Press release

OPTICAL FIBRE

Arcep imposes penalties on Orange for failing to meet the first deadline of its "AMII area" rollout commitments

Paris, 8 November 2023

In 2018, Orange made a series of legally binding commitments to provide fibre to the home (FttH) coverage in around 3,000 municipalities in France where the Government had issued a call for investment letters of intent (called "zones AMII" in French). On 31 December 2020¹, which was the first deadline set for these commitments, 100% of residential and commercial buildings were to have been passed for fibre or made eligible for fibre access upon request, with a maximum 8% of these residential and business premises being eligible for fibre upon request (except for those premises for which a refusal was made by the concerned owners or co-owners).

Having ascertained the failure to comply with the first of its "zones AMII" fibre rollout commitment deadlines, Arcep's Restricted (aka Sanctioning) Body imposed a financial penalty of 26 million euros on Orange

The Restricted Body concluded that Orange's failure to meet the first deadline of its commitments, for which it had earlier been issued a notice to comply, is particularly serious in that it jeopardises territories' interests and regional digital development, and undermines end users' ability to access the networks.

Reminder of the steps of the procedure

Following a referral from the Secretary of State for Digital Affairs and Electronic Communications, and at the outcome of an investigation into the merits of Article L. 36-11 of the French Postal and Electronic Communications Code (CPCE), the Arcep body responsible for settling disputes, legal proceedings and investigations (RDPI) had ascertained that Orange had missed the first deadline stipulated in its commitments, and on 17 March 2022 had issued the operator with a formal notice to comply with those commitments by 30 September 2022².

Orange had contested this Decision to the Conseil d'État (France's highest commercial court) in an appeal dated 24 May 2022. The Conseil d'État had rejected this appeal and upheld Arcep's Decision of formal notice in a ruling dated 21 April 2023³.

Following the Conseil d'État Decision, on 6 July 2023 Arcep's "RDPI" body ascertained that Orange had failed to comply with the Decision of formal notice. It therefore notified its complaints to the operator and forwarded the dossier to the Arcep Restricted Body responsible for ruling on penalties.

The penalty decision was made by the Arcep Restricted Body after Orange was given the opportunity to view the investigation file and to present written remarks. A hearing, during which Orange was heard, was also held on 18 October 2023.

The financial penalty imposed on Orange was decided at the outcome of an adversarial proceeding.

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¹ Deadline postponed to 14 April 2021 pursuant to <u>Order No. 2020-306 of 25 March 2020 on prolonging deadlines</u> expired during the Covid-19 crisis and adapting procedures during this same period

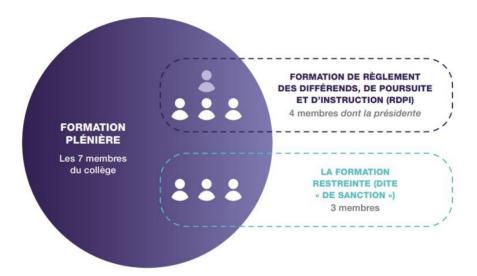
² Arcep RDPI Decision No. 2022-0573-RDPI of 17 March 2022 issuing Orange with a formal notice to comply with the commitments it made, pursuant to CPCE Article L. 33-13 and accepted by the Decree of 26 July 2018

³ Arcep press release of 24 April 2023: "Preliminary ruling on constitutionality raised by Orange"

The full Decision will be published in the coming weeks, with due consideration to legally protected secrets.

Arcep's power to impose penalties exercised by two distinct Executive Board bodies

The Arcep Executive Board exercises three different competencies through three distinct bodies. In particular, one body is responsible for settling disputes, legal proceedings and investigations (RDPI), while the Restricted Body is responsible for deciding whether to impose penalties.



Arcep's power to impose penalties is exercised in accordance with the terms set out in CPCE Article L.36-11.

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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