



Part 1

Highlights of 2007

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CHAPTER 1

Main areas of focus in 2007

A. Review of the European regulatory framework governing electronic communications

On 13 November 2007, the European Commission published its proposed amendments to Community telecommunications directives¹. These proposals are contained in three documents: new regulation establishing a European Electronic Communications Market Authority (EECMA), and two proposed directives amending, on the one hand, the Framework, Authorisation and Access Directives and, on the other, directives concerning universal service and users' rights relating to electronic communications networks and services (Universal Service Directive) and the directive concerning personal data and privacy issues.

1 - Cf. Part 4, Chapter 1, B.

These texts do not alter the foundations of current regulation (ex ante regulation of wholesale markets and removal of obligations from markets analysed as being competitive). They could, however, bring substantial changes to existing institutional balances and to spectrum management.

The major institutional change concerns the proposal to alter the balance of power between the Commission and national regulators, giving the Commission greater power over NRAs' market analysis and in the area of spectrum management. As concerns market analysis, the Commission would, for instance, have veto power over the remedies imposed on SMP operators (and not only over market definitions and the designation of SMP operators, as is currently the case), in addition to having the power to alter these remedies. As concerns spectrum, the Commission would use its powers to impose harmonised spectrum management in the different European Union countries.

To achieve this change, the Commission proposes the creation of a "European regulator" – the European Electronic Communications Market Authority

(EECMA) – whose chief function would be to provide assistance by examining outstanding market analysis questions as well as spectrum, numbering and network security issues.

The Commission's proposals also seek to achieve greater flexibility in spectrum management and to facilitate market players' access to frequencies. Among its proposals, the introduction of a general and harmonised system of licence-exempt spectrum is a major new feature. A system of general authorisation would become the default system for spectrum management. This means that individual licences would be the exception, justified only in cases of serious risk of harmful interference or for achieving an objective that is in the general public interest.

The Commission also proposes making technological neutrality mandatory, and plans on reinforcing and harmonising secondary frequency markets in Europe by imposing certain harmonised frequency bands at the Community level.

The EC has also identified new remedies for market competition problems, the two main novelties in this area being functional separation and the regulation of passive infrastructure.

As concerns functional separation – in other words the ability to “spin-off” an operator's wholesale network access business – the European Regulators Group (ERG), of which ARCEP is a member, holds the view that such an intrusive a regulatory measure should only be used as a last recourse, in cases of persistently distorted market competition.

As concerns the regulation of passive infrastructure (such as ducts, towers, antennae, etc.), NRAs are given the power to impose an obligation to share on the owners of the infrastructure, under transparent, objective and proportionate conditions. In the Member States, the competent public authorities (local authorities) can also impose an obligation to share resources or landed property for reasons of environmental protection, health or public safety.

The Commission also provides for increased NRA powers in the area of consumer protection. One example is the introduction of new provisions aimed at more comprehensive information on contractual terms, particularly on emergency calls and accessing content. It also seeks to improve the clarity of tariff schedules and consumers' ability to choose their offer and to switch operators.

The European Commission proposals will be examined by the European Union Council and the European Parliament in 2008, with a view to adopting them in early 2009. Each Member State will then transpose them into national law.

B. The digital dividend

The switch from analogue to digital television broadcasting will free up a sizeable quantity of spectrum: an increase in available resources referred to as the digital dividend. This opportunity holds major economic and societal implications for the coming years.

Fewer frequencies being used means more programmes can be offered, along with high-definition channels. But because of their excellent propagation properties (long range and good indoor penetration) the newly liberated frequencies also constitute highly coveted resources for helping to eradicate the digital divide and enable high-speed access for all to the mobile Internet.

Aware of the significance that the reallocation of digital dividend spectrum represents for the telecommunications sector, and for society as a whole, ARCEP stepped up its efforts devoted to this issue in 2007 not only at the national level, but at the European and international levels as well.

