

DECISION ON PTC-OSP TARIFF FOR PRIVATE RESIDENTIAL LINES, FROM 1 JANUARY 2012

1. By letter of 18/11/2011, PT Comunicações, S.A. (PTC) has presented a tariff proposal to ICP-ANACOM for communications made to the direct customers of other providers (PTC-OSP), due to enter into force on 01/01/2012 (inter-network tariff).
2. This proposal follows the alteration of the base tariff of the telephone service at a fixed location of the universal service, submitted to ICP-ANACOM by letter of 04/11/2011.
3. The proposal presented by PTC comprises two separate tariffs - one applying to operators whose average termination prices are in line with the average termination price on PT's network (Equant and PT Prime) - Tariff Group 1, and a second tariff group applying to remaining operators - Tariff Group 2.
4. The proposal entails an increase in the price of communications during peak times for the Group 2 tariff, rising from €0.0351 to €0.0371 per minute, representing a one-off increase of around 5.7%. Meanwhile, the proposed change for the tariff of Group 1 brings it into line with the residential base tariff applying in 2012, entailing an increase in the price of peak-time communications from €0.0258 to €0.0277 per minute, representing a one-off increase of around 5.0%.
5. The prices proposed by PTC are detailed in the following tables.

Table 1. PTC-OSP tariff proposal presented by PTC (Tariff Group 1)

	Tariff Group 1											
	Initial price (Euros)				Time credit (minutes)				Price per minute (Euros)			
	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am
Local	0.0700	0.0700	0.0700	0.0700	1.00	1.00	1.00	1.00	0.0277	0.0084	0.0084	0.0084
National	0.0700	0.0700	0.0700	0.0700	1.00	1.00	1.00	1.00	0.0277	0.0084	0.0084	0.0084

Table 2. PTC-OSP tariff proposal presented by PTC (Tariff Group 2)

	Tariff Group 2											
	Initial price (Euros)				Time credit (minutes)				Price per minute (Euros)			
	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am	Working days 9am-9pm	Working days 9pm-9am	Weekends 9am-9pm	Weekends 9pm-9am
Local	0.0700	0.0700	0.0700	0.0700	1.00	1.00	1.00	1.00	0.0371	0.0100	0.0100	0.0100
National	0.0700	0.0700	0.0700	0.0700	1.00	1.00	1.00	1.00	0.0371	0.0100	0.0100	0.0100

6. Verification of compliance with the intra-network tariff, as established in determination of 03/11/2000¹, was maintained in determination of 14/12/2004², in respect of the imposition

¹ <http://www.anacom.pt/render.jsp?contentId=417862&languageId=1>.

of obligations in the narrowband retail markets, and with basis in the valuation of the following components:

- (i) Price of termination on the PTC network;
- (ii) Price of termination on the OSP networks; and
- (iii) Intra-PTC-network retail price;

according to the following rule:

$$PTC\text{-}OSP\text{ Retail Price} = PTC\text{-}PTC\text{ Retail Price} + OSP\text{ Termination Price} - PTC\text{ Termination Price}$$

with each component of the calculation referring to the average price, per call, based on overall PTC-OSP traffic.

7. With regard to the PTC-PTC retail price (intra-network tariff), ICP-ANACOM maintained the position expressed in determination of 13/01/2010³ on the use of the alternative base tariff of the fixed telephone service (applicable on an optional basis upon the request of users), for the purposes of ascertaining compliance with the rule applicable to the PTC-OSP tariff in the context of the current make-up of options. Since this tariff does not present an aggregated tariff, the values associated with each service (monthly charge and traffic) can be identified, in particular the prices associated with calls in peak and off-peak periods, whereby its application is deemed appropriate.
8. Having examined the proposal presented by PTC, it is concluded that:
 - a. The proposal for Tariff Group 1 is in compliance with applicable obligations, insofar as it is identical to the tariff practiced by PTC for intra-network calls;
 - b. The average price per call under Tariff Group 2, as proposed by PTC, is not significantly removed from the average price which would result from the application of the defined rule, and is even slightly lower. As such, Tariff Group 2, as proposed by PTC, is in compliance with applicable obligations.
2. In light of the verified compliance, the Management Board of ICP-ANACOM, under its powers as set forth by points b), f) and h) of paragraph 1 of article 6 of the Statutes in annex to Decree-Law no. 309/2001 of 7 December and pursuant to the objectives of regulation laid down in points a) and c) of paragraph 1, points a) and b) of paragraph 2, all of article 5 of Law no. 5/2004 of 10 February⁴, as amended by Law no. 51/2011 of 13 September (LCE - Lei das Comunicações Eletrónicas (Electronic Communications Law), hereby determines:

To declare that the proposed tariff submitted by PTC, applying to communications originating on the PTC network and having destination on OSP networks, is in compliance with applicable regulatory principles, in particular with the obligations laid down in determination of 14/12/2004.

² <http://www.anacom.pt/render.jsp?contentId=410374>.

³ See, in particular, ICP-ANACOM determination of 13/01/2010, Tariff for communications from the PTC network to the networks of other operators (<http://www.anacom.pt/render.jsp?contentId=1007557&languageId=1>)

⁴ <http://www.anacom.pt/render.jsp?contentId=975162&languageId=1>. Subject to subsequent amendment by (DL no. 176/2007, D DL no. 123/2009, DL no. 258/2009, Law no. 51/2011) - <http://www.anacom.pt/render.jsp?contentId=1099877&languageId=1> - and subsequent addendum (Law no. 35/2008)