



# ARCEP

## The French electronic communications and postal sector regulator

### Prepare and assist the process of opening the market to competition

The French Postal and electronic communications authority (ARCEP) was created by the Law of 26 July 1996 **to prepare and assist in opening the sector to competition** and ensure the provision and financing of universal telecommunications services. The 20 May 2005 law on the regulation of postal services extended ARCEP's authority to the postal sector. In 2010, these markets represented close to €60 billion.

**Opening** initially monopolistic sectors to competition **requires regulation**, specifically when there are significant barriers to entering the market; and measures to create a sustainable market must be implemented, while **ensuring a balance between consumer satisfaction**, particularly through price decreases, and **long-term development of production and jobs**, via investment and innovation.

### ARCEP is an independent administrative authority and an integral part of the State

ARCEP ensures regulation of the electronic communications and postal sectors on behalf of the State and under the supervision of Parliament and the judiciary. **Its independence vis-à-vis the Government** results from EU texts and the need to distinguish, within the State, between government shareholding and tutelage over companies that are partially or entirely public (France Telecom, La Poste) and the role of **neutral regulator vis-à-vis the various operators**.

In **adhering to the principles of neutrality, impartiality, continuity, and efficiency**, ARCEP ensures the implementation of the universal service, imposes requirements upon operators that enjoy significant market power (SMP) as determined by market analyses, participates in defining the regulatory framework, allocates scarce resources (radio frequencies and numbers), has the power to impose penalties and resolves disputes, and delivers authorisations for postal activities.

### As any regulatory authority, ARCEP both polices and acts as a catalyst in the markets it oversees

#### The Executive Board

First row, left to right:

**Joëlle Toledano, Jean-Ludovic Silicani, Chairman, Marie-Laure Denis, Jérôme Coutant, Nicolas Curien, Denis Rapone and Daniel-Georges Courtois.**

ARCEP decisions are issued by a seven-member Executive Board, chaired by Jean-Ludovic Silicani. The Chairman also has authority over the ARCEP departments (with 160 employees) managed by Director-General Philippe Distler.



# ARCEP, the French electronic

## MAIN OBJECTIVES

### To provide ultra high-speed fixed and mobile services to everyone

The deployment of fixed and mobile ultra high-speed electronic communications networks will **facilitate the development of new innovative services** and **constitute an essential lever for the competitiveness of businesses in France and the appeal of the different regions**. In accordance with the Law on modernising the economy and the Law on bridging the digital divide, ARCEP is working to define the framework for optical fibre rollouts across the country, and allocates frequencies, specifically those resulting from the digital dividend to be used for destined for the fourth generation ultra high-speed mobile telephony.



### To provide the consume with transparent, high-quality services at reasonable prices

In collaboration with other administrations, specifically those responsible for consumer protection, ARCEP ensures that **end users** – both individuals and businesses – **have access to quality electronic communications and postal services that are transparent in terms of both their content and price**. ARCEP actions to this end concern number portability, tariff supervision for added-value telephone services, and the publication of price and quality-of-service indicators.



### To ensure ubiquitous access to electronic communications and postal services

ARCEP ensures that all individuals and businesses have the **greatest possible access to electronic communications and postal services**. The Authority's objective is to ensure the proper coverage of every region, the implementation of support schemes, via social tariffs, and ensure access to services, specifically for disabled users.



### To prepare for opening the postal sector to competition

The February 9, 2009 law regarding the public company La Poste and postal activities stipulates that the postal market will be fully opened to competition on 1 January 2011. **ARCEP is assisting with this liberalisation process and is attentive to the conditions for providing universal service** at a time when

standard postal activity is decreasing. In late 2010, it implemented the system for processing customer complaints, provided for in the Law of 9 February 2010.

