

Video offer, access to broadband networks and NGN development

AGCM – IIC Workshop

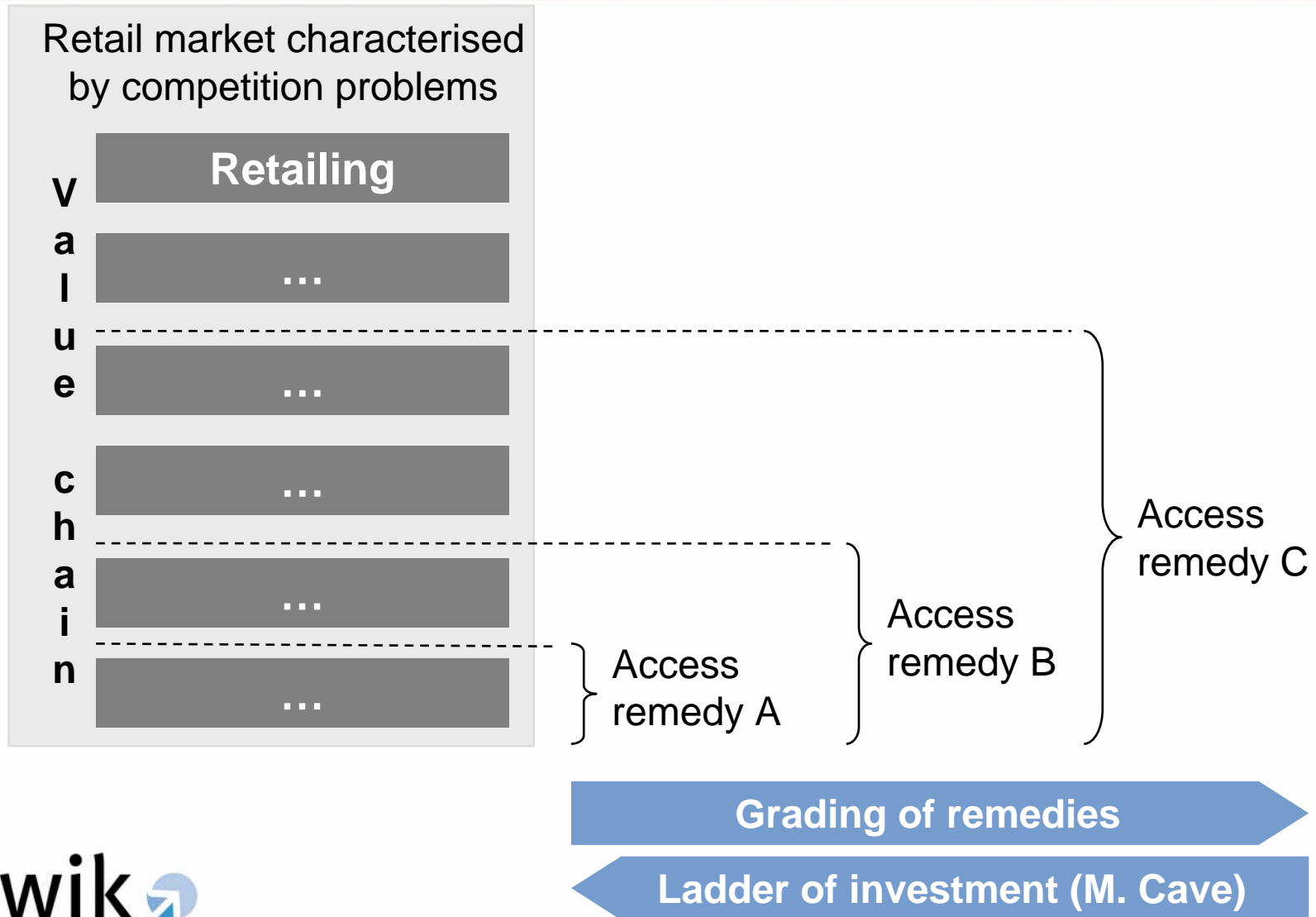
“Convergence in electronic communications markets. Competitive scenarios for networks, services and contents in an international perspective”

