

Press release

MOBILE NETWORK SHARING

Two-year extension of the roaming agreement between Free Mobile and Orange: Arcep informs the sector and examines the amendment

Paris, 3 April 2020

Free Mobile has been relying on nationwide roaming on Orange's 2G and 3G network since 2011, with maximum connection speeds that have now been reduced. This agreement between the two operators includes the supply of roaming services up to 31 December 2020. On 24 February 2020, Arcep received a new contractual amendment that extends this contract by two years, i.e. up to 31 December 2022.

Free Mobile and Orange signed a roaming contract in 2011, when Free Mobile entered the market

This roaming agreement covers Orange's 2G network across the whole of Metropolitan France, in accordance with Free Mobile's roaming rights as stipulated in the terms of incumbent operators' 3G licences, and Orange's 3G network, on a commercial basis, enabling Free Mobile to market its services under fair conditions.

This agreement was amended in 2016, following a proactive intervention by Arcep: Free Mobile and Orange agree on a path for shutting down the roaming service

Since August 2015, Arcep has had the power to request that mobile operators amend their network sharing agreements⁽¹⁾ whenever it appears necessary to meet regulatory objectives⁽²⁾. To provide the sector with clarity on the exercise of this newfound power, Arcep published a set of guidelines⁽³⁾ on 25 May 2016 that set out an analytical framework for assessing network sharing agreements, and called on operators to take them into account.

As a result, Free Mobile and Orange amended their agreement in 2016 to include a trajectory for gradually putting an end to roaming, by reducing connection speeds gradually, up until 31 December 2020. The maximum upstream and downstream speeds that would be available to Free Mobile customers roaming on Orange's 2G/3G network were therefore decreased progressively, and the cap since 1 January 2020 has been 384 Kbits.

In February 2020, a contractual amendment was sent to Arcep: it extends the sunset period on roaming by two years

On 24 February 2020, Arcep received an amendment to the roaming agreement between Free Mobile and Orange.

Signed on 19 February 2020, this amendment extends the sunset period for Free Mobile's access to nationwide roaming on Orange's 2G and 3G networks up to 31 December 2022.

And specifically:

- The technical terms for the gradual switch-off of the roaming service are extended to 31 December 2022:
 - o Capping the upstream and downstream speeds available to Free Mobile's roaming customers at 384 Kbits in 2021 and 2022;
 - o No increase in the capacity of interconnection links between the Free Mobile and Orange core networks, for the flow of total roaming traffic.
- The amendment sets out the financial terms that will apply in 2021 – 2022. Of particular note: a financial mechanism would be introduced in 2022 whose purpose is to encourage "a reduction in the number of Free Mobile customers who are using Orange's 2G/3G network".

This extension comes in response to a request from Free Mobile, driven in particular by:

- “Free Mobile’s inability to catch up to the market standard of network coverage, which increased substantially with the Crozon sharing agreement⁽⁴⁾ and the obligations set out in the New Deal for Mobile⁽⁵⁾” despite “very proactive rollouts”;
- “The need to have 2G coverage on par with that of other mobile network operators,” given, first, the “slowly dwindling” number of 2G subscribers and Free Mobile’s inability to deploy a 2G network in the short term, due to a lack of frequencies and, second, other operators’ use of 2G as a back-up technology “under certain circumstances, notably for indoor use and at peak traffic times”.

Arcep informs market stakeholders and examines the amendment

Arcep is in the process of examining this contractual amendment, in particular with respect to regulatory objectives and the 25 May 2016 guidelines. To this end, today Arcep is informing market stakeholders of this amendment’s existence, with due regard to business confidentiality.

Stakeholders wanting to share their comments on his amendment with Arcep have until 04/05/2020 to do so, via e-mail to: partage-reseaux@arcep.fr.

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- (1) This authority is stipulated in Article L.34-8-1-1 of the French Postal and Electronic Communications Code, created by Act No. 2015-990 of 6 August 2015 on Growth, economic activity and equal economic opportunity.
 - (2) Mentioned in Article L. 32-1 of the French Postal and Electronic Communications Code
 - (3) https://www.arcep.fr/uploads/tx_gspublication/2016-05-25-partage-reseaux-mobiles-lignes-directrices.pdf
 - (4) The “Crozon” agreement refers to the network sharing contract between SFR and Bouygues Telecom signed in January 2014.
 - (5) The “New Deal for Mobile” refers to the commitments that mobile operators made in 2018, to accelerate regional mobile coverage, and which were written into the terms of their licences.

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.

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