

*Press release***FREQUENCIES – FRENCH OVERSEAS TERRITORIES****Arcep launches two public consultations on the procedures for assigning frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Guadeloupe, in Martinique, in Saint-Barthélemy and in Saint-Martin, and in the 900 MHz and 2.1 GHz bands in Saint-Barthélemy**

Paris, 13 September 2021

On 13 September 2021, Arcep launched two public consultations on the two draft award procedures for the following frequencies:

- A draft procedure for assigning 700 MHz and 3.4 – 3.8 GHz band spectrum in Guadeloupe and in Martinique;
- A draft procedure for assigning 700 MHz and 3.4 – 3.8 GHz band spectrum in Saint-Barthélemy and in Saint-Martin and 900 MHz and 2.1 GHz band spectrum in Saint-Barthélemy.

Stakeholders are invited to submit their contributions before 26 November 2021.

These public consultations are part of the process of assigning new frequency bands for the deployment of public mobile networks in France's overseas departments and territories, to be able to satisfy the ever-growing needs of consumer and business users wanting to access high quality and reliable superfast mobile services.

The planned assignment conditions and procedures align with the guidelines set forth by the Government in a letter written by Sébastien Lecornu, Minister for Overseas France, and Cédric O, Secretary of State for the Digital Transition and Electronic Communications, dated 27 August 2021. These guidelines seek to promote regional digital development and ensure fair and effective competition in Guadeloupe, in Martinique, in Saint-Barthélemy and in Saint-Martin. These conditions and procedures include a series of provisions designed to improve mobile coverage and connectivity in these territories, which were established in close collaboration with local authorities.

Contributions to the public consultations will enable Arcep to finalise these award procedures. Arcep will then submit its final text to the Government, with a view to performing frequency assignments in the first half of 2022.

The press kit attached to this press release contains a summary of the main assignment and procedural stipulations.

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Associated documents:

- [Public consultation on the draft annex to the decision proposing the procedures for awarding licences to use frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Martinique and in Guadeloupe](#)
- [Public consultation on the draft annex to the decision proposing the procedures for awarding licences to use frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Saint-Martin and Saint-Barthélemy and in the 900 MHz and 2.1 GHz bands in Saint-Barthélemy](#)
- [Stakeholders' contributions to the public consultation that ran from 2 October 2020 to 15 January 2021 on the assignment of new frequencies for mobile networks in the 700 MHz and 3.4 - 3.8 GHz bands in Martinique, in Guadeloupe, in Saint-Martin and in Saint-Barthélemy](#)
- [Stakeholders' contributions to the public consultation that ran from 25 March 2021 to 23 April 2021 on the assignment of frequencies in the 900 MHz and 2.1 GHz bands in Saint-Barthélemy](#)

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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ANNEX – PRESS KIT

Procedure and conditions for assigning frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Guadeloupe, in Martinique, in Saint-Martin and in Saint-Barthélemy, and in the 900 MHz and 2.1 GHz bands in Saint-Barthélemy: publication of draft decisions for the purpose of consultation

On 13 September 2021, Arcep launched public consultations on the draft procedures and conditions for the assignment of frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Guadeloupe, in Martinique, in Saint-Martin and in Saint-Barthélemy, and in the 900 MHz and 2.1 GHz bands in Saint-Barthélemy. Stakeholders have until 26 November 2021 to submit their contributions, which will enable Arcep to finalise these award procedures and conditions, and subsequently submit a proposal to the Government in the following weeks.

1 Assignment of 700 MHz and 3.4 – 3.8 GHz band frequencies in Martinique, in Guadeloupe, in Saint-Martin and in Saint Barthélemy

To be able to satisfy the ever-growing needs of local authorities and of consumer and business users wanting to access high quality and reliable superfast mobile services, Arcep has assigned and continues to assign new frequency bands for the deployment of public mobile networks.

1.1 Assignment objectives

In a letter addressed to Arcep dated 27 August 2021, the Government informed the regulator of the goals that must underpin the specifications for the assignment of 700 MHz and 3.4 – 3.8 GHz band spectrum in the aforementioned territories:

- **Regional development:** coverage of the priority areas identified by the territories themselves (local authorities and prefectures) in 2019 and in 2020;
- **Competition:** safeguarding and stimulating competition in these markets by providing all of the players with an opportunity to improve their spectrum holdings, to then improve mobile networks' quality of service.

