



GAZDASÁGI  
VERSENYHIVATAL

## **All households have now access to „pure” ADSL**

**The GVH established within the scope of a post-investigation that the fixed line service providers fulfilled the commitments undertaken in the course of the competition supervision proceedings conducted against them. ADSL without a fixed line access was introduced to the whole service area.**

At the beginning ADSL was introduced as a premium service based on a fixed line subscription. The costs related to the maintenance, operation and servicing of the local loop were included in the fixed line rate, thus the rate of the ADSL did not cover these additional costs. Prior to the initiation of the competition supervision proceedings every single fixed line provider offered prices lower than the justified costs related to the local loop. Thus the subscriber could get ADSL at a lower price in the case of having a fixed line subscription too, since the „pure” ADSL service, covering also the costs relating to the local loop, was available at a higher price.

The gradual adjustment of the rates, the increasing subscription rates and especially the decreasing of the cost-based fee for the unbundled access to the local changed this situation. Therefore the GVH initiated competition supervision proceedings in January 2006 against all the five former fixed line providers (Magyar Telekom, Invitel, Hungarotel, Emitel, Monortel), which provided their services as concessionaires. The investigation aimed to discover, whether these five providers abused their dominant position by exclusively offering ADSL Internet linked to a fixed line subscription. (Cases Vj-7, 8, 9, 10, 11/2006.) In these proceedings, in order to settle the case efficiently, the GVH made the commitments undertaken by the parties binding on them in connection with the introduction of the „pure” ADSL.

The GVH held a post-investigation in order to check the fulfillment of the commitments. It established in the post-investigations closed on 16 January 2008 that the undertakings concerned fulfilled their obligations. In September 2007 at the latest all of the five undertakings enabled consumers to have access to „pure” ADSL. Thus consumers can decide by now whether they subscribe to the „pure” ADSL service rather than the fixed line telephone + ADSL combination. Consumers, who have already subscribed to ADSL services offered with a loyalty rebate, may in some cases only change when the loyalty period expires.

The GVH emphasizes to consumers, that the price of ADSL without a fixed line access may be higher than the price of ADSL combined with a fixed line, since the additional costs related to the local loop can be validated by providers also in the case of the „pure” ADSL service (in the case of a linked ADSL service the fixed line telephone rate covers these additional costs).

In order to settle the case effectively, the GVH co-operated successfully with the National Communications Authority (Nemzeti Hírközlési Hatóság, NHH), which will, after the intervention of the GVH, supervise the provision of pure ADSL services, paying special attention to the determination of the wholesale terms and conditions. The authority started to regulate the matter in deed: the Council of the NHH in its decision adopted on 29 December 2007 obligated providers with a significant market power to provide wholesale „pure” DSL service, not considering whether they offered such products in retail sale or not. Furthermore, the NHH regulates the price of wholesale „pure” DSL services not on the basis of the prices of linked DSL wholesale services, determined by retail prices (called retail minus). As a result, Internet providers will be able to offer consumers „pure” ADSL retail services in the territory of all fixed line providers.

Budapest, 4 February 2008

Hungarian Competition Authority  
Communication Group

Further information:

András Mihálovits

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u. 5

Postal address: 1245 Budapest 5, POB 1036

Tel: +36-30 618-6618

E-mail: [Mihalovits.Andras@gvh.hu](mailto:Mihalovits.Andras@gvh.hu)

<http://www.gvh.hu>