Press release

ANNUAL REPORT

Arcep publishes its annual report

Paris, 31 July 2020

Highlights of Arcep's work and actions in 2019

Regulation of print media distribution: a new responsibility
In October 2019, the "Bichet Act" assigned Arcep the responsibility of regulating the print media distribution sector, making it the Regulatory Authority for Electronic Communications, Postal Affairs and Print Media Distribution. In addition to the emergency measures that it was required to take in early 2020, Arcep is dedicated to building a medium-term vision and, to this end, began an dialogue with the sector's stakeholders, through a series of hearings conducted by its Executive Board.

The fruits of pro-investment regulation
Through the size of their investments in fixed and mobile infrastructures (10.4 billion euros in 2019), operators demonstrated that they could meet French people's expectation of having nationwide access to competitive infrastructures. Fibre rollouts (2.3 additional households passed in 2019) and ubiquitous 4G access (7.1 million additional users YoY) are becoming a reality for a growing number of our fellow citizens.

Arcep working on consumers' behalf
For the second year in a row, Arcep has delivered a scorecard of the actions it has carried out on behalf of consumers, in part thanks to the 24,000 complaints received on its "J'alerte l'Arcep" site over the course of 2019. The press conference was held, along with special guest, Mr. Christopher Naegelen, Deputy for the Vosges, who put forward a bill that seeks to regulate cold calling and combat spam calls. In the same vein, Arcep adopted a numbering plan that creates the ability to implement an authentication mechanism that protects users against number theft. Telephone services for people who are deaf, hearing impaired, deaf-blind or aphasic are currently being evaluated: Arcep publishes operators' own findings on usage and quality indicators for these services.

Frequency award procedure for 5G
After having published a 5G roadmap in 2018, the year 2019 was devoted to releasing the "core" 5G band (3.5 GHz), and to listening to stakeholders and European counterparts on how to design an unprecedented, two-part spectrum award mechanism. In Part 1, operators were awarded a block of 50 MHz in exchange for making a series of optional commitments, prior to the auction, i.e. Part 2, during which the candidates will be able to obtain additional frequencies, up to a maximum 100 MHz. *Initially scheduled for April 2020, the Covid-19 public health crisis prevented the auction from taking place.*

Environmental imperatives, opening a new chapter in regulation
As part of its forward-looking work on "Future Networks," Arcep undertook an examination of networks' environmental impact, which included the publication of a brief on "Digital tech's carbon footprint" in October 2019. To delve deeper, and to create a meaningful dialogue with stakeholders, in July 2020 Arcep launched a collaboration platform devoted to "Achieving digital sustainability".

Arcep's strategic roadmap put into action

In January 2016, Arcep presented the conclusions of its strategic review in the form of a roadmap that set out four pillars of action, three new regulatory methods and twelve strategic priorities, which have guided its work ever since. After four years of concrete implementation, now comes the time for the first evaluations.

Actions taken in 2019 and progress report on the four pillars of the strategic roadmap:

1. Investment in infrastructures

- **Operators' investments: a new record of 10.4 billion euros in 2019**

In 2016, Arcep unveiled its pro-investment doctrine, and the regulatory actions required to implement it. At its core: creating a virtuous circle that leverages competition to incentivise operators to invest in infrastructure, which in turn drives the monetisation of those efforts. Four years later, on 26 June 2020 Arcep presented the results to the financial news media and financial analysts, at its annual Telconomics event which, this year, was held online: operators invested 10.4 billion euros (excluding spending on frequencies) in 2019, which marks a close to 50% increase over the past five years.

- **Making fibre the infrastructure of reference**

To create a lasting state of healthy competition in the fibre market, Arcep is proposing to consolidate "symmetric" fibre market regulation, which applies equally to all operators. The challenge today is to enable fibre to fully assume its role as the new fixed infrastructure of reference, by setting the course for the eventually complete transition from the legacy copper network to fibre. The new round of regulation must help create more dynamic competition in the business market, and democratise fibre access products for enterprises. The range of the products on offer and achieving full coverage are two of the regulatory measures' key targets.