The award procedure and planned obligations contained in the draft document being published today for consultation satisfy these objectives set by the Government.

1.2 Planned assignment procedures

1.2.1 In the 3.4 – 3.8 GHz band in Guadeloupe, in Martinique, in Saint-Martin and in Saint-Barthélemy

The draft procedures being published for consultation today are for the assignment of **380 MHz of spectrum in the 3.4 – 3.8 GHz band**, to cover each of these territories. The purpose of this procedure is to determine

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the winning candidates, the amount of spectrum each one is awarded, and their specific frequency position. **Every winning candidate will be subject to a set of obligations.**

Arcep is proposing a mixed allocation mechanism that is not based solely on financial bids, as was the case with the award procedure for 3.4 – 3.8 GHz band frequencies in Metropolitan France in 2020. The procedure will include a first part whereby up to four operators will be able to obtain additional blocks of spectrum in exchange for optional commitments, before the auctions carried out in the second part allow them to obtain additional frequencies.

a) **First part: Optional commitments in exchange for blocks of spectrum**

Arcep is giving applicants the option of making a series of commitments when submitting their tender package.

Designed to improve connectivity for users and give local authorities more clarity on network rollouts, these commitments include:

- supplying a dedicated fixed access product on their mobile network;
- activating Voice and SMS over Wi-Fi services, to improve indoor coverage;
- increased transparency from operators on rollout forecasts;
- increased transparency from operators on service outages.

If these commitments are made, they will be written into the obligations attached the frequency licences that are awarded to the winning candidates, and come to supplement the obligations that will apply to all of the successful applicants.

If four or fewer candidates agree to make these commitments when submitting their tender package, each will be able to obtain a **2 x 50 MHz frequency block in the 3.4 – 3.8 GHz band**. If their number is equal to or over five, the applicants will bid on the four blocks in a separate auction.

b) **Second part: Auction enabling each operator to acquire additional frequencies**

The principal auction will then be held to assign the frequencies that are still available after the first round of commitment-based spectrum awards. The qualified applicants, regardless of whether they obtained a block in the previous phase, will thus have the possibility of acquiring additional frequencies, **by blocks of 2 x 10 MHz**.

This will be a single-round second-price combinatorial auction. The candidates indicate the amount they commit to pay for each number of possible blocks, within the authorised amount of spectrum described in part 1.2.1

Arcep will then determine the value of each of the valid award combinations. For instance, if two blocks are available for assignment and there are two candidates, A and B, that both want up to two blocks, the valid combinations are as follows:

- One block for A and one block for B;
- Two blocks for A and no block for B;
- No block for A and two blocks for B.

The value of a combination is the sum of the amounts bid by the candidates for the number of blocks they obtain under this combination.

The combination with the highest value is the winning combination.

Lastly, Arcep will determine the amount due from each candidate. This is the minimum amount that the candidate must have bid for the chosen winning combination.

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c) Third part: Positioning auction

Once the amount of spectrum assigned to each winner is known, there are multiple potential frequency position combinations. A new (single-round, second highest bid) auction will be held to determine each of the winning candidates' positions. They will thus have an opportunity to express their frequency position preferences.

d) Capping the amount of frequencies available to each candidate

In the public consultation, Arcep sets a cap on the total amount of spectrum any one applicant can obtain in the 3.4 – 3.8 GHz band (during both phases of the procedure), which is compatible with Government's objective of fostering a competitive marketplace:

- a planned maximum of 40 MHz in the 3.4 – 3.8 GHz band;
- a planned maximum of 100 MHz in the 3.4 – 3.8 GHz band.

e) Planned obligations for the winning applicants for 3.4 – 3.8 GHz band spectrum

The draft procedure being presented today stipulates that every candidate that is assigned frequencies in the 3.4 – 3.8 GHz band, regardless of whether they have chosen to make optional commitments, will be subject to two, mainly coverage-centric obligations:

- an obligation to deploy a certain number of cell sites using 3.4 – 3.8 GHz band frequencies within five years;
- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

1.2.2 In the 700 MHz band in Guadeloupe and in Martinique

The assignment procedure is planned for **30 MHz of spectrum in the 700 MHz band (distributed in 6 blocks of 5 MHz each)**, to cover Guadeloupe on the one hand and Martinique on the other. This procedure will determine the winning candidates, the amount of spectrum each one is awarded, and their specific position on the band.

