

BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS

PRESS RELEASE

The BIPT consults the market regarding the tariffs for access to the fibre network of Proximus

Brussels, 30 September 2020 - The BIPT has published a draft decision regarding the monthly wholesale tariffs for access to the fibre network of Proximus. This draft decision aims at determining wholesale tariffs enabling competition in favour of consumers, while safeguarding the incentive to invest in optical fibre. Stakeholders can submit their comments regarding this draft decision until 30 October.

In order to enhance competition on the broadband and broadcasting markets, a series of obligations were imposed upon Proximus by means of a decision of 29 June 2018. Proximus must, among other things, open its fibre network (FTTH) to competitors and apply fair prices¹ for the offered services. Fair wholesale tariffs enable alternative operators to compete to the benefit of users.

The roll-out of very high capacity networks, particularly fibre networks, is a fundamental objective at the European level. To achieve this objective, it is essential that wholesale tariffs preserve sufficient economic space for competition as well as the incentive to pursue investments.

The regulatory framework established by the BIPT encourages Proximus to negotiate the conditions for access to its FTTH network and Proximus has indeed concluded commercial agreements with several alternative operators. The draft decision that is published today analyses the tariffs of the most recent commercial offer from Proximus.

In order to verify these tariffs, a cost model was developed with the aid of a specialised consultant. Based on this model, the BIPT concludes that the tariffs proposed by Proximus are fair: they do not exceed the costs of an efficient operator augmented with a reasonable margin (2.5% to 5% according to the speed).

¹ A "fair" tariff is a tariff which can exceed the costs but is related to these costs. In other words, there can be a reasonable margin between the costs of the product and the wholesale tariffs.

The BIPT therefore proposes to validate the tariffs that are currently applied by Proximus for access to its FTTH network:

Speeds (Mbps)	Price of an FTTH line ² (€/access line/month)	Price of Ethernet transport (€/access line/month)
150/50	23	1.40
500/100	28	2.00
1000/200	36	6.00

Stakeholders can submit their comments regarding this draft decision until 30 October. The proposed tariffs can be subject to changes as a result of the stakeholders' comments. A final decision will be adopted during the first semester 2021, following the standard decision-making process (consultation with the media regulators, the Competition Authority and the European Commission).

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² For the lines with a bandwidth that is shared among several end-users.