2. Smart territories

- **Universal postal service and keeping users informed**

On its "J'alerte l'Arcep" platform, reports and complaints from local authorities and users regarding problems encountered with La Poste services attracted Arcep's attention: the Arcep Executive Board body responsible for settling disputes, legal proceedings and investigations (RDPI) interviewed La Poste executive officers to ensure that the individual cases brought to its attention will not reoccur, and that postal carriers are indeed performing their rounds in every city and village in France. Regarding the public health crisis, Arcep issued an opinion at the Government's request on the exceptional temporary measures that La Poste put into effect: in this opinion, Arcep invited La Poste to improve the information made available to users, its capacity to detect malfunctions, and its dialogue with elected officials.

- **"*Mon réseau mobile*": incorporates data produced by local authorities and strengthens the reliability threshold for maps**

For the first time, Arcep has published mobile QoS measurements obtained by third parties. The "Mon réseau mobile" (My mobile network) website now incorporates measurement data from several local authorities – from the Cher, the Hauts-de-France, Pays de la Loire and Auvergne-Rhône-Alpes – as well as data from measurements taken on the SNCF national rail network. This is part of an ongoing process of being open to outside players wanting to share their data, and who comply with the "Regulator's toolkit". Arcep has also chosen to strengthen the reliability threshold required from operators: the "overall" accuracy threshold for maps has been increased from the previous 95% to 98%. There is also a local threshold of 95% for areas of less than 1,000 and more than 100 km². These thresholds will be applied for the first time in autumn 2020, with operators providing Arcep with more accurate maps.

- **New Deal for Mobile: preliminary results of the drive to achieve new connectivity targets**

Two years after the New Deal for Mobile was first introduced, Arcep continues to closely monitor operators' compliance with their obligations, and delivers a quarterly progress report on the New Deal scorecard on its website, which is updated on a regular basis. During its annual quality of service audit, Arcep was able to ascertain a substantial improvement in average connection speeds across the country, and particularly in rural areas where average speeds had doubled since 2018.

- **Fibre: Arcep ensuring that commitments are being met in areas covered by private initiative (AMII)**

To be able to fulfil its responsibility to ensure operators' compliance with the rules and obligations to which they are subject, Arcep has implemented tools that enable it to regularly monitor operators' rollouts in those parts of the country where the Government has issued a call for investment letters of intent (called "zones AMII" in French) and those areas covered by calls for expressions of interest for local projects (called "zones AMEL"). These are tools that not only facilitate Arcep's own monitoring process, but also provide the local authorities concerned with more transparency. At the Government's request, Arcep issued a series of opinions on "AMEL" areas in 2019. The aim of these opinions was to align operators' commitments with regional needs. The Arcep body responsible for settling disputes, legal proceedings and investigations (RDPI) ascertained that a certain number of shared fibre access points' service areas ("ZAPM") deployed by operators Orange, SFR and Free included a number of premises that could not be passed for fibre, and this with no satisfactory explanation. Arcep's RDPI body issued these players with a formal notice to comply with their obligation to provide complete coverage.

3. *Open Internet*

- **Net neutrality: API on boxes, the Wehe app and new guidelines**

Net neutrality's vigilant watchdog in France, in 2018 Arcep launched a co-construction approach with the ecosystem's stakeholders: a vast initiative that culminated in the specification of an "Access ID card" interface (API), which has been gradually installed on operators' boxes since January 2020. The Wehe app, which comes to complete the arsenal of tools being mobilised to detect online practices that could undermine users' ability to access to an open internet has been used more than 115,000 times, and 146 reports have been delivered via the "J'alerte l'Arcep" platform. This year, Arcep also played an active role within the Body of European Regulators for Electronic Communications (BEREC) in revising the guidelines for applying Europe's Open Internet regulation. The aim of this review: to achieve an even more harmonised application of the regulation by all of the players involved in the internet's operation in France and in Europe.

4. *A pro-innovation prism*

- **5G: paving the way for pilots and trials**

To help pave the way for 5G, in early 2018 Arcep opened a 5G pilot window for assigning frequencies to stakeholders wanting to perform full-scale 5G pilot trials (ports, hospitals, connected roadways…) and begin planning their future business models. A call for open platforms in the 26 GHz (mmWave) band was also issued. A snapshot of these 5G trials and experiments is available on the Arcep website.

