

Press release

### FREQUENCIES - FRENCH OVERSEAS TERRITORIES

# 900 MHz band frequency assignments in Réunion: Arcep invites interested stakeholders to submit a tender package

21 September 2023

The call for applications for the award of frequencies in the 900 MHz band in Réunion, along with the Orders launching the awards procedure, were published the 20<sup>th</sup> September 2023 in the *Journal officiel*. The deadline for submitting tender dossiers with Arcep has been set **at 12 pm Paris time**, **on 5 December 2023**.

Any requests for additional information on the procedure must be sent to Arcep by 7 November 2023 at the latest.

In the territory of Réunion, a 5 MHz pair of duplex frequencies is currently available for assignment in the 900 MHz band. An additional 30 MHz pair of duplex frequencies will become available in this band on 1 May 2025. The assignment procedure for all of these frequencies in Réunion thus seeks to provide the sector's different stakeholders with clarity on the future of these frequencies.

The assignment conditions and procedures align with the guidelines set forth by the Government. These guidelines seek to promote regional digital development and to ensure fair and effective competition in Réunion. In particular, these conditions and procedures include an obligation to provide mobile coverage and connectivity onboard vehicles on motorways and the major routes across the territory of Réunion.

As stipulated in the provisional timetable provided below, Arcep plans for the procedures to be completed by the end of Q2 2024, after which it will award the licences to use frequencies to the winning candidates.

### **Associated documents**

- Arcep Decision No. 2023-1213 of 6 June 2023 proposing to the Minister responsible for Electronic Communications the procedures and conditions for the assignment of frequencies in the 900 MHz band in Réunion to establish and operate a public mobile radio network
- Order of 19 September 2023 regarding the procedures and conditions for awarding licences to use frequencies in the 900 MHz band in Réunion to establish and operate a public mobile radio network
- Decree No. 2023-884 of 19 September 2023 amending Decree No. 2007-1532 of 24 October 2007 (amended) regarding the radio frequency licencing fees to be paid by the holders of frequency licences awarded by the Regulatory Authority for Electronic Communications, Postal Affairs and Print Media Distribution (Arcep)
- Arcep Opinion No. 2023-1212 of 6 June 2023 on the draft Decree amending Decree No. 2007-1532 of 24
  October 2007 (amended) and on the draft Orders permitting the launch of the procedure for assigning frequencies in the 900 MHz band in Réunion
- <u>Stakeholders' contributions to the public consultation that Arcep held from 5 January 2023 to 3 March 2023</u> on the draft annexes to the <u>Decisions proposing procedures</u> for assigning frequencies in the 900 MHz <u>band in Réunion</u>

# **ANNEX 1**

### **Provisional timetable**

See Part II.1 of the call for applications for a more detailed provisional timetable



- The Government issues the call for applications. Applicants prepare their tender package, in which they include all of the information specified in the call document.
- Potential candidates can send Arcep requests for additional information on the frequency assignment procedure up to four weeks prior to the application submission deadline of 7 November 2023. Arcep will publish all of its answers on its website.
- Applicants submit their tender packages to Arcep.
- Arcep publishes the list of candidates who have submitted an application.



# 5 December 2023

- · Arcep examines the candidates' applications.
- Arcep publishes the list of the qualified candidates authorised to participate in the auction stages.



# January 2024

- The qualified candidates participate in the principal auction procedure set forth in the call for applications.
- Once the auction is complete, Arcep publishes the amount of spectrum assigned to each winning bidder.



Approx. six to nine

### March 2024

- After consulting with the affected operators, Arcep determines the positioning of the frequencies awarded up to 30 April 2025, and the frequencies awarded from 1 May 2025.
- If a choice needs to be made between multiple possible positionings for the frequencies awarded from 1 May 2025, the winning candidates will participate in the positioning auction set out in the call for applications.
- Once this phase is complete, Arcep publishes the positioning of the frequencies assigned to each winning candidate.

# Q2 2024

Frequency licence awards Around three weeks

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 Arcep prepares, adopts and awards to the winning bidders licences to use frequencies in the 900 MHz band in Réunion.

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# **ANNEX 2**

# Procedure and conditions for assigning frequencies in the 900 MHz band in Réunion

### 1. Assignment procedure goals

The Government informed the regulator of the goals that must underpin the specifications for the assignment of 900 MHz band spectrum:

- Regional digital development, notably to strengthen mobile coverage onboard vehicles on motorways and major routes;
- **Safeguarding fair and effective competition** in the Réunion market, and a procedure that creates the ability to limit imbalances in the different mobile operators' low-band spectrum holdings.

The award procedure and obligations contained in the specifications submitted to the Minister satisfy these objectives set by the Government.

### 2. Assignment procedure and conditions

### Procedure for assigning 900 MHz band frequencies in Réunion

The assignment procedures pertain to the 35 MHz pair of duplex frequencies in the 900 MHz band, of which 5 MHz are currently available, and the remaining 30 MHz pair of duplex frequencies that will become available in this band on 1 May 2025. The purpose of this procedure is to determine the winning candidates, the amount of spectrum each one is awarded, and their specific frequency position in the band, both for currently available frequencies and those that will become so on 1 May 2025. All of these winning candidates will be subject to obligations once their frequency licences are awarded at the outcome of the procedure.

