

Press release

UNIVERSAL SERVICE

Arcep delivers a scorecard on the quality of the universal service

Paris, 21 September 2020

In an October 2018 Decision, Arcep issued Orange with a formal notice to comply with its quality of service obligations with regard to the universal service. Today, the Arcep Executive Board body responsible for settling disputes, legal proceedings and investigations (RDPI) is delivering a scorecard on changes in the quality of service (QoS) that have been observed, and publishing information on this matter provided by Orange.

Obligations imposed on Orange in its capacity as the universal service operator: 12 annual QoS indicators

In an Order dated 27 November 2017, the Minister for the Economy and Finance designated the company Orange as the operator responsible for providing a fixed telephone plan that is part of the universal service, and this for a period of three years. This universal service, whose purpose is to guarantee that everyone in France has access to telephone services at an affordable price, is subject to a set of specifications established by the Government. Some dozen quality of service indicators listed in the specifications have quantified annual thresholds with which Orange must comply, and which Arcep is responsible for monitoring.

Large number of complaints of a significant decline in quality; an investigation opened in June 2018

In 2018, a significant number of users and local authorities reported to Arcep – notably via the "J'alerte l'Arcep" platform - a substantial decline in the quality of the fixed telephone service. Arcep also received reports from several prefects, members of Parliament and by France's national "Defender of Rights" (Défenseur des Droits). The investigation launched in June 2018 by the Arcep Executive Board body responsible for settling disputes, legal proceedings and investigations (RDPI) made it possible to confirm a particularly significant decline in the quality of the universal service. In light of these elements, Arcep's RDPI body decided to issue Orange with a formal notice, on 23 October 2018, demanding that it comply in 2019 and 2020 with all of the annual indicators that were set when it was designated as the operator responsible for providing the universal service.

Following this formal notice to comply, Arcep observed a significant improvement in the quality of the universal service in 2019. The situation was less satisfactory in the first quarter of 2020, which was marked by the public health crisis.

After this formal notice to comply was issued, quality of service indicators improved substantially, and virtually all of them exceeded the annual targets that the Minister had set for 2019. To give one example: 85% of outages were repaired within 46 hours in 2019, compared to the target turnaround time of 48 hours, which is a clear improvement over the 62 hours observed in 2018.

Arcep nevertheless ascertained a decline on certain indicators in Q4 2019 and Q1 2020. In the second quarter of 2020, which was heavily affected by the Covid-19 crisis, some indicators worsened significantly, whereas others showed a clear improvement.

Orange presented Arcep's RDPI body with the outlook for restoring quality of service in the second half of 2020. The RDPI has taken note and is making this outlook public.

The public health crisis that France has been experiencing since March 2020 has had inevitable consequences for electronic communications operators' businesses, and notably for the quality of the universal service. On

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Arcep's RDPI body has taken note of the outlook for the second half of 2020 submitted by Orange, which is part of an ongoing commitment to improving the quality of the universal service, and a return to the levels set by the ministerial Order designating Orange the universal service operator. Arcep's RDPI body will pay particularly close attention to how the situation evolves with respect to the procedure and will take into account the achievement of this trajectory that is currently underway.

Arcep Executive Board: Plenary body, Body responsible for settling disputes (RDPI), restricted body

ARCEP's Executive Board has three distinct bodies. The plenary body is composed of the seven members of the Executive Board. A body referred to in French as "RDPI", composed of four of the seven of the Executive Board members, including the Chair, is responsible for investigations and legal proceedings (initiating a preliminary investigation procedure, issuing formal notices, notifying the statement of objections). Lastly, the so-called "restricted" body, which is composed of the three remaining members of the Arcep Board, is responsible for issuing rulings, which includes deciding whether or not to impose penalties.

Associated documents:

- <u>Order of 27 November 2017</u>, (quality of service obligation for the universal service operator, detailed information on the indicators)

- <u>Decision No. 2018-1276-RDPI</u>, (regarding the formal notice issued to Orange to comply with its obligations regarding the universal electronic communications service)

- Orange presentation: "Qualité de service de l'offre de Service Universel" (Universal service QoS)

Arcep at a glance

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

Annex: Indicators for the first two quarters of 2020 and annual outlook for 2020 provided by Orange

Quality of service criteria	Indicator measured	Unit	Annual target Orders and Formal	Results for:			Annual outlook for 2020 provided by Orange
			notices	2019	Q1 2020	Q2 2020	
Initial install time for existing lines	Maximum time to process 95% of requests	Calendar days	8	9	8	8	≤ 8
Initial install time for all lines	Maximum time to process 95% of requests	Calendar days	12	12	10	12	≤ 12
Chronological breakdown of outstanding connection problems (percentage that are lengthy)	Maximum percentage of connection problems that are more than 14 days old	%	15	7.0	12.6	19.8	≤ 15
Failure rate per connection	Maximum percentage of active lines that were out of service during the period in question	%	7.5	6.9	7.4	6.3	≤ 7.5
Time to repair a telephone malfunction	Maximum time to process 85% of subscriber disruptions	Calendar hours	48	46	65	49	≤ 50
Chronological breakdown of outstanding repair orders (percentage that are lengthy)	Maximum percentage of repair orders that are more than 7 days old	%	15	14.7	23.6	15.7	≤ 15.0
Rate of repeat service calls for malfunctions	Maximum percentage of repaired lines that required a second service call within 15 days of the first	%	15	16.4	16.9	20.2	< 17
Call failure rate	Maximum national call failure rate	%	0.7	0.7	0.7	0.4	<1
Call set-up time	Time to establish a national call	Seconds	2.9	1.9	1.9	1.9	< 2.9
User complaint response time	Maximum time to respond to 80% of complaints	Calendar days	5	1.2	1.0	1.0	< 2
	Maximum time to respond to 95% of complaints	Calendar days	15	4.6	4.3	3.4	< 5
User complaint rate	Maximum percentage of complaints per user	%	7	2.0	2.5	2.5	< 3.0