

Committed to Europe



The European Electronic Communications Code

Regulating telecommunications to maximise welfare

Orange believes that digital technology is a powerful tool for economic and social development providing innovation which must be made available to the greatest number of people. As a telecom operator, Orange not only enables this digitisation by offering connectivity, but also contributes to the future of the European digital ecosystem by investing and innovating with many different partners. Our values are built around shared progress and encouraging the development of inclusive, sustainable and collaborative solutions. We ensure that we stay focused on making digital technology a driver of progress for society and for Orange as a business through listening to our stakeholders, and having an internal culture which promotes innovation.

In Europe, we are present in 7 Member States (Belgium, Spain, France, Luxembourg, Poland, Romania and Slovakia), employing more than 100 000 people, and serving customers with both fixed and mobile communications services, of which 25.5 million 4G customers and 9.8 million customers of convergent – ‘quadruple play’ offers¹.

To drive progress for society we ensure that the largest number of people can access digital services. This means ensuring the greatest possible fixed and mobile coverage as possible. We see that our customers want quadruple-play offers (broadband Internet access, TV, home phone and mobile services) and expect to enjoy services which are more and more demanding in terms of data consumption. On our fixed services, we have committed to deploy fixed high-speed networks in fibre optic with FTTH in France, Poland, Slovakia and Spain, and at the end of 2015, we had connected 1,882 million customers on fibre which will be Gigabit capable.

But our progress is not only determined by our own strategy - we also need to adhere to the requirements put on us by European and national authorities which influence the reach and quality of our networks and services. In this regard, the European Commission’s proposal for a European Electronic Communications Code (EECC) is – in many regards – a step in the right direction. However, Orange does see a need for improvement especially on services regulation in order that European consumers can gain the greatest amount of benefit from future telecommunications services.

Customer engagement

We work daily to improve Orange’s interaction with our customers at all levels such as making it easy to understand our offers and make use of products and tools. To support this work, we have developed a set of rules to ensure a level of simplicity for all of our new offers, and have reduced our offer portfolios with e.g. 61% in Spain and 33% in Romania. We ask customers to help us design offers and test end-to-end management of the customer journey for major processes. To ensure engagement and appropriation by customers, we have deployed the programme “Digital Society Forum”, which is open to everyone, and which runs public workshops – a recent one invited young people to discuss on the topics of “Family life in the digital age”².

¹ As of September 30, 2016

² <http://digital-society-forum.orange.com/en/les-rencontres/atelier-jeunes-sur-la-famille-connectee-rendez-vous-le-6-juillet-a-strasbourg>

Customers do not want complexity in information or offers, and it is therefore positive that in some areas a greater degree of harmonisation of consumer protection is achieved. This is also aligned with the actions that have already been taken through the launching the REFIT exercise of horizontal consumer rules which aims at more consistency. The principle of full harmonisation will act as a great facilitator for consumers' usage of services cross-border within the EU. The EECC proposes that consumers are presented with a contract summary, and Orange believes that this will lead to an improvement for consumers in terms of a greater degree of transparency and understanding of the most important elements of the contract, which could be developed in cooperation with the industry. However, we believe the proposed requirement to present information of highly technical nature to our customers is counter-productive, as understanding of commercial offers is key in ensuring uptake of new services, whereas complexity is discouraging it. Our aim is to make technology a positive experience rather than something that is presented as complex to understand and make decisions upon. The proposed Code introduces a similar complexity in relation to bundles where telecom specific rules are introduced whereas common general principles should apply.

In the new code, end user protection should take the customer perspective, focusing on the features of the service provided independently of the underlying technology. For instance, similar services may be provided over platforms (e.g. applications) with no integration of the underlying infrastructure or network layer. Such digital services should be subject to the same horizontal end user protection in order to provide consistent and clear safeguards, fair competition and support innovation for the benefit of consumers. On the other hand, the sector specific end user protection should be focussed on Internet Access Service and services using numbering resources, as these features are specific to telecom markets and end users have specific expectations regarding these services. The EECC Impact Assessment and Explanatory Note explicitly support this perspective, but many provisions fail to follow this line of thought and maintain, or even develop a specific, non-technologically neutral approach, notably by discriminating regulation depending on whether a service "conveys" a signal or not, which is confusing for consumers, distorting competition and hampering innovation.

Ensuring digital inclusion in terms of diversity and for the disabled

In 2015, Orange signed the ILO Global Business & Disability Network Charter³ and we are committed to ensure that our workplaces are inclusive and enabling working environments for people with disabilities. In 2015, we renewed our commitment to spend at least €15 million in purchases per year from companies in the disabled sector and innovative SMEs, and we have worked with 440 companies in this sector representing a value of €16.4 million invoiced at the end of 2015. From a customer perspective, we have worked in partnerships with the start-up Claria and HandiCaPZero in France; Claria has created a solution to make it easier for people with visual difficulties to use technology, and the association HandiCaPZero manages the technical support to help customers use Claria Vox. This has been possible under the coordination of Orange, and the solution is now available in stores that specifically offer products and services for disabled people.

