

DECISION ON THE PUBLIC PAYPHONE TARIFF PROPOSAL OF THE FIXED TELEPHONE SERVICE, PRESENTED BY PTC

1. On 11/02/2009 PT Comunicações, S.A. (PTC) sent ICP-ANACOM a proposal to change the tariff scheme of communications established from public payphones, to be in force as of 01/03/2009. Later, on 23/02/2009, it changed the entry into force of the new proposed tariff to 01/04/2009.
2. The proposed tariff scheme applying to communications from public payphones is presented by PTC as an attempt to increase the tariff's simplicity and harmonization, including equal prices, time credits and timing pulses for all time schedules, as well as to harmonize Local, National and VoIP call prices to all networks. According to the proposal, the new tariff scheme will apply as of 01/04/2009. The proposed tariff is presented on the following table.

	Mainland				Autonomous Regions			
	Fixed-Fixed		VoIP	Fixed-Mobile	Fixed-Fixed		VoIP	Fixed-Mobile
	L	N			L	N		
Price per pulse (Euros)	0.0583				0.0614			
Initial price (pulses)	2	2	2	7	2	2	2	7
Time credit (seconds)	60				60			
Pulse duration (seconds)	Normal (working days 9:00 to 21:00)	20				22.20		30
	Economic (remaining schedules)							

3. According to the determination regarding the setting of obligations on the narrow band retail markets¹, of 14/12/2004, ICP-ANACOM established that the relationship between FTS's communication price in the payphone modality and in the subscriber modality should continue to be subject to specific requirements, in line with the regulatory practice of that time (particularly, the price convention for the universal telecommunications service²), which would ensure the accessibility of the provided services.
4. ICP-ANACOM thereby established that the 3-to-1 relationship between calls originated on PTC's public payphones and calls originated on subscriber phones should be maintained. It should be reminded that this is a relationship between the tariffs of two services included in the concept of universal service.
5. Regarding the calls originated on PTC's fixed network and terminated on the fixed networks of other providers, the same determination kept in force the former applying rule, which established that the price of calls originated on PTC's network and terminated on other FTS providers' network should be equal to the prices of calls originated and terminated on PTC's network, and that they could be corrected by the difference, duly supported and quantified, between the prices of call termination on PTC's network and call termination on each provider's network.

¹

http://www.anacom.pt/streaming/OMR29.11.20041.pdf?categoryId=120742&contentId=246306&field=ATTACHED_FILE.

² <http://www.anacom.pt/render.jsp?contentId=90016>.

6. Concerning the calls to mobile networks and VoIP calls originated from public payphones, the mentioned determination did not define a specific price control rule.
7. In March 2007 two tariff options were introduced in the fixed telephone service subscriber modality. Option 1 features free traffic on the 21:00 to 9:00 schedule (initially only on working days, with the tariff scheme introduced in September 2008 extending that free period also to weekends) and it applies by default. Option 2 features a price on the analogue access's monthly fee 60 cents (VAT included) below the value charged in Option 1, its subscribers not enjoying free traffic in the mentioned period. On its tariff proposal. PTC mentions that it verifies the 3-to-1 price relationship established by the determination of 14/12/2004, using for that purpose the traffic prices associated to Option 2.
8. ICP-ANACOM views as correct the use of Option 2 to verify the conformity of the "3-to-1" relationship, within the scope of those options' current formulation. It understands so because Option 1 is an aggregated access and traffic offer, and therefore, should this Option be used to verify the maximum ratio allowed, it would be necessary to separate the offer's components (monthly fee and traffic) and be able to identify the values associated to each service, this is, to confer a specific price to calls made during the free traffic schedule that could make it possible to quantify them properly. On the other hand, Option 2 doesn't present any aggregated offer, making it possible to immediately identify the prices associated to each time schedule.
9. It should also be noted that, should Option 1 be analyzed under these terms, Option 2's average prices correspond to a fair estimate of the equivalent Option 1's average prices if there were no aggregated offer associated to a monthly fee. That is supported on the principle underlying the offer of two tariff Options in the subscriber modality, specifically that both options' global value must be equivalent, the price difference between both options monthly fees closely corresponding to the value of the free traffic included in Option 1, according to that schedule's tariff in Option 2. It should also be noted that traffic regarding the remaining periods is identical in both options.
10. In this context and considering that the determination of 14/12/2004 mentions the price relationship between calls originated on PTC's public payphones and subscriber originated calls, it is considered appropriate to use Option 2 for that purpose, and that the verification of the maximum ratio allowed should be done based on Option 2.
11. After analyzing the proposal presented by PTC, it was concluded that:
 - a. Regarding fixed-to-fixed calls inside PTC's network, the tariff scheme proposed by PTC fulfills the obligations established by the determination of 14/12/2004, with a 2.9 ratio between the average call price in the public payphone modality and the subscriber modality (Option 2);
 - b. Regarding fixed-to-fixed calls from PTC to other operators, the tariff scheme now proposed by PTC complies with the applying regulatory framework, since the tariff scheme now proposed by PTC shows no distinction on fixed-to-fixed call prices based on the destination operator.
12. Accordingly, based on the powers foreseen in paragraphs b), d), f) and h) of no. 1 of article 6 of the Statutes attached to Decree-Law no. 309/2001 of 7 December and under the terms of no. 3 of article 86, no. 1 of article 93 of Law no. 5/2004 of 10 February, and within the scope of the regulation goals established on paragraphs a) and c) of no. 1, paragraph a) and b) of no. 2 and paragraph a) of no. 4, all from this Law's article 5, ICP-ANACOM's Board of Directors decides not to oppose to the entry into force of the fixed telephone service's public

payphone tariff proposal presented by PTC, notwithstanding the fulfilment of transparency obligations that may be due.