



ARCEP

The French electronic communications and postal sector regulator

Enabling the creation of a sustainable market

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 Law of 20 May 2005 on the regulation of postal services extended ARCEP's authority to the postal sector. Operators in these markets generated close to €65 billion in revenue in 2012.

Opening initially monopolistic sectors to competition **requires regulation**, particularly when there are significant barriers to entering the market. This means taking measures to create a sustainable market, while **ensuring a balance between consumer satisfaction**, particularly through price decreases, and the **long-term development of production and jobs, through investment, innovation and the digital development of the regions**.

ARCEP is an administrative authority independent of the government and the economic undertakings it regulates

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, on the one hand, from EU legislation and, on the other, from the need to create a distinction within the State between government shareholding and tutelage over companies that are partially or entirely public (Orange, La Poste), and the role of **a regulator that is neutral with respect to all undertakings**.

In **adhering to the principles of 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 (i.e. radio spectrum and numbers), resolves disputes, delivers authorisations and, when necessary, exercises its power to impose penalties.

Like all regulatory authorities, ARCEP both "polices" and acts as a catalyst in the markets it oversees

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 172 employees) managed by the Director-General, Benoit Loutrel.

The Executive Board



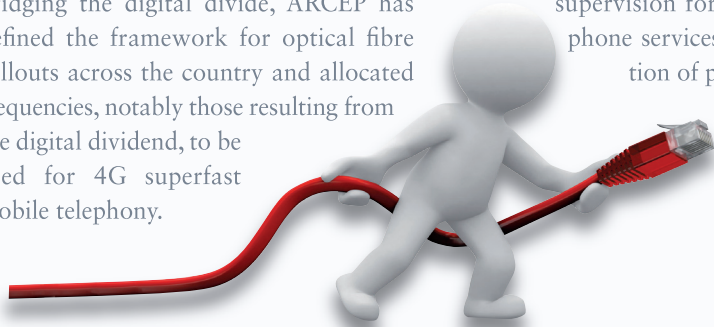
From left to right: **Pierre-Jean Benghozi, Daniel-Georges Courtois, Françoise Benhamou, Jean-Ludovic Silicani, Chairman, Marie-Laure Denis, Jacques Stern and Philippe Distler.**

OUR MAIN AREAS OF FOCUS

To provide everyone with superfast fixed and mobile services

The deployment of fixed and mobile superfast electronic communications networks will **enable the development of new innovative services** and **constitute a vital agent 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 has defined the framework for optical fibre rollouts across the country and allocated frequencies, notably those resulting from the digital dividend, to be used for 4G superfast mobile telephony.



To provide the consumer with high-quality, affordable services in a transparent fashion

In tandem with other administrations, specifically those responsible for consumer protection, **ARCEP works to ensure 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 value-added telephone services, and the publication of price and quality of service indicators.

To ensure ubiquitous access to electronic communications and postal services

ARCEP works to ensure that all individuals and businesses have **the greatest possible access to electronic communications and postal services.** Our objective is to **ensure coverage of every region**, the implementation of support schemes, via social tariffs, and to guarantee the accessibility of services, particularly for disabled users.



Supervising the postal sector's opening to competition

The Law of 9 February 2009 on the public company La Poste and postal affairs stipulates that the postal market will be fully opened to competition on 1 January 2011. **ARCEP oversaw this liberalisation process and**, at a time when standard postal activity is decreasing, **is paying close attention to the terms of providing universal service.** In late 2010, it implemented a system for processing customer complaints, as provided for in the Law of 9 February 2010.

In addition to our regulatory responsibilities, Parliament has tasked ARCEP with producing an annual assessment of the net cost to La Poste of fulfilling its regional development obligation.



Taking an active role in defining and implementing the European Community framework

Working alongside the Government, ARCEP is involved in defining and implementing the European Community framework. This was particularly so in December 2009, when adopting the texts that redefined the legal framework governing electronic communications, and transposing them into French Law. **ARCEP was also involved in the creation of the Body of European Regulators for Electronic Communications (BEREC) in February 2010.** The Body's work programme for 2013 is structured around three courses of action: **deploying new generation access (NGA) networks, consumer protection and promoting the EU single market.** In the postal sector, ARCEP plays an active role in the European Regulators Group for Postal Services (ERGP).



Listen and explain

ARCEP maintains ongoing, in-depth discussions with all of the sector's stakeholders (operators, equipment manufacturers, other State administrations, local authorities and consumer associations), though public consultations (26 in 2012) and the advisory committees created: Consumer Committee, Interconnection and Access Committee and the forum for discussions between ARCEP, local authorities and operators (GRACO). ARCEP holds hearings through our Executive Board, as

well as bilateral and multilateral technical meetings. The Chairman and the members of the ARCEP Board are regularly heard by Parliament. And ARCEP members frequently meet with stakeholders on the ground and initiate trials with them. In addition to its annual report, **ARCEP is also regularly asked to produce reports for Parliament or the Government**, which in 2012 included a report **on net neutrality**. ARCEP gives stakeholders a chance to express their views in the **"Cahiers de**

l'ARCEP," a publication whose latest issues were devoted, respectively, to the digital economy, globalisation, digital territories and 4G. The Authority has also been sending out a weekly e-newsletter since September 2010.

