

Press release

MOBILE NETWORK SHARING

Roaming agreement between Free Mobile and Orange extended to 2025: Arcep informs the sector and examines the contractual amendment

Paris, 7 September 2022

Free Mobile has been relying on nationwide roaming on Orange's 2G and 3G networks 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 2022. On 27 July 2022, Arcep received a new contractual amendment extending this roaming agreement for an additional three years, i.e. up to 31 December 2025.

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.

The agreement was amended in 2016, following a proactive intervention by Arcep: Free Mobile and Orange agree on a trajectory 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 mobile 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 incrementally 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, extending the sunset period on roaming by two years

In February 2020, Free Mobile and Orange signed a contractual amendment that extended the sunset period for Free Mobile's access to nationwide roaming on Orange's 2G and 3G networks up to 31 December 2022, while maintaining the cap on roaming customers' maximum upstream and downstream speeds at 384 kbit/s.

Having observed, on the one hand, a steady decrease in the volume and proportion of Free Mobile traffic being routed via 2G/3G roaming and, on the other, the operator's ongoing active investment in its own 3G/4G/5G network, after an in-depth investigation and a request for comments, the Authority had concluded that it did not appear necessary to request that Free Mobile and Orange make any changes to their agreement.

In July 2022, a new contractual amendment was sent to Arcep: it extends the sunset period on roaming by an additional three years

On 27 July 2022, Arcep received a new amendment to the roaming agreement between Free Mobile and Orange.

Signed that same day, 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 2025.

And specifically:

- The technical terms for the gradual switch-off of the roaming service are extended to 31 December 2025:
 - o Capping the upstream and downstream speeds available to Free Mobile's roaming customers at 384 Kbits in 2023, 2024 and 2025;
 - 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 2023 – 2025. They include an extension of the financial mechanism whose purpose is to encourage "a reduction in the number of Free Mobile customers who are using Orange's 2G/3G network".

According to the parties, this extension "takes into consideration the shutdown of the Orange 2G network in France at the end of 2025, which was announced in a press release on 1 March 2022, and continues to abide by the contractual framework approved by Arcep, notably with the supply of low-speed 2G/3G roaming, conditions that factor in the future decrease in roaming traffic and a pricing mechanism that continues to create an incentive to reduce the number of Free Mobile customers using the Orange 2G/3G network".

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 07/10/2022 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

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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