Arcep is proposing an assignment mechanism based on a separation of the blocks available for assignment into two types of lot, and a financial auction for each of these lots.

Lot 1 will contain four blocks of 2 x 5 MHz compatible with neighbouring territories' frequency plans (703 – 723 MHz frequencies and their 758 – 778 MHz band pair) and lot 2 will contain the two remaining 2 x 5 MHz blocks (723 – 733 MHz frequencies and their 778 – 788 MHz pair).

a) First stage: Principal auction to determine the amount of frequencies in lot 1 obtained by each operator

An auction will be held to assign the lot 1 frequencies (4 blocks of 2 x 5 MHz)

This auction will take place before the principal auction for the assignment of 3.4 – 3.8 GHz band spectrum (described in part 1.2.1b), and before the auction for lot 2 blocks.

This will be a single-round second-price combinatorial auction, as in the second stage of the assignment procedure for 3.4 – 3.8 GHz band spectrum (see 1.2.1b). The candidates indicate the amount they commit to pay for each number of possible blocks, within the authorised quantities of spectrum described in part 1.2.1.

Arcep will then determine the value of each of the valid award combinations. For instance, if two blocks are available for assignment and there are two candidates, A and B, that both want up to two blocks, the valid combinations are as follows:

- One block for A and one block for B;
- Two blocks for A and no block for B;
- No block for A and two blocks for B.

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The value of a combination is the sum of the amounts bid by the candidates for the number of blocks they obtain under this combination.

The combination with the highest value is the winning combination.

Lastly, Arcep will determine the amount due from each candidate. This is the minimum amount that the candidate must have bid for the chosen winning combination.

b) **Second stage: Auction to determine the winning applicants of lot 2 frequency blocks**

An auction will be held to assign lot 2 frequencies in the 700 MHz band in **two 2 x 5 MHz blocks**.

This auction will take place before the principal auction for the assignment of 3.4 – 3.8 GHz band spectrum described in part 1.2.1b), and after the auction for lot 1 blocks.

This will be a single-round second-price combinatorial auction. The candidates indicate the amount they commit to pay for each number of possible blocks, within the authorised quantities of spectrum described in part 1.2.1

Arcep will then determine the value of each of the valid award combinations. For instance, if two blocks (block 1 and block 2) are available for assignment and there are two candidates, A and B, that both want up to two blocks, the valid combinations are as follows:

- Block one for A and block 2 for B;
- Block two for A and block one for B;
- Block 1 and block 2 for A and no block for B;
- No block for A and block 1 and block 2 for B.

The value of a combination is the sum of the amounts bid by the candidates for the number of blocks they obtain under this combination.

The combination with the highest value is the winning combination.

Lastly, Arcep will determine the amount due from each candidate. This is the minimum amount that the candidate must have bid for the chosen winning combination.

c) **Third stage: Positioning auction for lot 1 blocks**

Once the amount of spectrum assigned to each winner is known, there are multiple potential frequency position combinations. A new (single-round, second highest bid) auction will be held to determine each of the winning candidates' positions. They will thus have an opportunity to express their frequency position preferences.

Lot 2 blocks will be assigned directly during the second stage and will not require a positioning auction.

d) **Capping the amount of spectrum available to each candidate**

In the public consultation, Arcep sets a cap on the total amount of spectrum any one applicant can obtain in the 700 MHz band, which is compatible with Government's objective of fostering a competitive marketplace:

- a planned maximum of 2 x 15 MHz in the 700 MHz band;
- a planned maximum of 2 x 10 MHz of lot 1 frequencies;
- a planned maximum of 2 x 30 MHz 30 MHz from the combined amount of spectrum available in the 700 MHz, 800 MHz and 900 MHz bands;
- a maximum 2 x 25 MHz compatible with neighbouring territories' frequency plans, from among the combined amount of spectrum available 700 MHz, 800 MHz and 900 MHz bands.