ARCEP can act as a mediator, either formally or informally, for elected officials and consumers who request it. The Authority has also created a website dedicated entirely to consumers (www.telecom-infoconso.fr).



Discuss and anticipate

In 2009, **ARCEP** created a **Forward-planning committee** to better identify and understand the medium and long-term developments that could affect matters that fall within the remit of the Authority. The committee is composed of ARCEP and outside experts with wide-ranging sensibilities. This composition enables the committee to better meet its responsibilities of monitoring and informing market players. After a round of work devoted to digital territories, which ended with the **international conference** in September 2012, a renewed committee began a new programme in June 2013.

Decide

Finally, ARCEP issues decisions and opinions that are adopted at the Executive Board's bi-weekly meetings. In 2012, 1,674 decisions and opinions were thus adopted, including decisions on the use of the 1800 MHz band for 4G mobile services, and on call termination in overseas markets, and opinions on universal service tariffs.



ARCEP

France's electronic communications and postal markets in a few figures

Electronic communications sector

Revenue generated by **the digital economy** in France **is estimated at €99 billion, or 5% of GDP in 2012.**

Of this total, **electronic communications services**, which specifically fall under the ARCEP's regulatory authority, represent wholesale and retail market revenue of **€50.9 billion**, of which **€39 billion** for the retail market alone.

Telcos invested €10 billion in 2012, and provided 129,000 direct jobs.

Broadband and superfast broadband customer numbers are rising significantly – **24 million subscribers at the end of 2012, or 5.4% more than in 2011** – as are mobile customer numbers, **with a penetration rate that stands at 112.1% (+6.5% on the year).**

Postal sector

The postal sector – including related distribution markets, such as express courier services – **generated around €13.7 billion in revenue in 2012***, the bulk of which (€13.1 billion) **corresponds to the distribution of 17.3 billion items a year in France.**

This sector employs around **230,000 people** and invests **over €660 million a year.**

** estimate*

For more information

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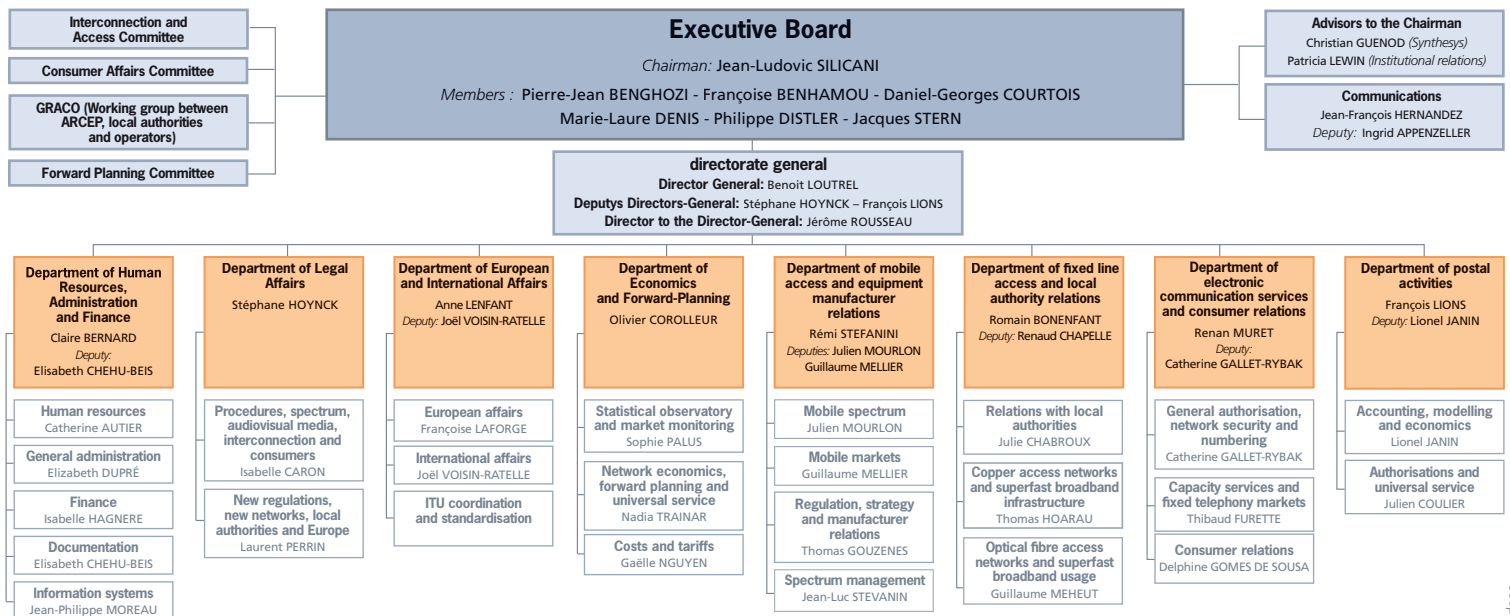


www.arcep.fr

www.telecom-infoconso.fr
 (Consumer's Website)

ARCEP organisation chart

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