

European Commission: OPTA Tariffs Approved

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The European Commission has approved the tariffs suggested by the Dutch Telecom Regulator *Onafhankelijke Post en Telecommunicatie Autoriteit* (Independent Post and Telecommunications Authority - OPTA). Two Dutch cable operators, UPC and Ziggo, are now obliged to charge other providers a fixed price, set by OPTA, for their products. These alternative providers can then resell the acquired analogue radio and TV signals to their customers.

On 19 August 2008, OPTA held a national consultation on its plans for opening up cable networks in the Netherlands. OPTA intended to encourage lower price levels and higher quality networks by stimulating competition. OPTA hoped to attain this by, among other measures, obliging cable operators to sell their products to alternative providers who would then be able to resell them. This would give these alternative providers the opportunity to sell packages (internet, telephony and television) to their customers. In the Netherlands it is estimated that around 80% of households receive their radio and television services from cable operators. Alternative platforms, among others DSL, fibre, digital terrestrial and satellite, have not managed to establish themselves in the Dutch market. 10% of the market share is captured by digital terrestrial TV and satellite TV, while a mere 1% is taken by IPTV. With this regulatory measure, OPTA hopes alternative platforms will be able to improve their digital offers and provide analogue transmission over the cable platform as well. The cable operators were fairly critical about the enforced obligations, but to no avail: the European Commission gave the green light to the project on 9 February 2009 (see IRIS 2009-4: 4).

The four largest cable operators were labelled as having significant market power by OPTA. However, OPTA imposed a 'Wholesale Line Rental - Cable' obligation on only two of these: Ziggo and UPC. The current decision of the European Commission focuses on OPTA's draft decision, which examines how UPC and Ziggo should calculate the tariffs other providers, which intend to resell their analogue radio and TV signals to their customers, ought to pay. The prices are set at EUR 8.84 for services purchased from UPC and at EUR 8.46 for services purchased from Ziggo per month per subscriber (before tax), while only the inflation rate could be taken into account when deciding upon price increases.

The relevant consultation and transparency procedures are provided for under Article 7 of the Framework Directive. The Commission registered a notification from OPTA about these tariff regulations on 25 November 2009. The Commission

asked OPTA for information on 4 December 2009. OPTA delivered the requested material on 8 December 2009 and sent in extra data on 11 December 2009. On 22 December 2009, the Commission stated that it had no comments in accordance with Article 7(3) of the Framework Directive.

C(2009)985, Brussels 9 February 2009

http://circa.europa.eu/Public/irc/infso/ecctf/library?l=/nederland/registeredsnotifications/nl20090873/nl-2009-0873_versionpdf/ EN 1.0 &a=d

Press release, "Telecoms: European Commission clears tariffs for reselling analogue cable TV in the Netherlands", NL/2009/1015, 22 December 2009

http://ec.europa.eu/information_society/policy/ecommm/doc/implementation_enforcement/eu_consultation_procedures/summary_decisions/nl_2009_1015.pdf

C(2009)10734, Brussels, 22 December 2009

http://circa.europa.eu/Public/irc/infso/ecctf/library?l=/commissionsdecisions/commissions_decisions_2/nl-2009-1015_publicpdf/ EN 1.0 &a=d

Press release, "Commission clears Dutch regulator OPTA's proposal to enhance competition in the broadcasting markets", IP/09/245, Brussels, 11 February 2009

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/245&format=HTML&aged=0&language=EN&guiLanguage=en>

