



Réponse à la consultation publique de l'ARCEP

« Projet de décision proposant les modalités d'attribution
de la bande 3490 – 3800 MHz en France métropolitaine »

Section I.6.1 : Engagements d'accueil des MVNO

Le 4 septembre 2019

Cette réponse de la part de MVNO Europe est présentée en langue anglaise.

Une traduction en langue française peut être réalisée à courte échéance
sur simple demande de la part de l'ARCEP.

Contents

I. About MVNO Europe	3
II. Introduction	3
III. The Role of MVNOs, in Europe, and Specifically in France, incl. for 5G	3
IV. Comments on Section I.6.1 of ARCEP's Consultation Document.....	5
V. MVNO Europe Request to ARCEP and to the French Authorities.....	6
VI. MVNO Europe Contact Details	7

I. About MVNO Europe

MVNO Europe represents various types of Mobile Virtual Network Operators (MVNOs) active in Europe, including France. Our members have different business models, addressing retail consumers, business users, the public sector, machine-to-machine and Internet of Things (IoT), etc. <http://www.mvnoeurope.eu/members>

Our members provide mobile-only offers, fixed-mobile convergent offers and offers incorporating audio-visual media content, financial services, machine-to-machine communications including connected mobility, embedded data SIMs for tablets, laptops and other devices, etc. Our members are also active on wholesale markets as MVNE (Enabler) / MVNA (Aggregator). Some of our members hold rights-of-use over radio spectrum while also being an MVNO. MVNO Europe does not represent branded resellers.

MVNOs currently represent +/- 10% of SIM cards in the European Union.

MVNOs contribute strongly to competition and provide clear Business to Consumer (B2C) and Business to Business (B2B) end-user benefits.

MVNOs also contribute to financing mobile networks through payment of wholesale charges which assure revenues to Mobile Network Operators, whilst avoiding costly duplication of network assets.

II. Introduction

MVNO Europe welcomes that ARCEP's consultation on a draft decision on the modalities for assigning the 3490-3800 MHz band requires entities applying for an initial minimum amount of spectrum (\Rightarrow 40 MHz) to make formal commitments, including the provision of Full MVNO access. The MVNO access commitments are detailed in Section I.6.1 of the of the consultation document (pages 26 and 27) and are materialised in Section II.2.3 of Document II.

ARCEP's consultation indicates the continuation of an established approach, which was also applied in the 800 MHz and 2,6 GHz spectrum assignment proceedings in 2011, which has led to the emergence and development of a strong and diversified MVNO sector in France, which currently represents +/- 10% of French SIM cards, allowing for enhanced competition and fair prices on the French market.

III. The Role of MVNOs, in Europe, and Specifically in France, incl. for 5G

MVNOs can only exist in the mobile market if they provide services to customers that the traditional Mobile Network Operators (MNOs) don't, or if they offer better and more flexible service propositions to customers than the MNOs do, which customers appreciate and choose to purchase.

That means that MVNOs are required to listen closely to specific customer needs, and:

- a) Innovate in technical terms (technology development, software and hardware integration);
- b) Innovate in commercial terms (quick business decision-making to serve customer groups, including underserved or niche markets, as well as individual business customers, not just the largest companies but also small and medium-sized businesses, and even very small businesses with specific service requirements).

This is what enables MVNOs to quickly and effectively deliver the right solutions for their customers, be they consumers (B2C market) or business and public sector (B2B markets), for companies and public administrations of any size.

MVNO Europe's French members [EI Telecom](#) and [Transatel](#) represent, each in their own right, flagship examples of global relevance as to how MVNOs can differentiate themselves from MNOs and succeed in the market, based on their agility and excellence in providing the right solutions to customers. This includes:

- a) Hassle-free purchasing of fair deal services for consumers (B2C), including more vulnerable consumers who are only making cautious steps in the digital age, youthful customers who know exactly how to shop for the best deal, etc.;
- b) Software and hardware integration for the Internet of Things for business customers (B2B), and downstream business-to-business-to consumer markets (B2B2C). These markets include not only local French businesses, but also French businesses with pan-European or global reach, as well as global businesses served from a French and European base.

Overall, MVNOs can only attract customers by setting new standards of excellence in terms of agility in responding to demand, including from niches in the market, and in terms of rapid creation of internal business processes to deliver the services demanded.

French MVNOs strongly contribute to the digitalisation of small and very small businesses, which are spread all across the French territory. They provide services directly to these businesses, but also enable wholesale and white label solutions, that localised IT integrators can include in their IT services and IT support they provide to local small and very small businesses. Together, this helps small and very small businesses across the French territory to make the necessary digital transformation to remain competitive locally, and, where relevant, expand successfully nationally and internationally.

In the 5G era, it is clear that more and more tailor-made solutions for industrial, service, and public sectors will become possible (incl. massive machine type and ultra-low latency solutions), and could help French companies, from the very smallest, to the largest, to improve their business processes and succeed, within France, and abroad, locally to globally. Consumers will also benefit from ever faster speeds and better quality, by means of Enhanced Mobile Broadband, which are expected to be used in mobile communications scenarios, but also in nomadic and fixed wireless usage scenarios.

