



VLAAMSE
REGULATOR
VOOR DE MEDIA

Onafhankelijk toezichthouder voor
de Vlaamse audiovisuele media

Press release

TELECOM AND MEDIA REGULATORS ADOPT A DECISION FOR MORE COMPETITION AND MORE CHOICE IN THE BROADBAND AND BROADCASTING MARKETS

Brussels, 29 June 2018. After the green light from the European Commission, the CRC has paved the way for more competition in the broadband and broadcasting markets. Measures, such as further opening of all networks (including optical fibre), lowering the wholesale tariffs, new access conditions (e.g. "Internet only") and an incentive to invest in the white spots should further intensify competition in these markets.

Following a thorough analysis it is clear that the broadband Internet and broadcasting markets are still characterised by a lack of competition. The objectives of the regulatory framework (ensuring maximum benefit for users in terms of choice, price, and quality) have still not been fulfilled. The CRC (the Conference of telecommunications and media regulators, i.e. BIPT, the CSA, the Medienrat and the VRM) concludes that Proximus, Telenet, Brutélé and Nethys continue to have significant market power in the wholesale markets (i.e. the sale of services among operators). Therefore, the CRC confirms that the networks of Proximus, Telenet, Brutélé and Nethys must remain open to competitors requesting access.

The competitive situation in the broadband and television markets is still characterized by barriers to entry (notably the necessity to have a network), major operators have no incentive to compete with each other (prices are increasing), and without regulation users would have even less choice. Bundle prices (packages that include Internet, TV or also fixed or mobile telephony) increase on a regular basis even though the price is often already much higher than in the neighbouring countries.

Therefore, the CRC has decided to maintain the access obligation to the networks of Proximus, Telenet, Brutélé and Nethys for the benefit of operators who do not have a fixed network. By doing so the CRC wants to foster the development of effective competition concerning broadband Internet, television and bundles. To a large extent the existing obligations are maintained¹ and further developed, notably considering the experience acquired during the previous market analysis (adopted in 2011).

By allowing access to the networks of Proximus and the cable operators, the CRC creates a positive dynamic: users can choose among several providers and operators are encouraged to compete by lowering prices, improving their service quality and/or launching new services.

The decision notably reduces wholesale prices, in some cases by as much as 20%, starting from August 2018.

Moreover, access conditions are improved in a variety of ways:

¹ This mainly concerns obligations regarding access, transparency, non-discrimination, price control and imposing analytical accounting.

1. Cable operators are obliged to give access to a stand-alone broadband service, without the television service; as a result it will be possible that new broadband-only offers emerge on the cable networks at the retail level. Under the earlier CRC decision, cable operators only had to provide access to a joint broadband and television resale offer;
2. the new optical fibre network of Proximus (which is gradually replacing its copper network) must also be open to competitors;
As a reminder: Proximus launched an extensive investment plan aimed at rolling out a completely new optical fibre network in reaction to the increasing need for bandwidth;
3. Proximus and the cable operators must provide quality of service guarantees at the wholesale level, enabling alternative operators to offer services tailored specifically to the needs of SMEs;
4. Cable operators are also required to make it possible for alternative operators to provide voice telephony services via the regulated access. This should allow alternative operators to provide complete bundles, which also include a similar fixed voice telephony service.

The CRC has also differentiated the remedies geographically according to the circumstances:

- in areas where at least three independent NGA operators (i.e. offering speeds of 30 Mbps and above) are present regulation will partly be lifted;
- regulation will also partly be lifted in the areas that are currently less well covered by high-speed infrastructures (those areas represent approximately 5% of households in Belgium). Operators are thereby stimulated to invest in these areas. This measure will be of particular benefit to users living in rural areas, notably Wallonia and the East Cantons. The reduced infrastructure investments in those areas are linked to low population density and the longer distances that need to be bridged to roll out infrastructure. Consequently, investing in those areas is more difficult. The CRC has therefore adopted specific measures that should stimulate investments in these areas.

In the years to come the CRC's measures should therefore guarantee a balance between intensifying competition on the one hand, and stimulating investments on the other.

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