

# TELECOMS

## NEW INTERNET SOCIAL TARIFF

VdA EXPERTISE



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## Most relevant aspects of [Decree-Law No. 66/2021 of 30 July](#), which creates the social tariff for supplying broadband Internet access services (“Internet Social Tariff”).

### Framework and scope

- **Goals:** the creation of the Internet Social Tariff, a measure already foreseen in the [Digital Transition Action Plan](#) and in line with the guidelines of the [European Code of Electronic Communications](#), aims to promote inclusion, digital literacy and the use of basic digital services by the disadvantaged portions of the population.
- **Who should make available:** The Internet Social Tariff applies to all national territory and should be made available by all companies that provide fixed or mobile broadband internet access services.
- **Who benefits:** consumers with low incomes or with special social needs, such as beneficiaries of the solidarity supplement for the elderly, the social integration income, unemployment benefits, family allowance, among other legal categories associated with the impoverished population.
- **Covered services:** services such as email, search engines, online basic training and educational tools, online newspapers or news, buying or ordering goods or services online, calls and video calls, among others, are covered by the Internet Social Tariff at least for the time being. The Government may, however, change the minimum set of services.
- **Who finances:** In the event of excessive burden, all companies offering electronic communications networks or services (even if they are not broadband Internet access services) in the national territory may be called upon to finance the net costs resulting from the application of the Internet Social Tariff, under the terms of [Law 35/2012 of 23 August](#).

### Internet Social Tariff

- **Concept:** the Internet Social Tariff is a tariff corresponding to a final price to be paid by the eligible consumer and must be calculated taking into account the prices charged at national level for services equivalent to broadband Internet access service, along with the evolution of the market and household income, in order to ensure the objectives pursued with this measure.
- **Setting:** The value of the Internet Social Tariff shall be set by the Government to take effect on 1 January of each year, preceded by a reasoned proposal from ANACOM by 20 September.

## Internet Social Tariff

- **Awarding conditions:** once the application is submitted to the provider and the beneficiary's eligibility is confirmed, the award is automatic. Except in special cases, each beneficiary can only benefit from one Internet Social Tariff at a given time.
- **Disclosure of the existence of the tariff:** mandatory for the service providers and ANACOM.

## Complementary regulations

### ANACOM's responsibility

- Definition of the **necessary bandwidth**, as well as the **minimum quality parameters** (e.g. download and upload speed), considering, namely, the offers practiced in the national market and the reports of the Body of European Regulators for Electronic Communications (BEREC).
- Definition of "**excessive burden**" for the purposes of auditing and calculating compensation for the application of the Internet Social Tariff, as well as the terms for its determination and periodicity of assessments.
- Submission of reasoned and non-binding proposals for setting the **value of the Internet Social Tariff**, as well as the **conditions necessary for the attribution, application and maintenance of the tariff**.
- Following the complementary regulations, it is expected that the Government may approve the value of the Internet Social Tariff to be in effect as early as 2021 and not just as of January 1, 2022.

Until 28 September 2021 (60 days from 30 July 2021)

### The Government's responsibility

- Definition of **the value of the Internet Social Tariff**, as well as the **necessary conditions for the attribution, application and maintenance of the tariff**, through a Ministerial Order.
- Exceptionally and for clear reasons of public interest, **change the set of minimum services** covered by the Internet Social Tariff.

## Pending questions

- **Info-excluded' beneficiaries?** The coverage of potential "info-excluded" beneficiaries is unclear. Article 10, by referring only to pending contractual relations, seems to forget beneficiaries without any contract for the provision of broadband internet access services.
- **Bundles of services?** How to deal with situations where the consumer uses bundles (e.g. Internet, Voice, TV)? How will this bundle "bifurcation" operate, between the Internet service and the others?
- **Free termination right?** Pursuant to article 9(5), by opening the possibility for the consumer to contact "one of the broadband internet service providers" in case the social tariff is not automatically granted in the contract already concluded, it seems to grant a free termination right.

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## Endnotes

Decree-Law No. 66/2021 of 30 July is a complex legislation piece that requires careful analysis, particularly considering the **harsh regime of administrative offenses** set forth in article 13, which provides for serious and very serious administrative offenses, with fines raising up to 5,000,000.00 Euros.

# Contacts



**MAGDA COCCO**  
MPC@VDA.PT



**TIAGO BESSA**  
TCB@VDA.PT



**ISABEL ORNELAS**  
IGO@VDA.PT



**PEDRO DA PALMA GONÇALVES**  
PPG@VDA.PT