

# 10 June 2011: Wholesale broadband market in the Antilles (French West Indies)

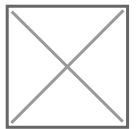
Published on June 14, 2011

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***Concerned by the state of competition on the wholesale broadband Internet market in the French West Indies,  
the Autorité de la concurrence supports the project of the French  
Telecommunications and Posts Regulator (Arcep)  
to regulate the submarine cables market***

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**> Version française**



The *Autorité de la concurrence* issues today an opinion on projected regulatory measures issued by the French Telecommunications and Posts Regulator (Arcep) regarding access to the submarine cables (wholesale broadband market) serving the islands of Saint-Martin and Saint-Barthélemy.

**Submarine cables: Infrastructure to which Internet service providers must have access in order to propose services to their customers**

In the overseas *départements* and *collectivités*, electronic data (sound, voice, images and data, etc.) is mainly transmitted by submarine cables that connect the islands to each other and to mainland France. Telecommunications operators, and in particular Internet service providers (ISP), who wish to offer services to their customers in the retail market must therefore be able to access these submarine cables, which constitute the wholesale broadband market. With the development of the Internet, their demand for capacity (bandwidth) is considerable and is increasing.

This wholesale broadband market is concentrated around two players in the French West Indies: France Télécom and the Loret Group. The latter was, in particular, awarded a public service delegation contract by the Guadeloupe Region for the deployment of the Global Caribbean Network (GCN) cable.

**The *Autorité de la concurrence* agrees with Arcep regarding the project to regulate the wholesale market on Saint-Barthélemy but invites the Telecommunications and Posts Regulator to conduct a more in-depth analysis regarding Saint-Martin**

**Saint-Barthélemy** is only served by the GCN cable. In the absence of a rival infrastructure, the ISPs are obliged to use this cable to offer their customers broadband Internet services. Both the *Autorité* and Arcep are of the view that the GCN exerts a significant influence on the wholesale market serving Saint-Barthélemy and consider that the regulation of the market and the imposing of obligations on the company GCN (prices oriented towards costs) are necessary to enable the consumers to benefit from competitive offers, particularly in terms of price, without calling into question the economic balance of the public service delegation.

Concerning **Saint-Martin**, which is served by several cables, the *Autorité de la concurrence* is in favour of increasing the free play of competition in the market by the different operators, which the current level of wholesale prices for the service of the island does not seem to reflect. This observation is consistent with the one already expressed on the occasion of an opinion issued in 2009<sup>1</sup> concerning the link between Guadeloupe and mainland France, according to which the presence of several cables was not always a sufficient guarantee of effective competition on the wholesale market.

The *Autorité* therefore invites Arcep to conduct a more in-depth analysis concerning the service to Saint-Martin and, where relevant, to re-examine in a more general way the state of competition regarding submarine cables in the French West Indies. This exercise would no longer be necessary, however, if the Guadeloupe Region succeeded in negotiating satisfactory technical and pricing conditions with its concession holder GCN.

(1) See opinion 09-A-53 of 30 October 2009.

**> Read the full text of Opinion 11-A-08 of 10 June 2011 in response to a request from the Telecommunications and Posts Regulator (Arcep) for an Opinion concerning the wholesale market for inter-urban and inter-territorial services relative to the overseas territorial communities of Saint-Martin and Saint-Barthélemy**

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