12 October 2015: SFR/Bouygues Telecom agreement to deploy fibre in very densely populated areas

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**Following a complaint made by Bouygues Telecom,
the Autorité de la concurrence has opened ex officio proceedings to review the conditions under which Numericable complies with its commitments made in relation to the deployment of fibre in the context of the acquisition of SFR**

> Version française

The *Autorité de la concurrence* has opened ex officio proceedings to review the conditions under which Numericable complies with its commitments made in relation to the co-investment agreement reached with Bouygues Telecom for the deployment of optical fibre.

The SFR/Bouygues Telecom co-investment agreement in very densely populated areas

In 2010, SFR and Bouygues Telecom reached a co-investment agreement on the horizontal deployment of optical fibre in certain municipalities within very densely populated areas and the connection of fibre to buildings. Under the terms of this agreement, SFR deploys the fibre network on behalf of the two operators, with Bouygues Telecom contributing financially to the operation.

The commitments made by Altice and Numericable for the deployment of fibre

On 30 October 2014[1], the Autorité de la concurrence cleared the acquisition of SFR by Numericable, a subsidiary of Altice – subject to several commitments. The Autorité notably sought to ensure that the deployment of optical fibre networks ('FttH') would not be hampered by the new Numericable-SFR entity.

Numericable thus committed not to hinder the deployment and operation of optical fibre networks deployed within the framework of the agreements that SFR had reached with other telecommunications operators. As regards the agreements entered into with Bouygues Telecom in particular, Numericable had committed to connect the horizontal network deployed to the vertical network of buildings (known as 'conveyance'):

- within a term of two years for the network sharing points that existed before the deal (disposal of stocks)

- within a term of 3 months from the date of Bouygues Telecom's request for the network sharing points delivered after the deal

Moreover, Numericable had committed to provide maintenance of the implemented infrastructures under transparent and non-discriminatory conditions.

According to Bouygues Telecom, the pace of connections that were actually achieved since the 30 October 2014 has significantly slowed down – to such an extent that the compliance with commitments is threatened

Bouygues Telecom considers that the pace of connections (conveyances) actually achieved by the new entity has known a significant slowdown since the acquisition of SFR, which, in light of the current path, gives rise to concerns that Numericable could not achieve its objectives within the set deadlines.

In order to review the compatibility of the behaviour of Numericable-SFR with its obligations, the Board of the Autorité decided on 5 October 2015 to open ex officio proceedings to assess whether these commitments are complied with. The Board's decision to open proceedings will not affect its final assessment in this matter, in accordance with applicable merger control rules.

[1] ***See decision 14-DCC-160 and the press release of 27 October 2014***

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