

Response of Bouygues Telecom to the public consultation on best practice in remedies on SMP in the relevant market for wholesale leased lines

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Bouygues Telecom is pleased to have the opportunity to comment the Consultation Paper proposed by ERG about the best practice in remedies in the relevant market for wholesale leased lines. This paper sets out Bouygues Telecom general views of this market in France and Bouygues Telecom comments on ERG proposals.

I. Bouygues Telecom general comments

Bouygues Telecom currently uses leased lines services for transmission of traffic on its backbone network.

In France, France Telecom has been identified as holding a position of significant market power in the market for retail and wholesale leased lines¹. French national regulation authority has imposed for 3 years a set of remedies on France Telecom:

- obligation to meet all reasonable requests for access (negotiate in good faith, assurance of co-location, ...)
- obligation not to discriminate
- obligation of transparency (reasonable notice to be given of changes to prices, terms and conditions for services)
- Quality of service indicators
- Publication of a reference offer on “capacity services”
- Tariff control (cost-orientated prices on offers for less than 10 Mbit/s ; no eviction prices on the other offers)

Those remedies have improved the situation. A few of ERG illustrative remedies are already applied by French regulation authority and proved themselves (e.g. Assurance of supply). However our practice of the market reveals that those obligations are necessary but not enough to establish loyal and effective competition on the French leased lines wholesale market.

Bouygues Telecom considers regulation on this market should be maintained and even strengthened. Consequently Bouygues Telecom supports ERG initiative. General obligations are not sufficient to tackle the France Telecom SMP position. Additional measures must be taken on the field.

¹ Decision ARCEP n°06-0592 September 26th 2006

II. Bouygues Telecom specific comments

A. Comments on ERG best practice

Bouygues Telecom, as customer on the market, supports ERG appraisal on competition issues in the leased lines wholesale market. ERG additional remedies seem to be definitely relevant as they would put more pressure on incumbent stakeholders to open up the market.

For example, it is necessary to identify clearly how a non-discriminatory remedy must be interpreted in practice; identification of forms of behavior which will be considered to be discriminatory would prevent incumbents from acting unfairly and would avoid operators to ask for NRA dispute settlement. Setting time frames for supply through a service level agreement would also be relevant. Key performance indicators that would assess whether the service provided to different customers is comparable would be a major step forward. Last but not least, Bouygues Telecom supports ERG claim that the reference offer should be updated to reflect service developments and technology evolution (e.g. IP, optical fibers ...).

B. Bouygues Telecom additional proposals

1. **Better transparency on offers**

To increase the transparency of the wholesale market, SMP players should published all of their leased lines offers. Public offers would describe their main characteristics: type of technology (IP, SDSL, optical fibers ...), maximum capacity (Mbps), service delivery schedule, reestablishment delay after outage, maximum service unavailability time (minutes/year), price (CAPEX/OPEX)... Customers could check out all offers available on a given area or on a phone number. That information could be available on the web through a database and/or a map. Customers would be able to compare offers and choose the one that fits their needs.

Such service is available for end users. It would definitely spare time to operators looking for local or national leased lines offers to benefit that service as well.

2. **Adaptability to technological evolutions**

The SMP player should adapt without delay its services for them to match with major technological evolutions and publish without delay its new offers. Emphasis should be stressed on the evolution of physical supports of leased lines (e.g. optical fibers). For instance, need for Ethernet is growing in France for 3G mobile networks but France Telecom still has not published its offers.

Considering this, we wonder if segmentation of debits (64Kbps, 2Mbps, 34Mbps ...) is still relevant as it does not match with today's needs, let alone tomorrow.

3. **Tariffs**

Fees for connection to SMP player premises should decrease when the link is used or will be used by numerous operators.

4. **Quality of Service**

- **Reports on outage:** The SMP player should have an obligation to fix any outage in a minimum time.
- **Sizing of capacity:** SMP player sometimes claims that its lines cannot welcome new entrants capacity requests. In that case, customers must face delays before getting the service back to order. SMP should be obliged to resize its capacity leased lines as soon as a certain percentage of capacity is reached.