1. A new legislative framework

Work being performed in France on the digital dividend continued throughout 2007, under the aegis of the Digital Strategy committee (Comité stratégique pour le numérique) in accordance with its mandate from the President of the Republic.

At the national level, the reallocation of digital dividend spectrum is governed by the Law of 5 March 2007² which stipulates that the Prime Minister will decide on the redistribution of the affected frequencies following consultation with the Parliamentary commission on the digital dividend (Commission parlementaire du dividende numérique). Composed of four deputies and four senators, this commission was formed and began its work in late 2007 and, in January 2008, consulted with ARCEP Chairman, Paul Champsaur³.

2 -Law No. 2007-309 of 5 March 2007 on the modernisation of audiovisual broadcasting and television of the future, JO of 7 March 2007.

3 -The presentation made by the Chairman of ARCEP is available online at: www.arcep.fr.

2. Well identified needs

As part of its work on the digital dividend, the Digital Strategy committee mandated the Ministry of the Economy, Finance and Industry Directorate General for Enterprises, DGE (*Direction générale des entreprises*) and ARCEP to produce several reports.

In response to this request, in early July 2007, the Authority launched a public consultation on the issues that these new frequencies raise for electronic communication service access networks. This consultation was part of the broader issue of the digital dividend, and sought to assess the telecommunications sector's overall spectrum needs. In June, ARCEP, in tandem with DGE, also requested a report from the Radiocommunications Consultative Committee, CCR (*Commission consultative des radiocommunications*)⁴ on the issues at stake and the outlook for telecommunications services in terms of access to low frequency bands⁵.

4 -Cf. Part 2, Chapter 2, C.

5 - Available in the annexes at www.arcep.fr.

All of these reports revealed that access to the UHF band – 470-862 MHz – is indispensable for the nationwide deployment of ultra-fast broadband. It emerged from these studies that providing nationwide coverage for a mobile service running at 10 Mbps by 2015 is a realistic goal, provided that additional frequencies below 1 GHz be made available early enough on.

3. Encouraging technical studies

Work performed in both France and at the European level demonstrated the technical feasibility of identifying new frequency sub-bands, thus opening up the possibility of introducing new telecommunications applications in the UHF band.

After having received the opinions of the Member States, in early 2007 the European Commission mandated the European Conference of Postal and Telecommunications Administration, CEPT, to perform technical harmonisation studies, in order to identify sub-bands for the mobile service and multimedia services (mobile TV) in the UHF band.

CEPT concluded that harmonisation of a sub-band of frequencies was feasible. This harmonisation is not mandatory, and whether to implement it remains at the discretion of each Member State. The sub-band is located in the upper portion of the UHF band and covers the 798 to 862 MHz frequencies (64 MHz in all). Studies performed at the national level, combined with multilateral negotiations between neighbouring countries, will determine the exact size, per country, of this frequency sub-band.

In France, in a report submitted to the Digital Strategy committee in August 2007, the National Frequency Agency, ANFr (Agence nationale des fréquences) concluded that it was feasible to free up a frequency sub-band while maintaining the broadcasting frequencies identified in the national frequency plan for 2006, during the Regional Radiocommunications Conference (RRC)⁶.

More recently, contributions to this work, which were addressed during the ARCEP public consultation on the spectrum requirements of electronic communications services access networks, reported on the possibility of optimising the frequency plan.

4. Major progress made at the WRC-07

On 16 November 2007, the World Radiocommunications Conference (WRC) took a decisive step forward by opening a portion of the UHF band to electronic communications services, and by identifying the 790-862 MHz sub-band for that purpose in the European region.

This decision nevertheless contains certain limitations. First, the amount of UHF-band spectrum allocated to mobile services in Europe (72 MHz) is below the required bandwidth assessed by the telecommunications sector (150 MHz), as expressed in the RRC report of 15 October 2007 and in the contributions to the public consultation conducted by ARCEP in July of that year.

