

Press release

MOBILE NETWORK SHARING

Changes to the sharing agreement between Bouygues Telecom and SFR: Arcep concludes that no modification of the amendments is required

Paris, 20 July 2023

Three new amendments to the sharing agreement were submitted to Arcep in January 2023; in particular, they extend the sharing agreement to include 5G and incorporate new cell sites into the shared network

On 23 January 2023, Arcep received three new amendments to the sharing agreement which, once in force, will mean:

- that network sharing, which does not include frequency sharing, initially implemented for 2G, 3G and 4G technologies, will be extended to include 5G. The technical, operational and financial terms governing shared 5G network operation are set out in detail;
- a planned new increase in the shared network's density, with the addition of new cell sites. The geographical scope remains unchanged.

Subsequently, in a press release dated 27 April 2023¹ Arcep informed market stakeholders of the existence of these amendments, and invited them to comment by 26 May 2023. Arcep did not receive a single contribution in response.

By Law, Arcep is authorised to request that mobile operators amend their mobile network sharing agreements whenever it appears "necessary to meet regulatory objectives set forth in Article L. 32-1 or to fulfil the commitments written into licences to use radio frequencies"2. To this end, on 25 May 2016 Arcep published a set of guidelines for assessing network sharing agreements. They provided the framework for the Authority's examination of the amendments submitted by the firms Bouygues Telecom and SFR, after which Arcep began an adversarial phase with Bouygues Telecom and SFR, which is protected by business secrecy.

After an in-depth examination, Arcep concluded that it does not appear necessary to request that Bouyques Telecom and SFR modify their agreement

Arcep concluded that, as modified by the amendments, the performance of this agreement is not likely to create an obstacle to achieving the regulatory objectives set out in CPCE Article L. 32-1, particularly those of safeguarding fair and effective competition for the benefit of users, the development of investment, innovation and competitiveness in the electronic communication sector, as well as regional development and interests. In particular, the addition of 5G technology and the reassessment of deployment objectives for new cell sites on the shared network help to satisfy the quality of service requirements fuelled by ongoing advances in mobile services and new generation network coverage needs.

If applicable, the Authority will examine any new changes to this agreement, with respect to regulatory objectives.

Associated document:

- Arcep press release of 27 April 2023

¹ Arcep press release: <u>https://en.arcep.fr/news/press-releases/view/n/mobile-network-sharing-270423.html</u>

² 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.

Regulatory objectives, mobile network sharing agreements between Bouygues Telecom and SFR and previous amendments

Since August 2015, Arcep has had the power to request that mobile operators amend their network sharing agreements⁽³⁾ whenever it appears necessary to meet regulatory objectives⁽⁴⁾. To provide the sector with clarity on the exercise of this newfound power, Arcep published a set of <u>guidelines⁽⁵⁾</u> on 25 May 2016 that set out an analytical framework for assessing network sharing agreements, and called on operators to take them into account.

As a result, Bouygues Telecom and SFR amended their **agreement in 2016** to include a trajectory for gradually putting an end to 4G roaming, by the end of 2018.

In **February 2020**, Bouygues Telecom and SFR sent Arcep **an amendment** to their network sharing agreement. The aim of this amendment was to establish design, selection and deployment rules for the new 2G, 3G and 4G cell sites being shared in the geographical area covered by the agreement, in particular with a view to meeting their regulatory obligations under the New Deal for Mobile. The rules and terms of mobile network sharing set out in the initial agreement continue to apply to these new sites as well. They also remain unchanged for existing sites contained within the scope of the agreement.

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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⁽³⁾ 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.

⁽⁴⁾ Mentioned in Article L. 32-1 of the French Postal and Electronic Communications Code

⁽⁵⁾ https://www.arcep.fr/uploads/tx_gspublication/2016-05-25-partage-reseaux-mobiles-lignes-directrices.pdf