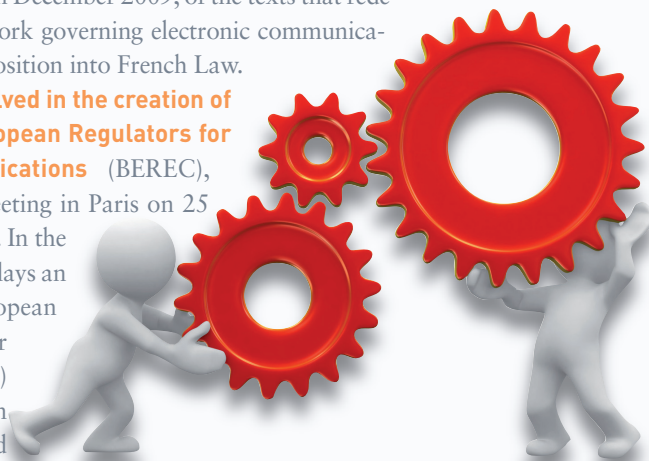
In addition to its regulatory prerogatives, Parliament has commissioned ARCEP to perform an annual assessment of the net cost of La Poste's required regional development obligation.



### To take an active role in defining and implementing the European Community framework

**In collaboration with the Government, ARCEP participates in defining and implementing the European Community framework**. This was specifically the case for the adoption, in December 2009, of the texts that redefined the legal framework governing electronic communications, and their transposition into French Law.

**ARCEP was also involved in the creation of the new Body of European Regulators for Electronic Communications (BEREC)**, which held its first meeting in Paris on 25 and 26 February 2010. In the postal sector, ARCEP plays an active role in the European Regulators Group for Postal Services (ERGP) which was created on 10 August 2010, and which ARCEP will chair in 2011.



## ARCEP'S ACTION PROCEDURES

### To listen and explain

**ARCEP has ongoing in-depth discussions with the sector's stakeholders** (operators, equipment manufacturers, other State administrations, local authorities, and consumer associations), though public consultations (21 in 2010) and advisory committees created by ARCEP (Consumer Committee, Interconnection and Access Committee, forums for discussions between ARCEP, local authorities and operators). ARCEP holds hearings through the Executive Board, as well as bilateral and multi-lateral technical meetings. The Chairman

and the members of the ARCEP Board are regularly called on to address Parliament. And the Authority frequently meets with stakeholders in the field and initiates trials with them.

In addition to its annual report, **ARCEP is also regularly asked to produce reports for Parliament or the Government** which, in 2010 included reports on the application of the Chatel Act and increasing bandwidth on existing networks.

ARCEP allows the players to express their views in the main articles of its quarterly

publication, **"Cahiers de l'ARCEP,"** whose recent issues have been devoted to topics such as the new challenges brought by the internet, sustainable development and the postal service. The Authority has also been sending out a weekly e-newsletter since September 2010.

**Moreover, ARCEP can act as a mediator, either formally or informally, for elected officials and consumers who request it.** Lastly, the Authority has created a website dedicated entirely to consumers ([www.telecominfoconso.fr](http://www.telecominfoconso.fr)).



### Discuss and anticipate

**ARCEP** is at the centre of new discussions concerning the sectors under its Authority, and **performs forward-planning analyses** on their development, specifically through the Forward Planning Committee created in autumn 2009. In 2010, the Authority published 10 proposals and recommendations concerning internet and network neutrality, and will continue to work on this issue in 2011. Every year, ARCEP hosts an **international conference** which in 2011 was devoted to the theme of "Growth, innovation, regulation".

### Decide

**Finally, ARCEP issues decisions and opinions that are adopted at the Executive Board's bi-weekly meetings.** In 2010, 1,377 decisions and opinions were thus adopted, including the decisions and recommendations on fibre rollouts in high-density and more sparsely populated areas, issuing Free Mobile its licence to use 3G frequencies, and the award of the remaining 3G spectrum to Orange France and SFR.



