

Press release

FIXED MARKET REGULATION

Local loop access price caps and “IFER”: Arcep amends the 2021 – 2023 local loop access price cap Decision to reflect changes to the flat rate tax on network businesses

Paris, 28 March 2023

In its Decision of 16 December 2020¹, Arcep set the price caps for copper local loop access for 2021 to 2023, including the local loop unbundling (LLU) price cap. The elements taken into consideration when setting this price cap include the cost of the flat-rate tax rate on network businesses (IFER) for each active line, for 2021 to 2023.

The IFER hike in 2023 was significantly higher than the increase hypothesised in 2020

In a letter dated 10 October 2022, Orange requested that Arcep review the copper local loop price caps set in its Decision No. 2020-1493 as the hike to the IFER in 2023 was significantly higher than the increase hypothesised in the Arcep Decision of 16 December 2020.

Having concluded that the request was justified, Arcep consulted the sector, from December 2022 to January 2023, on a change to the price caps for copper local loop access to reflect this increase in the flat-rate tax rate on network businesses (IFER). In light of the responses to the public consultation² and the publication of the definitive IFER rate for 2023³ by the Public Finances Directorate General on 1 February, on 22 February 2023 Arcep notified a draft decision amending Decision No. 2020-1493 to the European Commission. The European Commission made no comments on this draft decision.

As a result, Arcep has set the full LLU price cap at 10.04 euros instead of 9.65 euros as of 1 April 2023

Arcep is publishing its Decision amending copper local loop access price caps, as of 1 April 2023, as follows:

- Recurring monthly fee for full access to the copper local loop and sub-loop: 10.04 euros (instead of 9.65 euros);
- Recurring monthly fee for single channel access (“mono VC”) without PSTN service: 13.92 euros (instead of 13.53 euros);
- Recurring monthly fee for dual channel access (“bi VC”) without PSTN service: 14.02 euros (instead of 13.63 euros).

Copper local loop access: price cap framework

Analysis Decisions No. 2020-1446⁴ and No. 2020-1447⁵ on markets 3a and 3b impose an obligation on Orange to charge cost-based prices. Arcep stipulates this obligation in its Decision No. 2020-1493 by setting multi-annual price caps for 2021 to 2023 for the main (full and partial) unbundling rates and for the (bare and non) access component of active local loop access for the mass market in areas where Orange is required to charge cost-based prices.

¹ [Arcep Decision No. 2020-1493 of 16 December 2020](#)

² [Contributions to the public consultation held from 16 December to 27 January 2023](#)

³ <https://bofip.impots.gouv.fr/bofip/1258-PGP.html/identifiant%3DBOI-TFP-IFER-90-20230201>

⁴ [Arcep Decision No. 2020-1446 of 15 December 2020.](#)

⁵ [Arcep Decision No. 2020-1447 of 15 December 2020.](#)

Associated documents:

- [Decision No. 2023-0695 of 28 March 2023 amending Decision No. 2020-1493 of 16 December 2020 setting the price caps for local loop access, from 2021 to 2023](#)
- [Contributions to the public consultation that ran from 16 December 2022 to 27 January 2023, published on 22 February 2023](#)
- [European Commission Decision 21 March 2023](#)

Arcep at a glance

The Regulatory Authority for Electronic Communications, Postal Affairs and Print Media Distribution (Arcep), a neutral and expert arbitrator with the status of independent administrative authority (IAA), is the architect and guardian of internet, fixed and mobile communications and postal networks in France.

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