The amount of spectrum identified for telecommunications services in Europe is also below the amount allocated in this same band in other regions around the globe: the sub-band identified in the Americas zone and certain Asian countries (including China, Japan, South Korea and India) covers 698-806 MHz (or 108 MHz), completing the extension of the 806-862 MHz band already assigned to the mobile service – of which a portion is currently being used by military applications in France.

6 - Cf. Part 4, Chapter 8, A.

Furthermore, the decision made at the WRC-07 is not mandatory in application. For it to become so, harmonisation needs to be achieved at the European level and, at the very least, neighbouring countries need to enter into bilateral border-coordination negotiations.

This decision is nonetheless an essential one, as it opens up credible prospects for the development of mobile broadband.

5. Actions to be taken in 2008

In light of the results of WRC-07, ARCEP feels it is important that the identified sub-band be implemented quickly.

The national plan for the digital switchover is currently in the preliminary stages, and was the subject of a public consultation conducted by the French broadcasting regulatory authority, CSA (*Conseil supérieur de l'audiovisuel*).

ARCEP contributed remarks to the public consultation held by CSA, chiefly on the target frequency plan to be implemented after the digital switchover. Here, ARCEP expressed the view that:

- ◆ it is possible to optimise the target plan for frequency use after the analogue switch-off, and that this optimisation is in line with the interests of all the players;
- ◆ it would be logical for the methods employed for switching off analogue terrestrial broadcasting and migrating to digital be established by taking account of an optimised target plan for allocating previously identified frequencies, to satisfy the needs that will exist after the digital switchover;
- ◆ if the final definition of the target plan for optimised spectrum use following the digital switchover proves premature, at the very least an assurance should be in place that the 790-862 MHz sub-band be maintained to allow mobile services to be implemented after the analogue switch-off, as is the case in other countries.

The Authority believes that use of the digital dividend is a fundamental issue, which will have considerable economic, industrial, social and cultural ramifications in the coming years. The digital dividend provides an exceptional opportunity for the development of the electronic communications sector, and for regional digital development.

ARCEP maintains that decisions need to be made as quickly as possible in 2008, to ensure that 790-862 MHz sub-band spectrum be allocated to mobile services as soon as the analogue switch-off takes place. These decisions will send out the required signal to market players to begin focusing their efforts on developing equipment that can compete on the world stage.

The Authority believes that this approach is consistent with work at the European level that will be performed as a result of the WRC: it is perfectly in accordance with the communiqué of 13 November 2007⁷ issued by the European Commission, Parliament and Council on the digital dividend, whereby the Commission invited European Union Member States to cooperate amongst themselves to achieve consensus on the organisation of the UHF band to facilitate the future introduction of new mobile services.

⁷ - European Commission
Communiqué,
COM(2007) 700 final
of 13 November 2007.

C. The fourth 3G licence

In light of the interest that the sector's players expressed in the award of a fourth 3G licence in France, during a public consultation held in October 2006, ARCEP adopted a decision⁸ on 20 February 2007, which it transmitted to the Minister responsible for industry, proposing the methods and terms of award for a 3G mobile licence in Metropolitan France, in the 2.1 GHz frequency band.

On 8 March 2007, the minister launched a call for submissions for the fourth licence to which only Free Mobile, a wholly owned subsidiary of the Iliad group, responded.

To be selected, candidates were required to satisfy the selection criteria stipulated in the call for submissions, notably a commitment to comply with the specifications and the ability to pay the fixed portion of the licensing fees, under the terms defined by law.

8 - ARCEP Decision
No. 07-0177
of 20 February 2007.

The law⁹ sets the fixed portion of the licensing fee, "in the amount of € 619,209,795.27 to be paid on 30 September of the year the licence is issued, or upon delivery of said licence should it occur later than 30 September".

9 - Cf. amended Article 36
of the Finance Act
for 2001.

