

**Updating of the maximum price for call termination on the public telephone network at a fixed location to be implemented by operators notified with SMP**

Whereas:

1. By decision<sup>1</sup> of 28 September 2018, ANACOM approved the decision on the specification of the price control obligation on wholesale markets for call termination on the public telephone network at a fixed location - Specification of the price control obligation.
2. Within the framework of that decision and based on the imposition of the price control obligation on operators with significant market power (SMP), the maximum price for call termination on the public telephone network at a fixed location was set at 0.047 euros cents per minute.
3. In order to promote regulatory certainty, ANACOM had, from the outset, decided to identify the amount of the maximum price of the wholesale service fixed termination for the two following years, i.e., 2019 and 2020, updated through existing and predicted inflation data, under the following terms:

$$\text{FTR (2019)} = 0.046 \text{ c€} \times (1 + \text{CPI (2018)}) \times (1 + \text{GB (2019)})$$

$$\text{FTR (2020)} = 0.045 \text{ c€} \times (1 + \text{CPI (2018)}) \times (1 + \text{CPI (2019)}) \times (1 + \text{GB (2020)})$$

- FTR(x) corresponds to the fixed termination maximum price, per minute and invoiced per second from the first second, to be applied in final year x.
- CPI(x) corresponds to the average rate of change of the Consumer Price Index (CPI) for year x, as calculated and published by Statistics Portugal (Instituto Nacional de Estatística).

---

<sup>1</sup><https://www.anacom.pt/render.jsp?contentId=1460529> available from 29/03/2019 on the ANACOM website.

- GB(x) corresponds to the rate of inflation predicted in the Government budget for year x.
4. In the same decision, ANACOM determined that until the end of the first quarter, of the financial year in question, it will communicate to the SMP operators in these markets the resulting update for the respective financial year, and also publish this information on its website.
  5. The average rate of change of the Consumer<sup>2</sup> Price Index for 2018 was 1.0% as published by Statistics Portugal.
  6. The Government Budget<sup>3</sup> for 2019 has a predicted rate of inflation of 1.3%.

The Board of Directors of ANACOM, in compliance with the powers conferred upon ANACOM by sub-paragraph a) of paragraph 1 of article 8 of its Statutes, published as an annex to Decree-Law no. 39/2015 of 16 March, in pursuit of the regulatory objectives set forth in sub-paragraph a) of paragraph 1 and sub-paragraphs a) and b) of paragraph 2 of article 5 of the Electronic Communications Act<sup>4</sup>, under the scope of article 74 of the same Law and sub-paragraph q) of paragraph 1 of article 26 of its Statutes, determined that:

- From 01.10.2019 the maximum price for call termination on the public telephone network at a fixed location to be implemented by operators notified with SMP will be 0.047 euro cents per minute, invoiced per second from the first second, based on the following calculation;

$$\text{FTR (2019)} = 0.046 \text{ c€} \times (1 + \text{CPI (2018)}) \times (1 + \text{GB (2019)})$$

---

<sup>2</sup> According to the information available on Statistics Portugal Website, on 29 March 2019, [https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaquas&DESTAQUESdest\\_boui=315400009&DESTAQUESmodo=2](https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=315400009&DESTAQUESmodo=2)

<sup>3</sup> According to the amount available in the Government Budget Report for 2019 of the Ministry of Finance, available on the Government Budget Website, on 29 March 2019, available at <https://www.oe2019.gov.pt/orcamento-estado-2019/>

<sup>4</sup> Law no. 5/2004 of 10 February, amended and republished by Law no. 51/2011 of 13 September, and subsequently amended by Law no. 10/2013 of 28 January, by Law no. 42/2013 of 3 July, by Decree-Law no. 35/2014 of 7 March and by Law no. 82-B/2014 of 31 December in the wording which was given it by Law no. 51/2011 of 13 September, by Law no. 10/2013 of 28 January, by Law no. 42/2013 of 3 July, by Decree-Law no. 35/2014 of 7 March and by Law no. 82-B/2014 of 31 December ("Electronic Communications Act").

where CPI (2018) = 1.0% and GB (2019) = 1.3%, based on the average rates of change of the Consumer Price Index as provided by Statistics Portugal and the rate of inflation predicted in the Government Budget for 2019.