MVNOs are key to ensure that the genuine needs of French consumers, businesses and public administrations of all sizes are satisfied precisely and effectively, and to enable them to participate in what new wireless communications will offer in terms of new possibilities. This will include large industrial sites, smart cities and municipalities in terms of large-scale utilisation, but it will just as well concern small existing local businesses, start-ups and scale-ups, located anywhere in France, with big ideas that can only come to fruition if they are provided the right connectivity solutions and accompanying software and hardware integration, that only an MVNO (possibly together with an IT integrator) can quickly and effectively provide to them on a tailor-made basis.

Based on the above, MVNO Europe and its French members provide their brief comments below on ARCEP's consultation.

IV. Comments on Section I.6.1 of ARCEP's Consultation Document

MVNO Europe notes with satisfaction that ARCEP's consultation document aims in practice at introducing spectrum licensing terms seeking commitments from all 4 French MNOs (and possible new 5G MNOs should they succeed in the spectrum licensing procedure) to provide Full MVNO access in the context of 5G.

This is the case given that the provisional text specifies that entities applying for an initial minimum amount (≥ 40 MHz) of 3490 – 3800 MHz spectrum would be required to make formal written commitments to provide Full MVNO access (Section I.6.1 - pages 26 and 27 of Document I, and Section II.2.3 of Document II containing the draft written commitments).

This is highly welcome from MVNO Europe's perspective, as it would ensure the existence of at least 4 national wholesalers, enabling Full MVNOs access (and other forms of MVNO access), and – crucially – would enable (Full) MVNOs to choose between multiple (in this case 4 or more) wholesale suppliers, and negotiate commercially for the best wholesale deals. This should include the possibility for Full MVNOs to negotiate multiple wholesale deals in parallel, as is currently the case in France, and is a situation which has stimulated a dynamic and competitive French market.

In addition, MVNO Europe specifically welcomes the following proposed provisions contained in ARCEP's consultation document, which major spectrum holders (those applying for the initial => 40 MHz, and who will likely secure further spectrum) will have to commit to in writing:

- a) The unequivocal expression by major spectrum licensees that (Full) MVNOs must be enabled to offer differentiated services, i.e. services *other than* those that the Host MNO will provide itself (page 26, bullet point 5, last sentence, and especially page 27, bullet point 1 « *la fourniture d'un service caractérisé par des performances ou qualité de service qui n'aurait pas d'équivalent dans les services offerts par le titulaire sur le marché de détail* »);
- b) The unequivocal expression by major spectrum licensees that a Full MVNO architecture must be supported by the Host MNO (page 26, bullet point 4);
- c) The unequivocal expression by major spectrum licensees that MVNOs will not be restricted (without due justification) from concluding multiple wholesale access agreements (bullet point 3), and that MVNOs will enjoy commercial autonomy on retail markets (page 26, bullet point 3);
- d) The unequivocal expression by major spectrum licensees that they will provide wholesale access to (Full) MVNOs on reasonable economic terms, which are compatible with effective competition on both wholesale and retail markets (page 26, bullet point 6). MVNO Europe understands this as effectively preventing margin-squeeze on MVNOs, including Mobile Virtual Network Enablers and Aggregators (MVNE/A) as well as on MVNOs that only operate as retailers.
- e) The unequivocal expression that major spectrum licensees' wholesale access must enable MVNOs/MVNEs/MVNAs to serve markets with new (5G) RAN technologies simultaneously with host MNOs (i.e. no undue delay in wholesale provision) (page 26, bullet points 1 and 2).

V. MVNO Europe Request to ARCEP and to the French Authorities

MVNO Europe hereby requests ARCEP and the French Authorities to fully confirm ARCEP's consultation proposals in the definitive formal spectrum licensing conditions for the 3490 – 3800 MHz band.

We request specifically that no modifications are made to Section I.6.1 of Document I and to Section II.2.3 of Document II, so as to ensure that major spectrum licensees are subject to the

full set of specific Full MVNO access obligations by means of formal written commitments they must enter into as a condition for being assigned the initial => 40 MHz of spectrum.

MVNO Europe hereby also wishes to insist that, after the ARCEP proposals become definitive, and the 3490 – 3800 MHz spectrum assignment procedure is completed, including the written commitments entered into by major spectrum licensees, it is essential that ARCEP institutes a specific monitoring process, to ensure that the written commitments are effectively adhered to.

VI. MVNO Europe Contact Details

Should you require any clarifications or further information on the elements and positions set out by MVNO Europe in this document, please contact:

Mr. Quentin Philippart de Foy, Secretariat of MVNO Europe

Tel: +32 2 789 66 23 – quentin@mvnoeurope.eu | www.mvnoeurope.eu

38 rue de la Loi, 1000 Brussels – 5th floor