22 September 2009: Deployment of very high-speed optical fibre networks

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The *Autorité de la concurrence* is in favour of the set-up of a multi-fibre architecture that ensures the independence of the actors and the market's fluidity for the benefit of consumers

> *Version française*

A referral for an opinion was made to the *Autorité de la concurrence* by the *Autorité de Régulation des Communications Electroniques et des Postes* (ARCEP) relative to its project to define the implementation provisions for the pooling of the terminal parts of very high speed optical fibre networks.

The deployment of fibre optics is a key step in the competitive dynamics of the electronic communications market

Over and above the technological progress represented by an optical fibre local loop and the new capabilities that such an infrastructure can offer in terms of services, the deployment of these new generation access networks by alternative operators constitutes a key step in the competitive dynamics that have existed in the electronic communications market in France since its opening in 1997.

With this outlook, the deployment of alternative local loops constitutes a new and essential step since they will eventually allow third party operators to further free themselves of the infrastructures of the incumbent operator, and in particular to no longer require its unbundling offer relative to the copper local loop.

The *Autorité de la concurrence* considers that recourse to a multi-fibre architecture constitutes a unique opportunity to avoid re-creating the bottlenecks on the terminal part of the FTTH networks, notably with regard to buildings.
This architecture offers the best guarantees in terms of independence of the actors, technological neutrality and market fluidity for the benefit of consumers.

In very dense zones, the system planned by the French Telecommunications and Posts Regulator (ARCEP) anticipates that a building operator will be subject, in application of the law on the modernization of the economy (LME), to an access obligation that could prompt it, if the other operators on hand so desire, to install a dedicated fibre for each of them within each unit, right from the start. In general terms, the ARCEP recommends that, as soon as an operator requests an additional fibre, the building's operator should systematically install four fibres per unit.

The *Autorité de la concurrence* considers that such a solution offers a great number of benefits. The installation of additional fibres represents a relatively low cost compared to a single fibre architecture and is neutral from a technological point of view, whether the operators have opted for a point-to-point type deployment of their network (one fibre per subscriber, end-to-end), or point-to-multi-point deployment (tree network).

It would allow each alternative operator to control its own connection with the end user, and to remain independent. With regard to the retail market, this situation will be more favorable to consumers, who will be able to change operators quickly and with no service interruption.

The *Autorité* therefore issues a favorable opinion relative to the drafts of the decisions and recommendations of the ARCEP. It also invites the latter to provide a framework for the information exchanges between actors that may prove to be necessary for any pooling of efforts, and to check that possible newcomers will be able to enter the market. Lastly, the *Autorité* will be attentive to the conditions for pooling in less dense zones, relative to which reflections are

in progress.

For more details, the entire text of opinion 09-A-47 of 22 September 2009 is available for consultation on the Internet site of the Autorité de la concurrence (www.autoritedelaconcurrence.fr)