In the proposed Code it would be important to eliminate any overlaps with the proposed European Accessibility Act (EAA) by specifying that electronic communication services (ECS) should be subject only to the requirements of the EECC (and hence removed from the scope of the EAA). However, devices – either provided in the scope of ECS or in other service areas – may be subject to the requirements of the EAA. It would equally be important to ensure that there is proportionate responsibility applied across the value chain and for like-for-like services, to ensure that disabled end users have access to services that are available to the majority of users.

Ensuring affordability of connectivity

Orange supports the shift of focus on universal service obligations from availability of services to affordability of available functional internet access services. The modernisation of the scope is also a correct move in the EECC, in that it now has a clear focus on voice telephony and functional internet access services. It further acknowledges that universal service obligations answer a public interest goal justifying public budget financing, which aims at securing that no one will be digitally excluded.

³ <http://www.businessanddisability.org/index.php/en/about-the-network/charter#principles>

Supporting a boost in data consumption

Our goal is to ensure that the largest number of people can access digital services, which means ensuring the greatest possible fixed and mobile coverage as possible. To help us attain this goal we need a regulatory regime which is supportive; in the area of fixed networks, we need a move towards a predictable and investment-friendly regime of regulation, under which access to fibre networks could be mandated in the absence of effective infrastructure competition. This holds both for situations where Orange owns the infrastructure and where Orange needs assets owned by a third party. In this regard, the high level objective of the EECC to put long term interest of European citizens at the front is the correct starting point for the framework. Also, the new Code puts competition at play for newly built networks and aims at achieving a more symmetric treatment of competing investors. Orange supports this approach. With the EECC, there is more room for commercial negotiations between market undertakings and support for co-investment projects for very high capacity fixed networks, whilst providers wishing to continue to provide classical broadband products to consumers will be protected. This will lower deployments costs and increase efficiencies, improve deployment and penetration in less dense areas, thereby bringing more services quicker to consumers.

For mobile, our ambition is to deploy 4G networks as quick as possible in our markets. And we continue investing in new future proof mobile technologies: for instance, we deployed a specific 4G coverage on the Paris-Lyon high speed TGV rail line in France, and will expand it to all TGV rail lines. Wi-Fi offered by the French Railways will rely on this solution. To ensure progress to 5G, we work with the French and European research and standardization bodies to prepare for future deployment of this technology which will provide even more speed, connect myriads of things and also serve the future needs of the digitized economy.

Spectrum is the foundation stone of this mobile communication, and the EECC proposes faster, cheaper and more efficient availability of spectrum, which will boost the quality of mobile services and digital service innovation for consumers. To support this development and uptake of service, more spectrum is needed. With greater harmonisation in the frequency allocation between Member States, we will as operators be able to achieve economies of scale and ensure interoperability of services and networks. Licence duration of minimum 25 years and prevention of fees to be paid prematurely prior to any spectrum band allocation will also provide greater predictability, which will act as incentive for investors. As such, re-enforcing the incentives to invest will lead to an extension of coverage in the EU, which will ensure that all EU citizens have access to communication and the internet.

Internet of Things – M2M is about communication between machines:

The Internet of Things (IoT) connects many sorts of devices wirelessly with central platforms to perform tasks. It also includes the widespread use of sensors which are increasingly cheap and available. Industry analysts estimate that today's 14bn connected devices could rise to anywhere from 20 billion to 100 billion by 2020. Orange is already involved with IoT in several ways; from the management of connected objects to the provision of M2M services, cloud market place and APIs. Through our Business division, Orange Business Services, we offer technical expertise to companies of all sizes, and because IoT solutions can be industry-specific, we have experience of tailoring offers for manufacturing, transportation, retail, health and smart cities. We consider security to be an integral part of our IoT approach, and therefore constantly expand and improve our security controls and features.

We consider that competition plays a major role in spreading new technologies and IoT will in most cases improve the performance of existing services and reduce costs, so many businesses will adopt these tools simply to match the performance of those who already have.

In the Code, new provisions grant the option to use numbers extraterritorially, which is essential, as it will bring more transparency and regulatory stability for the provision of IoT services by European providers. The Code should recognise that communications between machines are fundamentally different from communication between persons, and the rationale that applies to regulating communications between persons should not be applicable to M2M and IoT. Therefore, it should be recognised that it would cause great concern if consumer protection rules were made applicable to numbers used extraterritorially taking into account that the services

targeted are M2M, and not consumers. Similarly, the proposal to extend the rights to acquire numbers to undertakings other than providers of electronic communications networks and/or services is not necessary to open the market, but on the contrary would hamper innovation and create complexities into mobile networks and could lead to a shortage in mobile numbers with a detrimental impact on consumers.