It was the Authority's view that, under the financial terms currently stipulated by the Finance Act, the candidacy of the firm Free Mobile, as presented in its application dossier, did not satisfy the selection criteria and, as such, could only be rejected¹⁰.

10 - ARCEP Decision
No. 07-0862
of 9 October 2007.

The Law of 3 January 2008 on the development of competition for consumers' benefit (referred to as the "Chatel" Act¹¹, provides for the establishment of new financial terms for the future award of the fourth UMTS licence.

11 - Cf. Article 22 of Law
No. 2008-3
of 3 January 2008
concerning the
development
of competition for the bene-
fit of consumers,
JO of 4 January 2008.

By virtue of this law, the article concerning the terms of settlement for the 3G licensing fees stipulated in the Finance Act for 2001¹² will be repealed once the regulatory authority has set the amount and the payment methods of the new mobile licensing fee. The government has thus left open the possibility of amending the current financial terms.

12 - Cf. amended Article
36 of the Finance Act
for 2001.

In a Communiqué dated 30 April 2008, the French government also requested that ARCEP plan for a broad public consultation to determine the most appropriate terms for the allocation of available 3G frequencies¹³. This consultation should thereby make it possible to assess the respective advantages of a scheme for allocating all of the frequencies to a new entrant, and an alternative scheme for allocating spectrum in several blocks. ARCEP has until 30 September to submit its conclusions, which will help define the terms of the call for candidates that will be launched by the government – following a parliamentary debate – in view of allocating the corresponding frequencies.

13 - Cf. Prime Minister
press release
www.premier-ministre.gouv.fr/acteurs/communiques_4/gouvernement_demande_arcep_envisager_59875.html

D. Ultra-fast broadband (FTTx)

Driven chiefly by DSL offers, the broadband market in France is enjoying healthy growth, thanks to a large extent to regulation centred on facilities-based competition that seeks to promote local loop unbundling. The widespread availability of unbundling helps increase both competition and innovation, providing operators with direct access to the copper pair. Sector-specific regulation has helped operators move up the ladder of investment by maintaining economic leeway between wholesale offers for accessing the local copper loop and the regional counterpart, bitstream.

Because of consumers' growing demand for content and higher speed access, the market is moving inexorably to ultra-fast broadband solutions, with the deployment of a new fibre optic local loop. Ultra-fast broadband already makes it possible to achieve symmetrical (i.e. upstream and downstream) bitrates of between 50 and 100 Mbps. It will help stimulate the development of enhanced services, particularly in the area of audiovisual media, including the simultaneous reception of several high definition channels.

The country's leading carriers have announced ultra-fast broadband deployment plans, and the first rollouts have already begun in Paris and several other major cities. DSL market players have opted to deploy new fibre optic local loops to the home (FTTH: Fibre to the Home). These new fibre networks open up new opportunities for LLU operators wanting to invest in their own local loop, and so migrate from a strategy based on leasing to one based on investment. Cable operators are also working to upgrade their coaxial networks by pulling fibre to the premises. This new investment cycle will make a substantial contribution to the development of the national economy.

The investments required of an operator rolling out an FTTH network correspond essentially to the cost of building a new local loop that extends to the subscriber premises. Civil engineering is by far the largest cost item when constructing a new local loop in an urban zone. If an operator were forced to undertake its own civil engineering, and so open trenches across the city, deployment costs would run in the tens of billions of euros across France. Pioneer rollouts are thus taking place in cities where existing infrastructure can be reused: the incumbent carrier is deploying fibre optic in the local loop ducts inherited from the former monopoly, while alternative operators are installing fibre in the underground sewer networks (Paris) and in city-owned ducts (Montpellier).

France Telecom's civil engineering infrastructure is the main nationwide infrastructure, and in many cases the only one available at the local level for deploying a new fibre optic local loop. All operators need to be able to access this essential infrastructure to invest in ultra-fast broadband. As a result, ARCEP is involved in regulating France Telecom's civil engineering infrastructure as part of its analysis of Market 4, under the new European Commission recommendation on relevant markets¹⁴. Late last year, France Telecom also provided alternative operators with an offer for accessing its civil engineering infrastructure, and alternative operators are currently conducting trials aimed at checking the processes and engineering rules that make up the offer.