If, during the auction of lot 2 blocks in the 700 MHz band, the total combined demand is for less than the two available blocks, the draft procedure plans for the cap of 2 x 30 MHz in the lower bands to be lifted.

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e) **Planned obligations for the winning applicants for 700 MHz band spectrum**

The draft procedure being presented today stipulates that every candidate that is assigned lot 1 frequencies in the 700 MHz band will be subject to the following obligations:

- an obligation to cover certain pre-identified areas, based on the needs expressed by local authorities. Operators will be fully responsible for providing coverage in these areas. As an adjunct, bringing coverage to certain areas that carry special constraints will depend on the availability of infrastructures and the granting of administrative authorisations;
- an obligation to deploy a certain number of cell sites using 700 MHz band frequencies within five years;
- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

The draft procedure also stipulates that all of the applicants that are assigned frequencies from lot 2 in the 700 MHz band will be subject to the following obligations:

- an obligation to employ the lot 2 frequencies in the 700 MHz band they have been assigned at their cell sites, within five years of the start date of their frequency licence;
- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

1.2.3 **In the 700 MHz band in Saint-Barthélemy and in Saint-Martin**

In Saint-Barthélemy and in Saint-Martin, the 20 MHz of paired frequencies in the lower end of the 700 MHz band are being proposed for assignment (4 blocks of 5 MHz) in each of these territories. The remaining 2 x 10 MHz in the 700 MHz band are excluded from the assignment due to their lack of actual availability.

a) **Main auction and positioning auction to determine the amount of spectrum obtained by each operator and their position in the band**

The proposed auction procedure for these frequencies is similar to the ones set out for lot 1 frequencies in the 700 MHz band for Guadeloupe and Martinique, namely a principal auction and a positioning auction, each consisting of a single-round second-price combinatorial auction (as described in part 1.2.2a).

b) **Capping the amount of frequencies available to each candidate**

In the public consultation, Arcep plans on setting a cap on the total amount of spectrum any one applicant can obtain in the 700 MHz band, which is compatible with Government's objective of fostering a competitive marketplace:

- a maximum of 2 x 10 MHz in the 700 MHz band;
- a planned maximum of 2 x 30 MHz from the combined amount of spectrum available in the 700 MHz, 800 MHz and 900 MHz bands;
- a maximum of 2 x 25 MHz compatible with neighbouring territories' frequency plans, from among the combined amount of spectrum available in the 700 MHz, 800 MHz and 900 MHz bands.

c) **Planned obligations for the winning applicants for 700 MHz band spectrum**

The draft procedure being presented today stipulates that every candidate that is assigned frequencies in the 700 MHz band will be subject to the following obligations:

- an obligation to cover certain pre-identified areas, based on the needs expressed by local authorities. Operators will be fully responsible for providing coverage in these areas.
- an obligation to deploy a certain number of cell sites using 700 MHz band frequencies within five years;

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- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

1.3 Licence duration and rendez-vous clause

The frequencies will be assigned for a period of **15 years**. This period can be extended by **five years**, provided the licence-holder agrees to the conditions set forth in the procedures.

In addition, an **interim review** is set to occur before 2030 to verify operators' implementation of their obligations, and take stock of market requirements, notably in the areas of mobile network coverage and quality of service. Obligations could be revised based on the findings of these reviews, after having reached an agreement with the licence-holder.

2 Assignment of 900 MHz and 2.1 GHz band frequencies in Saint-Barthélemy

One block of 2 x 4.8 MHz in the 900 MHz band and one block of 2 x 5 MHz in the 2.1 GHz band are available for assignment in Saint-Barthélemy.

A similar procedure is planned for each of these blocks. To ensure fair and effective competition, and the efficient use and management of these frequencies, each procedure is due to be a single-round sealed bid auction, whereby qualified applicants will be ranked according to their financial bids in descending order. The top qualified applicant will be assigned the block.

These auctions are planned to be held before those for the 700 MHz and 3.4 – 3.8 GHz bands.

The licences awarded at the outcome of these procedures will be valid up to 30 April 2025, so that expiration dates align with those of existing licences to use the bands in question.

3 Public consultation

These draft procedures are being submitted to a public consultation that will run until 26 November 2021. Any stakeholder that so desires can view these procedures on the Arcep website, and provide feedback to the Authority.

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