

The CNMC approves regulation of the wholesale market for fixed business communications

- This market includes both leased lines and high-quality broadband connections and is essential for fostering competition in business communications.
- Telefónica continues to have significant market power, which is why the CNMC is retaining most of the existing obligations.

Madrid, 5 April 2022.- The CNMC has just approved the new regulation for the high-quality access market for business communications ([ANME/DTSA/003/20](#)).

This market includes both the wholesale leased lines service and high-quality broadband access (business), regardless of the technology, interface and speed. Both services are essential for operators serving the business market.

The end users of these services are companies (and public administrations) with intensive advanced data needs, which usually contract tailored offers that include bundles of services to link all their sites distributed across the country, building a virtual private network (the so-called VPNs that became popular and were in great demand during the pandemic).

Telefónica's market share of the services included in the market remains above 70% in terms of access, considerably higher than Telefónica's market share in the mass market, which stands at 36%. In terms of revenues, Telefónica's market share has decreased in recent years, although it is still 61.2%.

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Market shares by fixed business service revenues

Operator	2014	2015	2016	2017	2018	2019	2020
Telefónica	70.0%	69.0%	67.8%	66.8%	65.3%	62.9%	61.2%
Vodafone	7.0%	8.1%	9.8%	10.4%	11.8%	11.9%	13.5%
Orange	5.9%	5.8%	5.7%	6.3%	7.4%	9.0%	9.1%
BT/Evolutio	6.6%	6.9%	7.2%	8.2%	7.3%	6.5%	6.6%
MM/Euskaltel	4.4%	4.7%	4.9%	4.3%	4.2%	5.2%	4.5%
Colt	4.0%	2.8%	2.3%	1.8%	1.8%	2.1%	2.1%
ATT	0.8%	0.9%	0.8%	0.8%	0.9%	1.2%	1.6%
Other	1.2%	1.8%	1.5%	1.4%	1.3%	1.4%	1.4%
Total	100%	100%	100%	100%	100%	100%	100%

For this reason, the CNMC considers that Telefónica should continue to provide the following two wholesale services, which are essential for competition in the business market, throughout Spain:

- High quality wholesale broadband service, called **NEBA Empresas**. Prices for lines provided with copper pairs will continue to be cost-oriented and those for lines provided with fibre will be subject to an economic replicability test.
- **Leased lines reference offer (ORLA)**: for lines provided with Ethernet interfaces, price regulation based on the *retail-minus* method is maintained for capacities of 10/100/1000Mbit/s and reasonable prices for capacities higher than 1 Gbit/s. The market analysis also includes a reduction in the prices of these wholesale lines by 13.6%.

In addition, the obligations for access to Telefónica's civil works infrastructure (**MARCo**) are maintained. In other words, operators can use the MARCo offer not only to carry out large FTTH deployments in the mass market, but also to provide high quality broadband services and leased lines to customers.

On the other hand, in order to adapt to market developments, the CNMC has also decided to withdraw the following obligations from Telefónica:

- Due to its progressive decline, the obligation to provide new traditional leased lines at nx64 Kbit/s, 34 and 155 Mbit/s speeds is removed, and the regulation of 2 Mbit/s is relaxed, moving from cost orientation to reasonable prices. In addition, if Telefónica ceases to provide this speed

at the retail level, it may apply to the CNMC to cease to provide it at the wholesale level as well.

- The obligation for Telefónica to provide ORLA leased lines for the use of *backhaul* is eliminated, as mobile operators mainly provide the service themselves through the use of the MARCo offer and radio links, and when they use leased lines, they do so mainly on commercial terms.

Both the European Commission and the Ministry of Economic Affairs and Digital Transformation have reported favourably on these measures.

[ANME/DTSA/003/20](#)