



**BELGIAN INSTITUTE FOR POSTAL SERVICES AND
TELECOMMUNICATIONS**

COMMUNICATION OF THE BIPT Council

OF 20 AUGUST 2008

ON

**THE EXAMINATION OF THE EXISTENCE OF A PRICE SQUEEZE
BETWEEN THE PRICE OF ETHERNET BROTSOLL LINES AND
THE PRICE OF THE RETAIL OFFER OF BELGACOM**

The decision of 17 January 2007 of the BIPT Council on the market analysis and on the assessment of significant market power for the market of the leased lines cluster (markets 7, 13 and 14) lays down that concerning the services based on wavelength, the rates charged by Belgacom to alternative operators for the wholesale provision of terminating segments “should be non excessive and should not create a price squeeze effect with the retail offers of Belgacom”. The decision lays down that « the price squeeze test between the wholesale market and the retail market will be carried out according to a representative basket of leased lines” and specifies that “It will be possible to develop the price squeeze test which will be carried out on a representative basket of lines by using the case of an hypothetical alternative operator who has rolled out a network, among others in backhaul to aggregate several relatively high-density services, and using, for the trunk segment, his own fibre”.

The decision of 11 July 2007 of the BIPT Council laying down the guidelines on the evaluation of the effects of price squeeze clarified the main methodological options of the test and the procedure to be followed by the Institute.

According to the above-mentioned decisions, BIPT made a preliminary examination of the existence of a price squeeze effect between the wholesale offer of Ethernet leased lines terminating segments and the corresponding retail offer of Belgacom. After some internal investigation based on the available information, BIPT decided that there were enough pieces of evidence to deepen its preliminary investigation by a thorough examination of the existence of a price squeeze effect. In accordance with the decision of 11 July 2007, the decision to make a thorough examination of the file is subject to a communication on the website of BIPT. BIPT also publishes a consultation document in order to gather the useful information for this examination.

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