

BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS

PRESS RELEASE

The BIPT approves the tariffs for access to the fibre network of Proximus

Brussels, 9 March 2021 – The BIPT has adopted a decision regarding the tariffs that alternative operators must pay to use the fibre network of Proximus. The BIPT has approved the tariffs proposed by Proximus as it considers that they allow competition to the benefit of end-users, while safeguarding the incentive to invest in the roll out of optical fibre.

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 tariffs¹ for such access. Fair wholesale tariffs enable alternative operators to compete to the benefit of end-users.

The roll-out of very high capacity networks, in particular fibre networks, is a fundamental objective at European level. All European households should have access to 100 Mbps connections by 2025, with the possibility of reaching much higher speeds. To achieve this, it is essential that wholesale tariffs allow for sufficient economic space to compete while maintaining an incentive to pursue investments.

The regulatory framework established by the BIPT encourages Proximus to negotiate conditions for access to its FTTH network and Proximus has concluded commercial agreements with several alternative operators. The tariffs of the most recent commercial offer of Proximus are analysed in the decision published today.

To verify these tariffs, a cost model was developed with the aid of a specialized consultant. Based on that model, the BIPT concluded that Proximus applies fair tariffs: they do not exceed the costs of an efficient operator plus a reasonable margin (2.5% to 5% depending on the speed).

¹ A "fair" tariff is considered as a tariff which can exceed the costs but still has a link with these costs. In other words, there can be a reasonable margin between the costs of the product and the wholesale tariffs.

The BIPT therefore approves the tariffs that are 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)
50 / 10	19	N/A ³
150/50	23	1.40
500/100	28	2.00
1000/200	36	6.00

The tariffs approved by this decision concern the areas where Proximus, according to its roll-out plans, will deploy optical fibre on its own (and thus not via joint ventures in which it cooperates⁴).

In its comments regarding the notified draft decision, the European Commission invites the BIPT, among others, to regularly assess the impact of the decision on the actual investment efforts made by Proximus and to determine if the margin resulting from the regulated prices remains in conformity with the obligation to apply "fair" prices.

The BIPT is convinced that these tariffs will enable a healthy and sustainable competition for services that are more important than ever for social networking, education, and economic life in our country.

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

³ For the 50 / 10 Mbps profile, the Ethernet transport is not charged per access line but based on the ordered transport capacity.

⁴ Cf. the declarations of Proximus regarding agreements with Eurofiber and DELTA Fiber to establish partnerships with a view to extending and accelerating the deployment of fibre in Wallonia and Flanders respectively.