¹⁴ - Cf. Part 4, Chapter 3, A and B.

The deployment of a new local loop that runs to subscribers' homes also means equipping private properties. Given the nuisance this would cause in the common areas of buildings, it is unlikely that a second operator will be given permission to install fibre in a building that has already been equipped – in addition to it being an economically unsound solution. The building's residents must, however, be able to benefit from competition.

As a result, to prevent the creation of local monopolies in each building, operators need to share the terminating sections of their fibre optic network, in other words, the first operator to install fibre in a building will give other operators access to it under conditions that enable effective competition, allowing them to market a competing offer to the residents.

Accessing buildings is currently the chief obstacle to FTTH rollouts, and one that concerns all operators. The existing regulatory framework does not allow ARCEP to enforce sharing of the terminating sections of fibre optic networks. Legislative provisions thus need to be adopted to facilitate fibre installation in buildings, to provide their owners with the necessary guarantees.

As a result, the Ministry of the Economy, Finance and Industry proposed legislative measures that outline the principle of sharing the terminal section of fibre optic networks, and endow ARCEP with regulatory powers in that area, notably for setting the technical and pricing terms for a system of infrastructure sharing.

Finally, as has been the case with broadband, local authorities can play a decisive role in furthering regional development by enabling operator rollouts through measures that encourage them to share their resources. They can also provide local information on underground infrastructure, help coordinate civil engineering works, install ducts for future use, authorise less costly civil engineering infrastructure, wiring on building façades, and encourage the pre-installation of fibre in new builds and in buildings undergoing major renovations.

E. Access to letter boxes in residential properties

It may prove much more difficult for an alternative postal operator to access letter boxes in buildings equipped with an access-control system than it is for La Poste, the highly recognisable incumbent operator. Residents' security demands must, however, be compatible with the needs of the many service providers required to enter their building to perform their duties.

This is why, after having worked with the economic stakeholders of the postal delivery sector and with property specialists, ARCEP launched a consultation in November 2006 to examine possible solutions¹⁵. Based on the 23 contributions from both delivery operators and owner representatives (property managers and public housing bodies), as well as from consumer associations, manufacturers and installers of access-control systems, the Authority was able to pinpoint several means of improving the situation.

15 - Cf. Part 3,
Chapter 2, B, 2.2.

On the whole, all types of lock system create issues in terms of gaining access to buildings, but operators have underscored the fact that Vigik¹⁶ access systems are the ones that pose the greatest problems, due to the use of native codes. These codes, of which there are four and which are pre-programmed in the factory, allow automatic access to EDF, France Telecom and La Poste (which is assigned two codes) to buildings equipped with a Vigik system. This means that for other postal operators and those delivering unaddressed advertising, the issue of native codes creates a situation of unfair competition. According to the press associations, these codes also constitute an impediment to the development of activities such as press item delivery.

16 - Cf. inset, Part 3, Chapter 2, B, 2.2.

This diagnosis reveals the limitations of the current situation which forces operators to negotiate with property co-owners, building by building, to obtain express permission that allows them to be assigned a Vigik code to enter the premises. This also is a sizeable issue for the Vigik system whose business could suffer if it does not meet the needs of property managers, notably with respect to issuing and managing codes.

The majority of responses to the ARCEP consultation also indicated that there was no immediate and cost-free solution to this situation, aside from sharing or redistributing existing native codes. Press associations are requesting access to the same native code as postal operators. Meanwhile, consumer associations and property owners insist on the need to confine the use of Vigik codes only to the pre-defined activity, namely the distribution of postal items (mail items and packages under two kilos). Several contributors also pointed out that buildings are often locked to prevent the distribution of unwanted unaddressed advertising and free press.

