

Press release

FIXED MARKET REGULATION

Rates for accessing Orange local loop civil engineering: Arcep consults the sector on a draft decision that modifies existing rules

Paris. 21 June 2023

Access to existing civil engineering infrastructures (underground ducts, overhead supports) plays a central role in superfast fibre optic network deployments, whether as part of public-initiative networks in less densely populated areas, or by private operators in the country's most densely populated areas. Today, Arcep is launching a public consultation on the rates for accessing Orange local loop civil engineering.

Given that, in the first quarter of 2023, just over 80% of premises in Metropolitan France were passed for fibre access¹, Arcep is planning to amend its Decision that defines the economic terms and conditions governing access to Orange local loop civil engineering infrastructures which have been in effect since 2017².

During the public consultation of 20 February 2023 on the analysis of the market for access to civil engineering infrastructures³, Arcep stipulated that a "public consultation would be launched in the coming weeks on the specific rules for introducing changes" to the cost allocation method between Orange copper and fibre civil engineering.

This consultation plans for the following changes:

- starting with 2024 prices, which will come into effect on 1 March 2024, the civil engineering costs of the Orange local loop will be allocated between copper and fibre, pro-rated by the provisional number of active access lines as of 30 June of year x (and no longer pro-rated by the number of access lines recorded at the end of year x-2);
- the obligation for other operators to provide provisional data on the volume of fibre optic cables and the size of shared access point service areas will be eliminated;
- provisional data on the volume of fibre optic cables, and the size of shared access point service areas will heretofore be determined by Arcep to streamline the administrative process;
- the total number of provisional active access lines, required for the allocation of Orange local loop civil engineering costs between copper and fibre, will also be determined by Arcep.

These changes reflect the progress being made in fibre rollouts, which enable Arcep to make sufficiently reliable forecasts of volumes, of the total size of shared access point service areas and active access line numbers.

The public consultation on these new rules will run until 21 July 2023.

To coincide with the launch of this public consultation, Arcep is publishing an updated version of the tool for forecasting provisional Orange local loop civil engineering costs.

¹ Arcep Broadband and superfast broadband Observatory: https://www.arcep.fr/cartes-et-donnees/nos-publicationschiffrees/observatoire-des-abonnements-et-deploiements-du-haut-et-tres-haut-debit/derniers-chiffres.html

² Arcep Decision No. 2017-1488 of 14 December 2017 defining the economic terms and conditions governing access to Orange local loop civil engineering infrastructures

³ Press release of 20 February 2023

An update of the provisional chronicle of the evolution of Orange annual civil engineering costs is also being published today – providing different scenarios, following the feedback received from operators during the public consultation of 20 February 2023⁴.

Associated documents:

- The public consultation
- <u>a provisional chronicle of Orange annual civil engineering costs, in base 100</u> (xlsx 27 Ko)

Rates for accessing Orange local loop civil engineering: the regulatory framework

The civil engineering market analysis Decision⁵ stipulates that Orange will provide civil engineering infrastructure solutions for the deployment of local loop and backhaul networks at cost-based prices. It also stipulates that the rules for implementing this obligation are set forth in <u>Arcep Decision No. 2017-1488 of 14</u> <u>December 2017</u> and that this Decision can be modified as needed.

This Decision No. 2017-1488 specifies the rules for pricing access to Orange local loop civil engineering. In particular, it provides for an allocation of Orange local loop civil engineering costs between copper and fibre that is proportionate to the number of active access lines using the two technologies. It also stipulates the mechanism for setting two prices, one applicable to shared rollouts and the other to single party (non-shared) rollouts. Lastly, it provides for the annual collection of data from Orange and client operators to make it possible to determine these prices.

In a public consultation launched on 21 June 2023, Arcep proposed updating this Decision.

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.

⁴ Press release of 20 February 2023

⁵ Arcep Decision No. 2020 1445 of 15 December 2020

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