

Press release

## COPPER SWITCH-OFF

### Copper network access prices: Arcep consults with the sector on the consequences of Orange's switch-off plan

Paris, 7 February 2022

The level of optical fibre deployment, coupled with the launch by Orange of a plan to switch off the legacy copper network, [which is being published today for consultation](#), calls for a re-examination of the pricing remedies for copper local loop access.

#### **For copper access that has been subject to a commercial switch-off, pricing remedies could be relaxed**

In Q3 2021, optical fibre networks covered 67% of all premises in France, and around 60% of premises were serviced by all four commercial operators. This is the context within which Orange sent Arcep a letter on 31 January 2022, submitting a plan to switch off its copper local loop, and so marking a new stage in the transition from copper to fibre.

The plan describes the process for switching off the Orange network, which includes two main stages: the commercial switch-off then the technical switch-off, which Orange plans to execute in a staggered fashion in the country's different areas.

The commercial switch-off corresponds to Orange putting an end to selling any new access to its copper local loop, whether wholesale or retail, be it building new connections or transferring existing ones. It is therefore sending a signal for migrating users and increasing retail operators' faculty to migrate their customers. It also means that relevant replacement solutions are available. Under these conditions, it seems that for access that has been the subject of a commercial switch-off, pricing remedies, which have been cost-oriented up to now, could be relaxed going forward.

During the current transitional stage, it is nevertheless important to ensure that any pricing changes remain gradual and predictable. It therefore seems appropriate to impose an obligation of non-excessive pricing on the access affected by this possibly relaxed remedy, and to specify *ex ante* rules to provide market players with clarity going forward.

#### **Arcep wants to consult with the sector on this proposed change to price remedies**

Stakeholders are invited to share their opinion on the rules and procedures that could be established, particularly on the corresponding price cap, but also on other elements such as the exact criteria used and required advance notice, possible next steps, other terms and conditions to apply and the scope of the products affected.

The consultation will run until 4 April 2022.

#### **Associated documents:**

- [The public consultation](#)
- [Press release of 07/02/2022 "Copper network shutdown: Arcep consults with the sector on Orange's copper network shutdown plan"](#)

## Arcep's fixed market regulation: earlier decisions on unbundling prices

When unbundled access to the copper local loop was put into place, it was immediately subject to cost-oriented pricing (i.e. prices must reflect corresponding costs). In its market analysis decisions of December 2020<sup>1</sup>, Arcep once again imposed an obligation of cost-oriented pricing on Orange, for the period 2021-2023, for passive access to the copper local loop (in market "3a") and for general or specific activated solutions for businesses on the copper network (markets "3b" and "4") in certain parts of the country or in certain cases.

To provide client operators with predictability, as in the previous regulatory period Arcep also specified this obligation in a multi-annual price cap decision<sup>2</sup>, pertaining to unbundling and activated bitstream access, while nevertheless indicating that it could increase the price cap should Orange submit a switch-off plan, with the guarantees of an ambitious scheme and timetable.

Since the publication of the market analysis decisions of December 2020, there has been even greater progress in FttH deployment and adoption. And it is in this context that Orange presented Arcep with its copper network switch-off plan in a letter dated 31 January 2022, on which Arcep is launching a public consultation today that will run from 7 February to 4 April 2022.

### 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 communications and postal networks in France.

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<sup>1</sup> <https://en.arcep.fr/news/press-releases/view/n/fixed-market-regulation-171220.html>

<sup>2</sup> [https://www.arcep.fr/uploads/tx\\_gsavis/20-1493.pdf](https://www.arcep.fr/uploads/tx_gsavis/20-1493.pdf)

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