

ewz and Swisscom to cooperate on fibre-optic expansion:

## Foundations laid for joint fibre-optic network

ewz (Elektrizitätswerk der Stadt Zürich) and Swisscom have successfully concluded intensive negotiations on construction of the fibre-optic network in the city of Zurich. The two companies have agreed to work together to push ahead with extending the network to households and businesses, and by so doing avoid the construction of parallel networks in the city. Over the next few years more than 200,000 households and businesses will be equipped with fibre-optic cables. Zurich City Council and the electorate still have to give the green light before work can begin.

### Agreement reached

The Zurich electricity company ewz has been engaged in close negotiations with Swisscom concerning collaboration on construction of the fibre-optic network in the city of Zurich since mid-2009. The negotiations were concluded with the signing of an agreement in principle setting out all the key elements of the cooperation. City councillor Andres Türlér, Swisscom CEO Carsten Schloter and ewz director Conrad Ammann informed the press in a media briefing.

### City-wide "data superhighway"

The city-wide infrastructure for Zurich's high-speed data network is set to be completed by the end of 2017. Swisscom will finish the work already begun in the districts of Albisrieden, Enge, Hirslanden and Limmat, while ewz will be responsible for construction in the other districts. The existing conduit infrastructures of both partners will be used, thereby allowing construction activities to be coordinated. Both companies will grant one another a long-term irrevocable right of use to one fibre per connection. For this, they will pay the partner a one-time compensation payment and share operating and

maintenance costs. Fibre-optic connections already built by ewz and Swisscom will be integrated in the new network layout. Practically all buildings in the city of Zurich will ultimately receive one fibre-optic connection.

#### Benefits for the residents of Zurich

ewz and Swisscom will jointly invest around CHF 430 million in construction of the city's fibre-optic network. Working in partnership will reduce the cost of construction for the two companies compared with building the network on their own. Competition in the telecoms market will be further promoted in that all service providers will receive non-discriminatory access to the network even if they have not invested in the construction themselves. Customers will benefit in that they will receive fibre-optic access faster, will be able to choose between offerings from different service providers and will also be able to switch providers without any problem.

#### Electorate to decide

The agreement between ewz and Swisscom will avoid the construction of two networks in parallel. This will eliminate unnecessary construction work and noise and minimise inconvenience for the city's residents. For the agreement to become legally valid, the City Council needs to change ewz's telecoms business mandate and approve a new credit line. The final say on the matter rests with the electorate of the city of Zurich.

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