

*Press release*

## **AUDIOVISUAL and DTT BROADCASTING**

### **Regulation of TDF will continue until the end of 2020**

Paris, 18 April 2019

Today, Arcep is publishing a Decision that extends the period of application of its analysis Decision No. 2015-1583 on the wholesale upstream market for digital terrestrial television (DTT) broadcasting services, to 17 December 2020.

**After having considered putting an immediate end to its regulation back in summer 2018, Arcep wanted to respond to the sector's stakeholders by prolonging its regulation for another two years.**

Following feedback from the sector, in November 2018 Arcep had published for consultation a draft decision on extending the fourth round of DTT broadcasting regulation. A second public consultation, held in February 2019, addressed the elements that Arcep was proposing to employ to calculate the price of regulated services at sites deemed non-replicable in 2019 and in 2020.

During this second consultation, the sector's stakeholders, France's Audiovisual Council and the Competition Authority all expressed their support for this proposal to uphold the regulation, albeit believing that two years was not long enough to cover the renegotiation of downstream market contracts that expire in 2021. The Competition Authority in particular called for a fifth round of market analysis that would last three years, and stressed that it would be useful to strengthen the mechanism for penalty-free early cancellation of hosting contracts.

**Alongside the extension decision being published today are commitments from TDF, notably in response to the concerns that were raised.**

The commitments that TDF has made to Arcep include:

- extending the period of validity of the 2020 reference offer to 31 May 2021, with commissions up to 31 December 2021, and so covering calls to tender launched by multiplexes over the course of 2021;
- extending the mechanisms that apply to the cancellation of access contracts for replicable sites to 2020, and increasing the quotas for penalty-free cancellation, which will go from 5% to 10% of the qualifying revenue that TDF earns from the alternative operator.

**At a time when the methods used to access television (TV over IP, catch-up, VOD, etc.) are changing dramatically, extending the fourth round of regulation gives market players a helpful transition period.**

The regulator must send the right signals to help shepherd technological transitions, but also to do so at a suitable pace. While deciding against the option of a fifth round of regulation, in its decision to extend its current regulation by two years, Arcep took into account residential users' needs for high-speed connections to have easy access to television and the internet over telecoms networks.

For Arcep, the analysis that it delivered in its summer 2018 "Scorecard and Outlook" remains fully applicable. The deployment of broadband and superfast broadband networks, and the rise of non-linear television and content consumption over the Web continue at an ever increasing rate. Under these circumstances, the existence of competition regulation that applies solely to DTT must come to an end. Extending the fourth round of regulation, coupled with commitments from TDF, is currently viewed as a useful transition period.

Today, Arcep is also publishing a decision on the rate of return on capital for regulated terrestrial broadcasting activities for 2019 and 2020, along with all of the responses received to the two public

consultations on pricing supervision for regulated broadcasting activities in 2019 and 2020, and on the associated rate of return on capital. They are available in full on the Arcep website.

**Associated documents:**

- [Decision No. 2019-0555 extending the fourth round of digital terrestrial television broadcasting regulation](#)
- [Decision No. 2019-0556 on the rate of return on capital for regulated terrestrial broadcasting activities for 2019 and 2020](#)
- [Responses to the public consultation on pricing supervision for regulated broadcasting activities in 2019 and 2020](#) (.rar – 2.48 Mb)
- [Responses to the public consultation on the associated rate of return on capital](#) (.rar – 1.94 Mb)

**Arcep at a glance**

The Electronic Communications and Postal Regulatory Authority (ARCEP), a neutral and expert arbitrator with the status of independent administrative authority, is the architect and guardian of internet, fixed and mobile telecoms and postal networks in France.

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