- **5G: open trial platforms**

In January 2019, the Government and Arcep issued a call for the creation of 5G trial platforms in the 26 GHz band (aka millimetre wave bands) which are open to third parties. Their aim: to enable all of the market's stakeholders to seize the opportunities being opened up by this frequency band, and to identify new 5G use cases enabled by these frequencies. More than a dozen projects answered the call to create trial platforms: in addition to veteran telecommunication sector players, projects were also submitted by the logistics, smart city, mobility and sporting event coverage sectors.

Arcep's 2019 milestones on the three new forms of regulatory intervention identified in the strategic roadmap:

1. *Building data-driven regulation*

After having launched its "Mon réseau mobile" (My mobile network) map-based site – supplying users with information on the coverage and quality of service that each operator provides across the country – and its "J'alerte l'Arcep" reporting platform, Arcep continues to deepen its commitment to data-driven regulation with the launch of the beta version of "Ma connexion internet" (My internet connection) which allows users to see all of the connection speeds, technologies and operators available at any address in France. A tool designed to deliver transparency on deployments, the purpose of "Ma connexion internet" is to enable users, both consumers and local authorities, to make informed choices. By providing clear information on the current availability of networks and services, as well as a running progress report on rollouts, it allows local authorities to establish accurate diagnoses, and helps them define and update their digital strategies.

2. Co-constructing regulation

Users, operators, enterprises and start-ups, local authorities, the parties involved in testing and measuring fixed and mobile quality of service, the economy's vertical industry players: Arcep has worked to develop **forums for dialogue** with each, to obtain feedback from all and so work together on constructing regulation. The "Smart Territories" workshops in particular give Arcep an opportunity to take the pulse of local authorities' needs on a regular basis. The "Peer Review" performed with its European counterparts on 5G frequency award mechanisms offered a chance to compare national approaches and experiences. The ongoing dialogue with France's other regulatory authorities (Competition Authority, AMF, Arafer, CRE, CNIL, and CSA) resulted in the publication of a brief on a common approach to "data-driven regulation," and a working document on their role in and tools available to tackle environmental issues. In 2020, Arcep and broadcasting authority CSA will be developing new forms of collaboration within a division that is common to the two institutions, and will publish joint studies. Lastly, to open a new chapter in regulation, one which incorporates environmental concerns, in 2020 Arcep launched the **"Achieving digital sustainability" collaboration platform:** a new forum for co-constructing regulation with stakeholders from civil society who are concerned about the environmental impact of digital technology.

3. Serving as a neutral expert in digital and postal affairs

A neutral expert in service to Parliament, the Government and public debate, Arcep issued 32 opinions this year, of which 19 were made public. In 2019, Arcep issued a series of opinions on those areas in France that are covered by calls for expressions of interest for local projects (called "zones AMEL"), on the Audiovisual Act, and on the net cost of postal distribution (the three key opinions focused on in the report).

A three-volume annual report: three facets of Arcep's actions

For the fourth year in a row, and in accordance with the Independent Authorities Act (*Loi sur les Autorités administratives indépendantes*, AAI) adopted in January 2017, Arcep is publishing its annual report in three volumes:

Volume 1 "Arcep and regulated markets" provides and update on Arcep's responsibilities, and the actions and decisions carried out in 2019. It also details Arcep's European and international activities, which have contributed to the building of Europe and the promotion of French telecoms regulation.

Volume 2 "Regulation in support of smart territories" is devoted to Arcep's actions in support of regional connectivity. This document is addressed to elected officials, local authority and operator representatives, and was published on 10 April 2020. The annual press conference with the regions, which was scheduled for 1 April 2020, was unable to be held this year. Instead, to mark the report's release, a video chat was held between Arcep Chair, Sébastien Soriano, and Senator and President of Avicca (the national association of cities and local authorities for electronic communications and media), Patrick Chaize.

Volume 3 "The State of the Internet in France" complies with European Open Internet Regulation which requires Arcep, and all national regulatory authorities, to publish an annual report on their net neutrality audits and their findings. This report also complies with the obligation set out in the Independent Authorities Act for Arcep to include "*issues relating to neutrality and the use of IPv6 addressing technologies*" in its annual report. Published on 25 June 2020, it was presented to the media and digital ecosystem experts at a dedicated press conference. It includes, for the first time, a chapter devoted to incorporating environmental issues into regulation.

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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