At the outcome of the consultation, a short-term solution was found whereby La Poste ceded one of its two native codes, giving authorised postal operators immediate access to the letter-boxes installed in the 120,000 buildings equipped with a Vigik system, under identical terms as those afforded La Poste.

But work still needs to be done to find permanent solutions to all of the often conflicting demands – building security, equal access for service providers, competition rules – revealed by the responses to the consultation. All of the responses stressed the need to review the rules that govern the Vigik system and achieve consensus among the stakeholders on new, fair and transparent operating rules.

The consultation also raised questions that do not come within ARCEP's purview, such as access to such buildings for emergency services and bringing technical improvements to the systems. In the longer term, this consultation should help stakeholders make the required decisions that are in the interest of all parties concerned.

F. Examination of cable agreements

Over the past 30 years, the establishment and operation of cable networks in France have been governed by a host of agreements between local authorities and cable operators, based on two main legal systems: “cable plan” (plan cable) networks in the early 1980s, and so-called “new deal” (nouvelle donne) networks starting in 1986. These agreements continue to govern operations. Following a series of mergers and takeovers in the sector, the main cable industry representative with local authorities is the company Numericable.

17 - Law No. 2004-669 of 9 July 2004 on electronic communications and audiovisual broadcasting services, JO of 10 July 2004.

The Law of 9 July 2004¹⁷ enacted the principle of requiring existing agreements between municipalities, or their representatives, and cable operators concerning the establishment and operation of cable networks (cable agreements) to comply with the existing legal framework.

18 - Law No. 2007-309 of 5 March 2007 on the modernisation of audiovisual broadcasting and television of the future, JO of 7 March 2007.

The players having failed to reach a consensus on the interpretation of this principle, the Law of 5 March 2007¹⁸ defines the process that makes it possible for these agreements to achieve compliance with existing laws.

The legislator mandated ARCEP to produce a public report that distinguishes the principal legal categories of the agreements and to issue recommendations that would make it possible to ensure their compliance¹⁹.

19 - Available in the annexes at: www.arcep.fr.

This report, which was made public in July 2007, relied on the work performed in tandem with the stakeholders and on a legal study²⁰ commissioned from State Counsellor, Emmanuel Glaser. It also takes account of the contributions made by the players during a public consultation conducted by the Authority on 22 June 2007 on the draft version of the report.

20 - Available in the annexes at: www.arcep.fr.

Based on the findings of the report, it emerged that cable agreements fell into one of the four following categories:

- ◆ delegated public service for the establishment and operation of the network;
- ◆ delegated public service devoted primarily to the operation of the network;
- ◆ an occupancy agreement which may contain subjections pertaining to network operation;
- ◆ a private law contract.

For each of these categories, the report supplies classification criteria based on analysis of the agreements supplied to ARCEP by the players. The typology defined by the report is nevertheless for information purposes only, and ultimate ruling on the exact legal qualification of these agreements is the responsibility of a judge, on a case-by-case basis.

It is important to establish the legal qualification of these agreements given their effect on network ownership. This is particularly so in the case of delegated public service. Here, the local authority has a reversionary interest in the work performed by the body to whom the public service requirements have been delegated. The work therefore belongs to the local authority concerned.

This system also holds consequences for the sale of goods, which cannot occur until after the declassification procedure.

The goal of achieving compliance for these cable agreements is to bring them in line with those that govern other electronic communications networks, and to standardise the relationship between local authorities and cable operators.

The goal is not to question the agreements themselves, but essentially to impose certain subsidiary amendments. These include, first, the removal of exclusivity clauses that benefit the cable operator. The operational subjections imposed on operators (fees based on turnover, approval of service plans and tariffs) must also be removed from occupancy agreements. In other contracts, such as public service delegations, stakeholders are invited to relax the terms and act more as partners.