First part: principal auction for the frequencies that will become available as of 1 May 2025

An auction is held to assign the 35 MHz in the 900 MHz band that will become available in Réunion as of 1 May 2025. This will be a single-round, sealed bid, second-price combinatorial auction for seven 5 MHz blocks of paired spectrum. The candidates indicate the maximum number of blocks they want and the amount they will commit to pay for each number of possible blocks, within the authorised amount of spectrum described in Part 2.1.4.

Arcep will then determine the value of each of the valid award combinations. The value of a combination is the sum of the amounts bid by the candidates for the number of blocks they obtain under this combination.

The combination with the highest value is the winning combination.

Lastly, Arcep will determine the amount due from each candidate. This is the minimum amount that the candidate must have bid for the chosen winning combination.

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### Second part: assignment of the frequencies available up to 30 April 2025

Once the principal auction for 900 MHz band spectrum is complete, Arcep will determine the winning candidate(s) for those frequencies (i.e. 5 MHz paired) that are already available in the 900 MHz band.

First, the spectrum resources that are available up to 30 April 2025 will be assigned up to that date to the candidate(s) that have less than 10 MHz (paired) in the 900 MHz band on the deadline for submitting tender packages, enabling them to obtain spectrum holdings up to that cap of 10 MHz (paired), within the quantities of available spectrum and up to the authorised caps detailed in part 2.1.4.

If applicable, should there continue to be remaining frequencies in the 900 MHz band that are available up to 30 April 2025, they will be assigned to the candidate(s) that have less than 10 MHz (paired) in that band on the deadline for submitting tender packages, up to that cap of 10 MHz (paired), within the quantities of available spectrum and up to the authorised caps detailed in part 2.1.4.

Finally, should there still be 900 MHz band frequencies available up to 30 April 2025 that remain unassigned after the completion of the stage described in the previous paragraph, these remaining spectrum resources will be assigned to the candidates with the smallest holdings in this band on the deadline for submitting tender packages, up to the cap set for the 900 MHz band, within the quantities of available spectrum and up to the authorised caps detailed in part 2.1.4.

At every stage along the way, if two or more candidates are likely to obtain 900 MHz band frequencies in accordance with the rules described in the three previous paragraphs and in Part 2.1.4, and if the quantity of remaining frequencies available is not enough for each of these winning candidates to reach, respectively, 5 MHz, 10 MHz or the cap set for the 900 MHz band, the remaining available frequencies will be assigned up to 30 April 2025, in the order of the candidates with the smallest holdings in the 900 MHz band, taking into account, in applicable, the frequencies assigned through the procedures described in the three previous paragraphs, and up to reaching, respectively, 5 MHz, 10 MHz or the cap set for the 900 MHz band. If two or more candidates have the same amount of spectrum, the remaining available frequencies will be assigned in equal portions to each of the candidates, until all have been assigned.

### Third part: positioning phase

Once the amount of spectrum assigned to each winner is known, there are multiple potential frequency position combinations.

Regarding the frequencies available up to 30 April 2025, the position of the assigned frequencies is determined by Arcep after having consulted with the affected operators. In the situation where the chosen positioning requires a rearrangement of spectrum that has already been assigned to one or several operators, Arcep has provided for a transitional stage, to facilitate the implementation of this rearrangement, of a maximum 45 days after the frequency licences have been awarded.

Regarding the frequencies that will become available as of 1 May 2025, the position of the assigned frequencies is determined by Arcep after having consulted with the affected operators. The process of determining this positioning in the 900 MHz band factors in the frequencies that the winning candidates obtained through the principal auction, and the way the band is arranged up to 30 April 2025. If a choice needs to be made between multiple possible positionings after this consultation process is complete, a single-round second-price auction will be held to determine each winning candidate's position.

### Capping the amount of spectrum the candidates can obtain

Arcep plans on setting a cap on the total amount of spectrum any one applicant can obtain in the 900 MHz band, which is compatible with Government's objective of fostering a competitive marketplace:

- a planned maximum of 12.5 MHz (paired) in the 900 MHz band;
- a planned maximum of 30 MHz (paired) for the combined amount of spectrum held in the 700 MHz, 800 MHz and 900 MHz bands.



### Planned obligations for the winning applicants for 900 MHz band spectrum

The procedure stipulates that every candidate that is assigned frequencies in the 900 MHz band in Réunion will be subject to obligations:

- An obligation to provide effective coverage from their mobile network cell sites using 900 MHz band frequencies;
- An obligation to provide onboard coverage for vehicles on motorways and the main routes in Réunion, by 1 May 2028 at the latest.

### Licence duration and rendez-vous clause

The licences to use frequencies that are awarded will be valid up to 23 May 2037. The procedures provide for a possible 5-year extension.

In addition, an interim review is set to occur before 2030 to verify operators' fulfilment of their obligations, and take stock of market requirements, notably in the areas of mobile network coverage and quality of service. Obligations could be revised based on the findings of these reviews, after having reached an agreement with the licence-holder.

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