
Press release

FREQUENCIES – FRENCH OVERSEAS TERRITORIES

Arcep launches a public consultation on the terms and procedure for awarding frequencies in the 900 MHz band in Réunion

Paris, 5 January 2023

On 5 January 2023, Arcep launched a public consultation on the draft procedures for awarding 900 MHz band frequencies in Réunion. Stakeholders have until 3 March 2023 to submit their contributions.

The draft procedure being published for consultation concerns both the immediate award of available frequencies and the award of frequencies that will become available in 2025

In the territory of Réunion, in the 900 MHz band, a 5 MHz pair of duplex frequencies is currently available for assignment. Licences to use these frequencies awarded by Arcep will all expire on 30 April 2025, as a result of which an additional 29.8 MHz pair of duplex frequencies will become available in this band on 1 May 2025.

Regional digital development provisions for Réunion

The planned assignment conditions and procedures align with the guidelines set forth by the Government in a letter dated 21 December 2022, written by Jean-Noël Barrot, Secretary of State for the Digital Transition and Electronic Communications. These guidelines seek to promote regional digital development and to ensure fair and effective competition in Réunion. In particular, these conditions and procedures include a series of provisions designed to improve mobile coverage and connectivity onboard vehicles on motorways and the major routes across the territory of Réunion.

Contributions to the public consultations will enable Arcep to finalise these award procedures. Arcep will then submit its final text to the Government, with a view to conducting these award procedures in 2023.

The media kit attached to this press release contains a summary of the main assignment and procedural stipulations.

Associated documents:

[The public consultation](#)

[Responses to the public consultation “Award of 900 MHz band frequencies in Réunion” launched on 24 March 2022](#)

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.

Procedure and conditions for assigning frequencies in the 900 MHz band in Réunion: publication of draft decisions for the purpose of consultation

On 5 January 2023, Arcep launched a **public consultation** on the draft procedures and conditions for the assignment of frequencies in the 900 MHz band in Réunion. Stakeholders have until 3 March 2023 to submit their contributions, which will enable Arcep to finalise these award procedures and conditions, and subsequently submit a proposal to the Government in the following weeks.

1. Objectives set for the assignment of 900 MHz band frequencies in Réunion

1.1 Assignment objectives

In a letter dated 21 December 2022, 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 by limiting imbalances in the different mobile operators' low-band spectrum holdings.

The award procedure and planned obligations contained in the draft document being published today for consultation satisfy these objectives set by the Government.

1.2 Planned assignment procedures

The draft procedures being published for consultation today are for the assignment of **spectrum in the 900 MHz band, and specifically the 5 MHz pair of duplex frequencies that is currently available, and the additional 29.8 MHz pair of duplex frequencies will become available in this band on 1 May 2025, i.e. a total 34.8MHz.**

The purpose of this procedure is to determine the winning candidates, the amount of spectrum each one is awarded, and their specific frequency position.

a) Capping the quantity of frequencies that candidates can obtain through the procedure

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.** However, in a situation where the combined maximum demand from all the candidates does not make it possible to award all of the available blocks, this cap will be increased to 15 MHz;
- **a planned maximum of 30 MHz (paired) for the combined amount of spectrum held in the 700 MHz, 800 MHz and 900 MHz bands.**

b) **First part:** auction enabling each operator to acquire frequencies as of 1 May 2025

An auction will be held to assign the frequencies in the 900 MHz band that will be available as of 1 May 2025. The Auction will be for the **four following blocks**:

Block	Amount of spectrum in the block
Block 1	10 MHz
Block 2	10 MHz
Block 3	9.8 MHz
Block 4	5 MHz

This will be a single-round second-price combinatorial auction. The candidates indicate the amount they commit to pay for each number of possible blocks or, when applicable, the possible combination of blocks, within the authorised amount of spectrum described in Part 2.a).

Arcep will then determine the value of each of the valid award combinations. If there are four candidates, A, B, C and D, and candidates A and B both want block 1 or block 2, and candidates C and D want block 3 or block 4, the valid combinations are as follows:

- Combination 1: Block 1 for A, block 2 for B, block 3 for C, block 4 for D;
- Combination 2: Block 1 for A, block 2 for B, block 3 for D, block 4 for C;
- Combination 3: Block 1 for B, block 2 for A, block 3 for C, block 4 for D;
- Combination 4: Block 1 for B, block 2 for A, block 3 for D, block 4 for C;

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.

c) **Second part: assignment of the 5 MHz pair of duplex frequencies available up to 30 April 2025**

A 5 MHz pair of duplex frequencies is already available to be assigned. The assignment of this spectrum takes into consideration the rules set out in Part 2.a).

The planned procedure, designed to ensure efficient use and management of the frequency resources, stipulates:

- First, frequencies will be assigned to the candidates that have less than 5 MHz (paired) in the 900 MHz band, up to this cap and within the quantities of available spectrum.
- If applicable, should there be remaining frequencies available in the 900 MHz band, they will be assigned to the candidates that have less than 10 MHz (paired) in the 900 MHz band, up to this cap and within the quantities of available spectrum.
- Finally, if applicable, should there still be remaining frequencies available in the 900 MHz band, they will be assigned to the candidates with the smallest holdings in this band, up to the cap set for the 900 MHz band.

If two or more candidates are likely to obtain 900 MHz band frequencies in accordance with the above-cited criteria, and if the quantity of remaining frequencies available is insufficient, 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.

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.

Regarding the position of the frequencies in the 900 MHz band, Arcep is proposing one or several arrangements for the band (including those involving other operators that are not candidates). The affected operators are invited to comment on the proposed arrangements, after which Arcep will set the final arrangement accordingly.

The 5 MHz (pair) that is already available will thus be assigned up to 30 April 2025, to align expiry dates with those of existing licences to use frequencies in the 900 MHz band.

d) **Third Part: Positioning auction for frequencies assigned as of 1 May 2025**

Once the amount of spectrum assigned to each winner is known, there are multiple potential frequency position combinations. A new (single-round, second highest bid) auction will be held to determine each of the winning candidates' positions. They will thus have an opportunity to express their frequency position preferences.

e) **Planned obligations for the winning applicants for 900 MHz band spectrum**

The draft procedure being presented today stipulates that every candidate that is assigned frequencies in the 900 MHz band will be subject to two, mainly coverage-centric obligations:

- An obligation to provide effective coverage using 900 MHz band frequencies within 24 months of the release of all or a part of the frequencies assigned in the 900 MHz band;
- An obligation to provide onboard coverage for vehicles on motorways and the main routes: the licenceholder will be required to provide superfast mobile access and mobile phone services that are accessible onboard vehicles travelling on motorways and the main routes in Réunion, by 1 May 2028 at the latest.

1.3 3. Licence duration and rendez-vous clause

The frequencies will be assigned 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' implementation 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.

The draft procedures are being published today for a public consultation that will run until 5 March 2023. Any stakeholder that so desires can view these procedures on the Arcep website, and submit their contributions to the Authority.