The legislator's efforts to achieve compliance also include the principle of shared use of cable network civil engineering infrastructure (making ducts available to operators), in accordance with the principle of equality and open competition which is applied to electronic communication markets. The Authority felt that the legislator did not express its intentions clearly enough in this regard, with the scope of application of this principle apparently being confined to providing third-party operators with access to existing infrastructure, and subject to availability. Requiring cable operators to supply local authorities with information on the location and availability of their infrastructure is an important prerequisite.

The Law of 5 March 2007 also endows the Authority with the power to mediate, to help resolve problems encountered when seeking to achieve compliance for these agreements. It was in this capacity that the municipality of Hayange and the community of municipalities of Freyming-Merlebach appealed to the Authority in January 2008. In both cases, Numericable notified ARCEP of its refusal to participate, stating that these requests did not pertain to achieving compliance of these agreements, but rather to their execution.

In addition to achieving compliance, as now required by law, the players may also take account of the new issues surrounding ultra-fast broadband. It is the Authority's view that, in the case of a delegated public service, the civil engineering infrastructure owned by local authorities through reversionary interest constitutes an essential public asset for the digital development of their region. The Authority thus recommended that public authorities preserve this asset and not declassify the infrastructure.

The establishment and operation of cable networks

The legal framework that governs “cable plan” networks, enacted by the Laws of 29 July 1982 and 1 August 1984, give the State the sole right to establish such networks. In theory, their operation is assigned to local semi-public companies (*sociétés d'économie mixte locales*, or *SLEC*). As concerns “new deal” networks, the Law of 30 September 1986 on freedom of communication, allows local authorities to establish networks or authorise their establishment, with operation assigned, from the outset, to private companies. The networks currently being operated are the property of Numericable and the civil engineering infrastructure is owned by France Telecom.

“New deal” networks were established and operated in accordance with Law No. 86-1067, dated 30 September 1986, on freedom of communication, as part of the agreements signed by operators and the local authorities concerned. These are the agreements that are affected the most by the bid to achieve compliance sought by the new regulation that came into force in July 2004. In view of the implementation of a new European framework that tends towards liberalisation of electronic communications operators' activities, the disparities in the form and content of these agreements revealed the need for work to be performed on defining and classifying these agreements with respect to existing legal categories.

CHAPTER 2

Key economic indicators for 2007

A. Telecommunications markets

The telecommunications services market in France represents € 42.5 billion

Mobile telephony

Market growth

◆ in value	€ 17.8 billion (+5.7%)
◆ in volume	99.6 billion minutes (+6.0%)
◆ customer base	55.3 million customers (+7.1%)
◆ penetration rate	85.6% (compared to 80.8% at the end of 2006)

Trends

◆ Average customer invoice	€ 27.8 (-1.4%)
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Internet

Market growth

◆ turnover (broadband and narrowband)	€ 4.6 billion (+22.3%)
◆ subscribers	17.1 million (+11.8%)
of which	
broadband subscribers	15.6 million (+22.5%)
abonnements bas débit	1.5 million (-31.7%)

Trends

◆ number of unbundled lines	5.2 million (+29.3%)
of which	
shared access	1.4 million (-25,0%)
fully unbundled	3.8 million (+75.3%)

Fixed telephony

Market growth

◆ in value	€ 11.0 billion (-3.3%)
◆ in volume	105.2 billion minutes (-0.4%)

Trends

◆ number of subscriptions to a telephone service	39.6 million (+3.5%)
of which	
analogue and digital line subscriptions*	28.7 millions (-9.0%)
VoIP (over broadband)	10.8 millions (+62.9%)

* essentially France Telecom

Source: ARCEP.

B. The postal market 2007

Market growth

◆ in value	€ 8.5 billion (+1.4%)
◆ in volume	16.6 billion items sent (+0.5%)

Exports

◆ in value	€ 438 million (+4.7%)
◆ in volume	473 million (+2.4%)

Source : ARCEP.