

Yes

No

Not applicable / no relevant experience or knowledge

* 29. If a new competition tool were to be introduced, how should a smooth interaction with existing sector specific legislation (e.g. telecom services, financial services) be ensured?

3000 character(s) maximum

We do not see the need to introduce a NCT. In general, all new legislation should be aligned with existing one(s) to avoid parallel regimes and doubling of obligations.

30. Do you consider that under the new competition tool the Commission should be able to:

	Yes	No	Not applicable /no relevant experience or knowledge
 Make non-binding recommendations to companies (e.g. proposing codes of conducts and best practices) 	۲	۲	0
 Inform and make recommendations/proposals to sectorial regulators 	۲	۲	0
 Inform and make legislative recommendations 	۲	۲	0
 Impose remedies on companies to deal with identified and demonstrated structural competition problems 	0	۲	0

*30.1. Please explain your answers indicating why you consider that the new competition tool should include or not include the options above.

3000 character(s) maximum

Generally, we see no need to introduce the NCT. If introduced, we suggest the options above.

31. Do you consider that in order to address the aforementioned structural competition problems, the Commission should be able to impose appropriate and proportionate remedies on companies? If yes, which?

	Yes	No	Not applicable /no relevant experience or knowledge
 Non-structural remedies (such as obligation to abstain from certain commercial behaviour) 	0	۲	0
 Structural remedies (for instance, divestitures or granting access to key infrastructure or inputs) 	0	۲	0
 Hybrid remedies (containing different types of obligations and bans) 	0	۲	O

*31.1. Please explain your answer and why you indicated or not indicated the remedies listed above.

3000 character(s) maximum

We do not see a need for the NCT:

*32. Do you consider that certain structural competition problems can only be dealt with by structural remedies, such as the divestment of a business?

- Yes
- No
- Not applicable /no relevant experience or knowledge
- Other

E. Institutional set-up of a new competition tool

The questions in this section seek feedback on what features and set-up the new competition tool should have.

*33. Do you consider that enforcement of the new competition tool by the Commission would require adequate and appropriate <u>investigative powers</u> in order to be effective?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*33.1. Please explain your answer.



33.2. Please indicate what type of investigative powers would be adequate and appropriate to ensure the effectiveness of the new competition tool. Please rate each of the listed investigative powers according to its importance.

	No knowledge /No experience	No importance /No relevance	Somewhat important	Important	Very important
 Addressing requests for information to companies, including an obligation to reply 	O	O	O	۲	0
 Imposing penalties for not replying to requests for information 	0	0	۲	0	0

* Imposing penalties for providing incomplete or misleading information in reply to requests for information	0	0	۲	0	۲
 The power to interview company management and personnel 	0	0	0	۲	0
 Imposing penalties for not submitting to interviews 	0	0	۲	0	0
* The power to obtain expert opinions	0	0	0	۲	0
 The power to carry out inspections at companies 	0	0	۲	0	0
 Imposing penalties for not submitting to inspections at companies 	O	O	۲	0	0

* 33.3. Please explain your answer. Please also list here any other investigative powers that you would consider appropriate to ensure the effectiveness of the new competition tool.

3000 character(s) maximum

See above.

*34. Do you consider that the new competition tool should be subject to <u>bindin</u> g legal deadlines?

Yes

No

Not applicable /no relevant experience or knowledge

*35. Do you consider that the new competition tool should include the possibility to impose interim measures in order to pre-empt irreparable harm?

Yes

No

Not applicable /no relevant experience or knowledge

*36. Do you consider that the new competition tool should include the possibility to accept voluntary commitments by the companies operating in the markets concerned to address identified and demonstrated structural competition problems?

Yes

No

Not applicable /no relevant experience or knowledge

*36.1. Please explain your answer.

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3000 character(s) maximum
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See above.

* 37. Do you consider that during the proceedings the companies operating in the markets concerned, or suppliers and customers of those companies should have the possibility to comment on the findings of the existence of a structural competition problem before the final decision?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*38. Do you consider that during the proceedings the companies operating in the markets concerned, or suppliers and customers of those companies should have the possibility to comment on the appropriateness and proportionality of the envisaged remedies?

- Yes
- No
- Not applicable /no relevant experience or knowledge

*38.1. Please explain your answer.

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3000 character(s) maximum
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See above.

*39. Do you consider that the new competition tool should be <u>subject to</u> adequate procedural safeguards, including judicial review?

Yes

No

Not applicable /no relevant experience or knowledge

*39.1. Please explain your answer.

3000 character(s) maximum

See above.

*39.2. Please indicate which <u>further procedural safeguards</u> you would consider necessary.

3000 character(s) maximum

See above.

F. Concluding questions and document upload

40. Taking into consideration the parallel consultation on a proposal in the context of the <u>Digital Services Act</u> <u>package</u> for ex ante rules to ensure that markets characterised by large platforms with significant network effects acting as gatekeepers remain fair and contestable for innovators, businesses, and new market entrants, please rate the suitability of each option below to address market issues raised by online platform ecosystems.

	Not applicable /No relevant experience or knowledge	Not effective	Somewhat effective	Sufficiently effective	Very effective	Most effective
 * 1.Current competition rules are enough to address issues raised in digital markets 	©	O	۲	O	O	0
 * 2.There is a need for an additional regulatory framework imposing obligations and prohibitions that are generally applicable to all online platforms with gatekeeper power 	۲	0	0	0	0	O
* 3. There is a need for an additional regulatory framework allowing for the possibility to impose tailored remedies on individual large online platforms with gatekeeper power on a case-by-case basis.	۲	0	0	0	0	۲
 * 4. There is a need for a New Competition Tool allowing to address structural risks and lack of competition in (digital) markets on a case-by-case basis 	O	۲	0	0	0	0
* 5. There is a need for combination of two or more of the options 2 to 4.	۲	0	0	O	O	0

*40.1. Please explain which of the options, or combination of these, in your view would be suitable and sufficient to address the contestability issues arising in the online platforms ecosystems.

3000 character(s) maximum

We do not see the need for a NCT.

41. Please feel free to upload a concise document, such as a position paper, explaining your views in more detail or including additional information and data. Please note that the uploaded document will be published alongside your response to the questionnaire which is the essential input to this open public consultation. The document is an optional complement and serves as additional background reading to better understand your position.

The maximum file size is 1 MB Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

*42. Do you have any further comments on this initiative on aspects not covered by the previous questions?

3000 character(s) maximum

In our view, the NCT in the suggested way is too broad and we do not see a need for introducing it. Please refer to the Bitkom answers in the Digital Services Act Consultation for more details.

*43. Please indicate whether the Commission services may contact you for further details on the information submitted, if required.

Yes

No

Contact

COMP-NEW-COMPETITION-TOOL@EC.EUROPA.EU