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**Procedure and conditions for assigning frequencies in
the 700 MHz and 3.4 – 3.8 GHz bands in Guiana:
publication of draft decisions for the purpose of
consultation**

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ANNEX – MEDIA KIT

Procedure and conditions for assigning frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Guiana: publication of draft decisions for the purpose of consultation

On 10 January, Arcep launched public consultations on the draft procedures and conditions for the assignment of frequencies in the 700 MHz and 3.4 – 3.8 GHz bands in Guadeloupe, in Guiana. Stakeholders have until 5 February 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 Assignment of 700 MHz and 3.4 – 3.8 GHz band frequencies

To be able to satisfy the ever-growing needs of local authorities and of consumer and business users wanting to access high quality and reliable superfast mobile services, Arcep has assigned and continues to assign new frequency bands for the deployment of public mobile networks.

1.1 Assignment objectives

the Government informed the regulator of the goals that must underpin the specifications for the assignment of 700 MHz and 3.4 – 3.8 GHz band spectrum in Guiana:

- **Regional development:** coverage of the priority areas identified by the territories themselves (local authorities and prefectures) in 2019 and in 2020;
- **Competition:** safeguarding and stimulating competition in these markets by providing all the players with an opportunity to improve their spectrum holdings, to then improve mobile networks' quality of service.

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

1.2.1 In the 700 MHz band

The draft procedures being published for consultation today are for the assignment of **30 MHz of paired spectrum in the 700 MHz band**. The purpose of this procedure is to determine the winning candidates, the amount of spectrum each one is awarded, and their specific frequency position. **Every winning candidate will be subject to a set of obligations.**

Arcep is proposing a mixed allocation mechanism that is not based solely on financial bids, as was the case with the award procedure for 3.4 – 3.8 GHz band frequencies in Metropolitan France in 2020. The procedure will include a first part whereby up to four operators will be able to obtain additional blocks of spectrum in exchange for optional commitments, before the auctions carried out in the second part allow them to obtain additional frequencies.

a) First part: Optional commitments in exchange for blocks of spectrum

Arcep is giving applicants the option of making a series of commitments when submitting their tender package.

Designed to improve connectivity for users and give local authorities more clarity on network rollouts, these commitments include:

- supplying a dedicated fixed access product on their mobile network;
- activating Voice and SMS over Wi-Fi services, to improve indoor coverage;
- increased transparency from operators on rollout forecasts;
- increased transparency from operators on service outages.

If these commitments are made, they will be written into the obligations attached the frequency licences that are awarded to the winning candidates, and come to supplement the obligations that will apply to all of the successful applicants (described in Section 1.2).

If four or fewer candidates agree to make these commitments when submitting their tender package, each will be able to obtain a **5 MHz block of paired spectrum in the 700 MHz band**. If their number is equal to or over five, the applicants will bid on the four blocks in a separate auction.

b) **Second part: Auction enabling each operator to acquire additional frequencies**

The principal auction will then be held to assign the frequencies that are still available after the first round of commitment-based spectrum awards. The qualified applicants, regardless of whether they obtained a block in the previous phase, will thus have the possibility of acquiring additional frequencies, **by blocks of 2 x 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, within the authorised amount of spectrum described in Section 1.20.

Arcep will then determine the value of each of the valid award combinations. For instance, if two blocks are available for assignment and there are two candidates, A and B, that both want up to two blocks, the valid combinations are as follows:

- One block for A and one block for B;
- Two blocks for A and no block for B;
- No block for A and two blocks for B.

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) **Third part: Positioning auction**

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.

d) **Capping the amount of frequencies available to each candidate**

In the public consultation, Arcep sets a cap on the total amount of spectrum any one applicant can obtain in the 700 MHz band (during both phases of the procedure), which is compatible with Government's objective of fostering a competitive marketplace:

- a planned maximum of 15 MHz (paired) in the 700 MHz band;
- a planned maximum of 30 MHz (paired) for the combined amount of spectrum held in the 700 MHz, 800 MHz and 900 MHz bands.

e) **Planned obligations for the winning applicants for 700 MHz band spectrum**

The draft procedure being presented today stipulates that every candidate that is assigned frequencies in the 700 MHz band, regardless of whether they have chosen to make optional commitments, will be subject to two, mainly coverage-centric obligations:

- An obligation to cover certain pre-identified areas, based on needs expressed by the territories. Operators will be fully responsible for providing coverage in most of these areas. As an adjunct, coverage of certain areas subject to specific restrictions will be contingent on the supply of infrastructures and the granting of administrative authorisations;

- an obligation to deploy a certain number of cell sites using 700 MHz band frequencies within five years;
- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

f) **A planned mechanism designed to improve coverage in remote areas**

Because of the existence of remote areas in Guiana that are hard to access, and where there are no plans to deploy superfast mobile access in the medium term, in this consultation Arcep has included a provision that secondary use of the frequencies can be authorised for an entity wanting to use them to bring coverage to these areas.

1.2.2 In the 3.4 – 3.8 GHz band

The draft procedures being published for consultation today are for the assignment of four predetermined blocks of spectrum, for a total **240 MHz of 3.4 – 3.8 GHz band frequencies**.

Given the specific features of the Guianese territory, it is proposed that the licences to use 3.4 – 3.8 GHz band frequencies to be awarded at the outcome of the procedure that is the subject of this public consultation have **a geographical scope that is limited to only one part of this territory**. Under the terms of this proposal, the areas that are not included within this perimeter will be covered by future frequency licences, that will be awarded locally.

Arcep is proposing an assignment mechanism based on a financial auction.

a) **Auction to determine the blocks obtained by the candidates**

An auction will be held to award 3.4 – 3.8 GHz band frequencies in **4 blocks**:

Block	Frequencies	Amount of spectrum in the block
Block 1	3480 – 3530 MHz	50 MHz
Block 2	3530 – 3590 MHz	60 MHz
Block 3	3670 – 3730 MHz	60 MHz
Block 4	3730 – 3800 MHz	70 MHz

This auction will take place after the principal auction for the award of 700 MHz band spectrum (described in Section b).

This will be a single-round second-price combinatorial auction, as in the second stage of the assignment procedure for 700 MHz band spectrum (see b). The candidates indicate the amount they commit to pay for each possible block or, if applicable, the possible combination of blocks, within the authorised quantities of spectrum described in Section **Erreur ! Source du renvoi introuvable**.b.

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 each want to obtain block 1 or block 2, and candidates C and D block 3 or block 4, then the possible 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.

b) **Capping the amount of spectrum available to each candidate**

In the public consultation, Arcep sets a cap of 70 MHz on the total amount of spectrum any one applicant can hold of frequencies ranging from 3400 MHz to 3800 MHz, which is compatible with Government's objective of fostering a competitive marketplace.

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 130 MHz.

c) **Planned obligations for the winning applicants for 3.4 – 3.8 GHz band spectrum**

The draft procedure being presented today stipulates that every candidate that is assigned frequencies in the 3.4 – 3.8 GHz band will be subject to two obligations:

- an obligation to deploy a certain number of cell sites using 3.4 – 3.8 GHz band frequencies within five years;
- an obligation for the mobile network to be IPv6-compatible, to accelerate the transition to this protocol.

1.3 Licence duration and rendez-vous clause

The frequencies will be assigned for a period of **15 years**. 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.

2 Public consultation

These draft procedures are being submitted to a public consultation that will run until 25 February 2022. Any stakeholder that so desires can view these procedures on the Arcep website, and submit their contributions to the Authority.