# ARCEP

## The French electronic communications and postal sectors: key data

### Electronic communications sector

In France, revenues from **the digital economy are estimated to be €97 billion, or 5% of the GDP.**

Within this economy, **electronic communications services**, which specifically fall under the ARCEP's regulatory authority, **represent a turnover on the final market of nearly €45.1 billion, or 2.3% of the GDP.**

Electronic communications operators invest around **€6.5 billion euros per year and, in 2010, provided 125,000 direct jobs.**

This sector is experiencing a renewed vitality with the development of broadband and ultra-fast broadband services **(21.6 million subscribers at the end of 2010)** and mobile services, with a **100% coverage rate of the population.**

### Postal sector

**Postal sector** – including related distribution markets, such as express services – **represents a turnover of around €15 billion, which essentially corresponds (€13.7 billion) to the distribution of 19.4 billion items per year in France.**

This sector employs around **240,000 people** and invests **over €750 million a year.**

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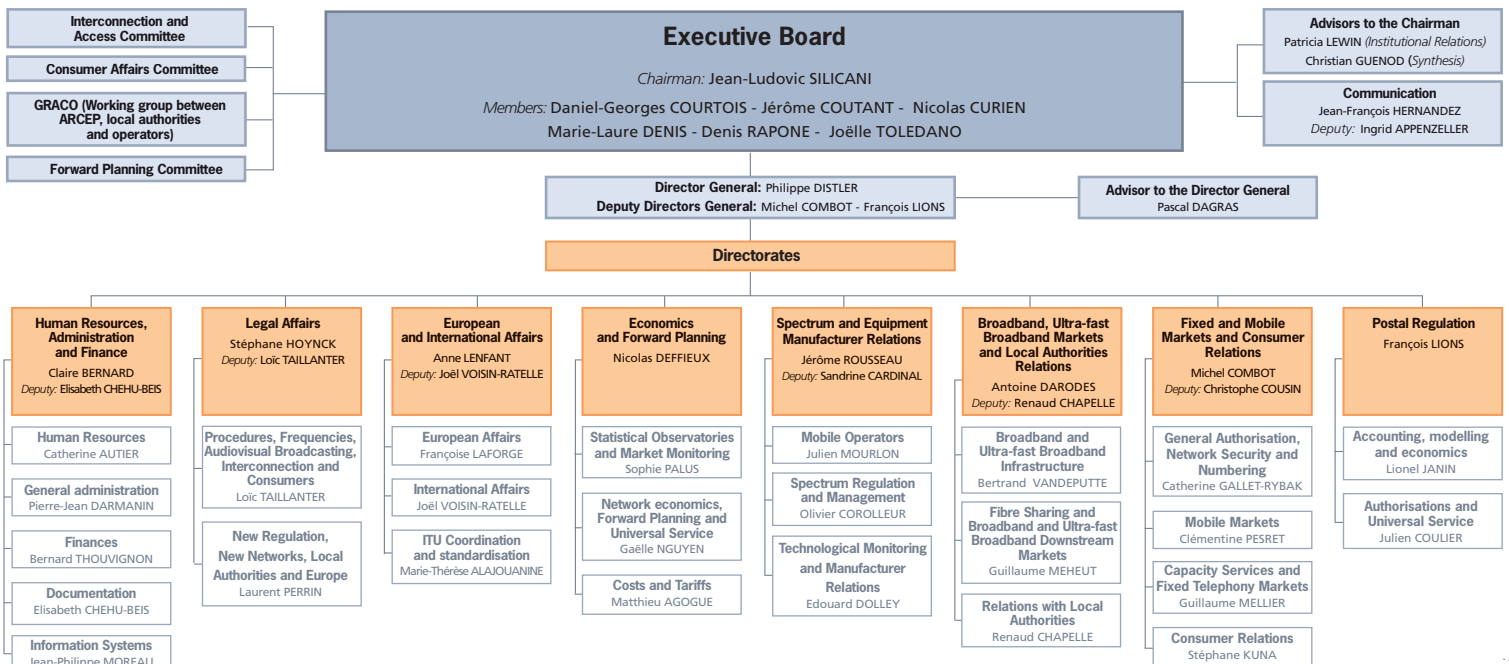
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## ARCEP organisation chart



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