

## DECISION ON THE TARIFF APPLICABLE TO PTC-OSP COMMUNICATIONS FROM 1 JANUARY 2013

1. On 12/11/2012, PT Comunicações, S.A. (PTC) submitted to ICP-ANACOM a proposal altering the tariff of communications to direct customers of other providers (PTC-OSP), which was expected to take effect on 01/01/2013 (inter-network tariff).
2. This proposal follows the amendment of the basic tariff of the universal fixed telephone service, submitted to ICP-ANACOM by letter of 25/10/2012.
3. The proposal submitted by PTC consists of two separate tariffs - one of which applies to operators whose average termination prices are close to the average price of termination on PT's network (Equant) - Tariff Group 1, the other tariff applying to remaining operators - Tariff Group 2.
4. This proposal involves an increase of the price of peak hour communications for Tariff Group 2, from €0.0371 to €0.0376 per minute, which represents a variation by around 1.3%<sup>1</sup>. As far as Tariff Group 1 is concerned, no amendments were submitted.
5. The price proposal presented by PTC is shown in the table below.

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

	Tariff Group 1					
	Start price (Euro)		Time credit (minutes)		Price per minute (Euro)	
	Working days 9am-9pm	Other time slots	Working days 9am-9pm	Other time slots	Working days 9am-9pm	Other time slots
Local/National	0.0700	0.0700	1.00	1.00	0.0277	0.0084

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

	Tariff Group 2					
	Start price (Euro)		Time credit (minutes)		Price per minute (Euro)	
	Working days 9am-9pm	Other time slots	Working days 9am-9pm	Other time slots	Working days 9am-9pm	Other time slots
Local/National	0.0700	0.0700	1.00	1.00	0.0376	0.0100

6. By determination of 14/12/2004<sup>2</sup>, on the imposition of obligations on narrowband retail markets, it was decided to maintain the rule to check compliance with the inter-network tariff laid down in determination of 03/11/2000<sup>3</sup>, according to which *"prices of calls originated on PT's network and terminated on networks of other FTS providers should be identical to prices charged for calls originated and terminated on PT's network, although these prices may be adjusted by the duly justified and quantified difference between the cost of termination of calls on PT's network and the cost of termination of calls on the network of each FTS provider. In other words, there may be differences between the prices of calls to different operators, provided that this difference results from the variation in the amount of the relevant termination charges"*.
7. As such, compliance with the inter-network tariff may be checked through the following elements:
  - (i) Price of termination on PTC's network;
  - (ii) Price of termination on OSPs' networks; and
  - (iii) PTC's intra-network retail price;

according to the following rule:

<sup>1</sup> Bearing in mind average call duration, the variation of average prices per call, further to the introduction of the proposal for Tariff Group 2, involves an increase by 0.7%.

<sup>2</sup> <http://www.anacom.pt/render.jsp?contentId=419637>.

<sup>3</sup> <http://www.anacom.pt/render.jsp?contentId=417862>.

$$PTC\text{-}OSP \text{ retail price} = PTC\text{-}PTC \text{ retail price} + OPS \text{ Termination Price} - PTC \text{ Termination Price}$$

each calculation element referring to the average price, per call, in terms of overall PTC-OSP traffic.

8. As regards PTC-PTC retail price (intra-network tariff), as in previous assessments on this subject<sup>4</sup>, ICP-ANACOM deems it appropriate to use as a basis for this analysis the alternative fixed telephone service basic tariff<sup>5</sup> (applicable on an optional basis upon customer request), given that this service does not represent any bundled offer, enabling prices associated with calls in each time slot to be determined.
9. Having PTC's proposal been analysed, it was concluded that:
  - a. The proposal for Tariff Group 1 complies with applicable obligations, as it is identical to that practised by PTC for intra-network calls;
  - b. The average price per call resulting from Tariff Group 2, as proposed by PTC, is not significantly different from that which would result from applying the defined rule, in fact it is slightly lower. Accordingly, Tariff Group 2 as proposed by PTC complies with applicable obligations;
10. In the light of the above, under powers provided for in points b), f) and h) of paragraph 1 of article 6 of the Statutes in annex to Decree-Law number 309/2001, of 7 December and in the scope of regulation objectives established in points a) and c) of paragraph 1, point a) and b) of paragraph 2, all of article 5 of Law number 5/2004, of 10 February, as amended and republished by Law No 51/2011, of 13 September (Electronic Communications Law - ECL) the Management Board of ICP-ANACOM hereby determines to declare the compliance of the proposed tariff for communications from PTC's network to OSPs' networks with applicable regulatory principles, particularly in respect of obligations laid down in determination of 14/12/2004.

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<sup>4</sup> Vide, specifically, ICP-ANACOM determinations of 19/11/2010 (<http://www.anacom.pt/render.jsp?contentId=1062925>) and 25/11/2011 (<http://www.anacom.pt/render.jsp?contentId=1106569>), on tariffs of communications from PTC's network to networks of other service providers.

<sup>5</sup> There are currently two options for the basic tariff, the main one, which applies by default, characterized by free-of-charge traffic during a given period, and the alternative one, which applies on an optional basis upon customer request, with a discount on the value of the monthly charge and paid traffic.