

[CH] Pricing Control Authority Orders Cable Fee Reduction

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For the first time in Switzerland, the national pricing control authority, which is responsible for protecting consumers and the economy from improper pricing due to lack of competition, has issued an official decree cutting the subscription fees charged by a cable network operator in a French-speaking region. From 1 January 2002, customers need only pay a monthly charge of CHF 17 instead of CHF 23.70. Around 12,000 subscribers will benefit from this reduction in price. The authority's detailed analysis of the operator's costs showed that the current monthly fee of CHF 23.70 was clearly excessive. It therefore tried to reach a consensus with the network operator, which would substantially cut its subscription charges. However, when lengthy negotiations failed to resolve the matter, the pricing control authority decided to act by issuing an official decree.

This is the pricing control authority's first formal decision involving the cable networks. It has great adverse significance both for the cable market and for network-related infrastructures in general.

The decision is not yet legally valid and will probably be referred to the competition appeals committee.

