



Press release

Television broadcasting and broadband market decisions New opportunities for consumers, new dynamics for the sector

Brussels, 18 July 2011 – Today the CRC (the Conference of Regulators of the electronic communications sector uniting the Vlaamse Regulator voor de Media, the Conseil Supérieur de l'Audiovisuel, the Medienrat en the Belgian Institute for Postal Services and Telecommunications) publishes decisions that together cover triple play services (TV, Internet and fixed telephony). These decisions will enter into force in the electronic communications sector as of 1 August 2011.

Among other things, these new rules ought to impact the Belgian television broadcasting landscape and improve the offer, prices and quality of the services provided to the consumer as they open up the cable television market.

Specifically, cable operators (Brutélé, Numéricable, Tecteo, AIESH and Telenet) shall from now on have to offer, upon any player's request:

- access to a resale offer regarding their analogue television service;
- access to their digital television platform (except Belgacom that already provides digital services through its own DSL network; AIESH, that does not have a digital platform at its disposal, is exempt from this obligation though);
- access to a broadband Internet resale offer (Belgacom is again excluded from access for the same reasons; AIESH is further exempt from this obligation for the same reasons also).

On the one hand, these decisions will allow Belgacom to include analogue television in its commercial offer for the television broadcasting market. On the other hand, Belgacom will have to open up its own network for an alternative television offer in conformity with the decision adopted regarding the broadband Internet market. While most of the obligations already imposed on Belgacom in the field of local loop unbundling and bitstream access are confirmed, a new obligation regarding access to the multicast function should enable alternative operators to also provide competitive triple play services (combining telephony, television and broadband Internet) through Belgacom's network.

Competition between operators of both networks (the cable network on the one hand and the DSL network on the other) may have had a positive impact (e.g. an increased number of television channels with digital reception, HD or 3D development, new functionalities or even the development of bundled offers), the decisions that are

published today indicate however a number of problems on the markets that justify regulatory intervention. The game of competition for instance has not produced a satisfactory decrease of consumer prices and alternative operators cannot evolve adequately in a competitive market without access to a television product. International benchmarking shows that television products in Belgium are not among the cheapest in Europe; this is even more so when they are part of bundled offers. Moreover, in most cases, consumer choice for television is limited to the cable operator active in their area of residence or Belgacom.

Based on the joint analyses of the broadcasting and the broadband markets that kicked off a little over 18 months ago, the regulators have established common rules for all operators with significant market power. To that effect account was taken of the common good of all consumers, regardless of their place of residence and mode of consumption as regards television broadcasting. The market analyses and remedies have been published as draft decisions in December 2010 and submitted for public consultation as of 21 December until 18 February 2011. Some fifteen players - among them consumer associations, copyright societies and sector players - responded to this consultation. The regulators also submitted the draft decisions to the Competition Council.

The regulators adapted the draft decisions taking into account those contributions and the CRC notified them to the European Commission on 20 May 2011 in conformity with the European directives. In its letter of 20 June 2011 following this notification, the European Commission did not initiate an additional examination. Such an examination (a so-called "second round") can lead to a veto if serious doubts expressed by the Commission's are confirmed. The European Commission did not object to essential elements of the draft decisions such as:

- the market definitions;
- the significant market power of cable operators;
- the obligations to provide access to the digital television offer;
- the new multicast obligation imposed onto Belgacom.

The European Commission nonetheless formulated several comments, which the CRC took utmost account of when amending the decisions that are published today.

As of 1 August regulators will cooperate with the operators in implementing the different technical and financial conditions. This should create a basis enabling new players to provide their offers and services to the consumer. These measures should in principle be implemented by the end of October 2012.

The regulators shall annually evaluate the evolution of the markets and especially of the prices in the light of the expected offers. If, in spite of the implementation of these decisions, market failures persist, the regulators may re-examine the measures imposed.

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