

Arcep's approach to IP interconnection

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Agenda

1. Arcep's public statements on IP interconnection
2. Data gathering campaign
3. Formal proceedings
 - a. Competition law case: Cogent vs. Orange
 - b. Administrative inquiry: Free practices
4. Forward-looking considerations

2010 – 10 recommandations on net neutrality

2009 – Arcep starts working on net neutrality

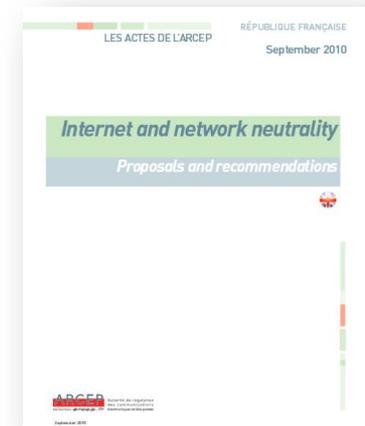
2010 – Proposals and recommendations on internet and network neutrality, incl. IP interconnection (Proposal n° 8)

ARCEP recommends

- that parties providing end users with access to the internet grant, in an objective and non-discriminatory fashion, all reasonable requests for interconnection whose purpose is to provide these users with access to internet services or applications; [...]

... and announces that it will **periodically collect information on IP interconnection**

- Based in part on this information, the Authority will later assess whether it is necessary to implement more prescriptive regulatory measures in these market



Source: http://www.arcep.fr/uploads/tx_gspublication/net-neutralite-orientations-sept2010-eng.pdf

2012 – Report on net neutrality

2012 – Report on net neutrality to Parliament and the Government

Including a *State of the data interconnection market*, highlighting trends such as:

- ❑ Consolidation
- ❑ Vertical integration
- ❑ Growing proportion of peering (over transit)
- ❑ Differentiated peering agreements

... requiring vigilance on

- ❑ Vertical integration
- ❑ Paid peering

... but **discarding hard regulation / law**



Source: http://www.arcep.fr/uploads/tx_gspublication/rapport-parlement-net-neutrality-sept2012-ENG.pdf

Since 2012, data gathering and ongoing analysis

Decisions n° 2012-0366, updated by decision n° 2014-0433-RDPI

Scope & frequency

- ❑ Group 1: Electronic communication providers in France → every 6 months
- ❑ Group 2: Companies operating networks interconnected with group 1 → on an *ad hoc* basis

Information collected

- ❑ Interconnected AS (incl. IXP)
- ❑ Location of interconnections
- ❑ For each interconnected AS and each interconnection location
 - Technical and financial terms
 - Capacities (installed and configured)
 - 95th centile volumes
 - both inbound and outbound
- ❑ *NB possibility to ask further questions to respondents in case of assumed congestion*

Competition law case in France: Cogent vs. Orange

May 2011 – Cogent complains against Orange to the Competition Authority

- ❑ Opacity of Orange's interconnection offers (Tier 1 provider)
- ❑ Financial terms asked by Orange (paid peering)

Oct. 2011 – Arcep formally provides its opinion to the Competition Authority

- ❑ High traffic asymmetry ratio between Cogent and Orange
- ❑ Absence of discrimination or related sale transactions
- ❑ Tariffs reflecting underlying costs
- ❑ Balanced bargaining powers...
- ❑ ... providing end users are informed on the impact of interconnection on their QoS

Sept. 2012 – Competition Authority accepts Orange's commitments to

- ❑ Formalise an internal transfer protocol...
- ❑ ... and facilitate the regular supervision of its implementation

Administrative inquiry about Free practices

Nov. 2012 – Arcep opens a formal investigation about Free's interconnection practices

... after consumers association UFC-Que choisir has warned Arcep about difficulties for many clients of Free to access internet services provided by Apple, Youtube, etc.

July 2013 – Arcep releases its conclusions

- ❑ Non discriminatory use of traffic shaping at interconnection by Free
- ❑ Global congestion of Free's transit capacity...
- ❑ ... having negative impact on all traffic using transit to enter Free's network

This investigation showed the importance of transparency on ISP's practices

Free increased its transit capacity twice, when Arcep opened (publicly) and closed (publicly) its investigation.

Going forward, Arcep will...

a. Keep on monitoring interconnection in France

... in order to be able to react swiftly in case of necessity

NB: Arcep will also stay closely in touch with the interconnection experts community in France (France-IX, FrNOG, ...)

b. Strengthen its QoS monitoring workstreams... and the associated information provided to end users

...in order to incentivise ISPs regarding the openness of their interconnection policy

c. Investigate new market developments, on an *ad hoc* basis

e.g. internal CDN, etc.

Thank you for
your attention

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