Rome, 21.01.2010

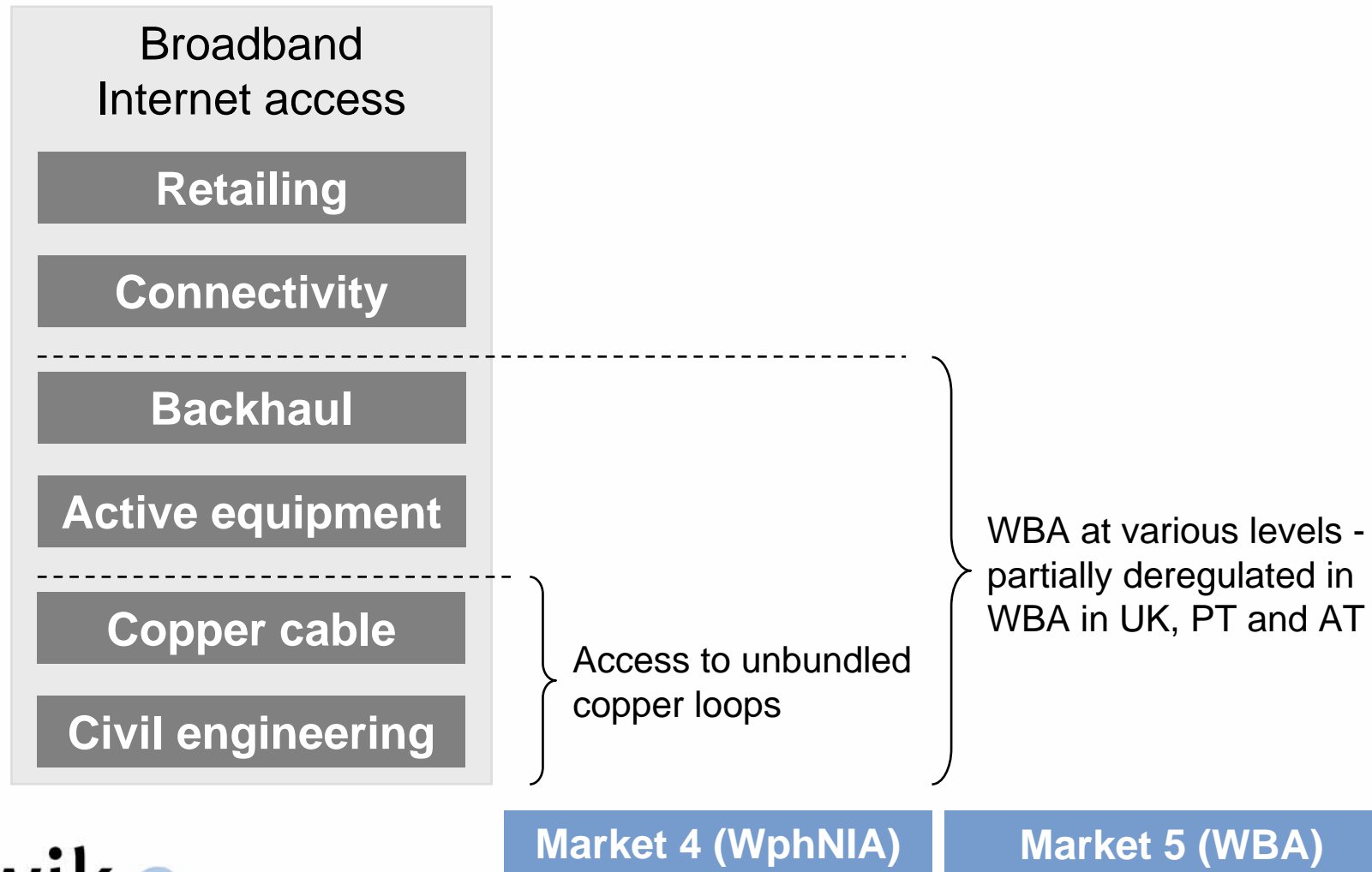
Dr. Ulrich Stumpf

- The regulatory problem
- The legacy solution
- The NGA disruption
- The regulatory options for NGA
- The current approach to NGA
- Critical issues

The regulatory problem

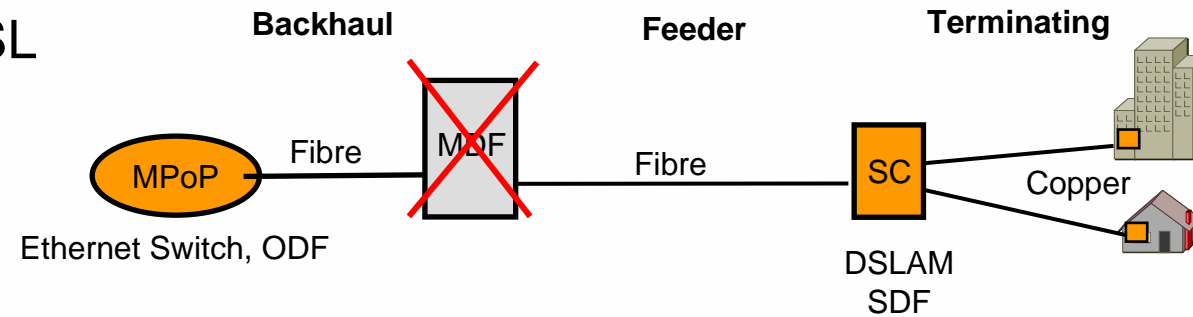


The legacy solution

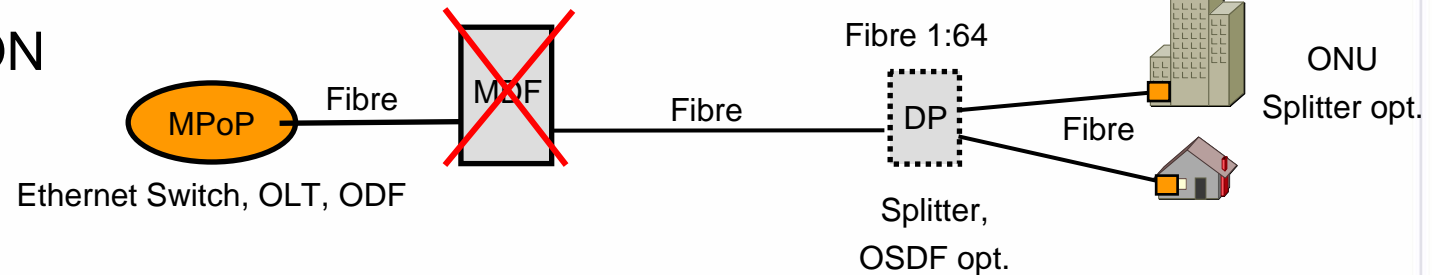


The NGA disruption

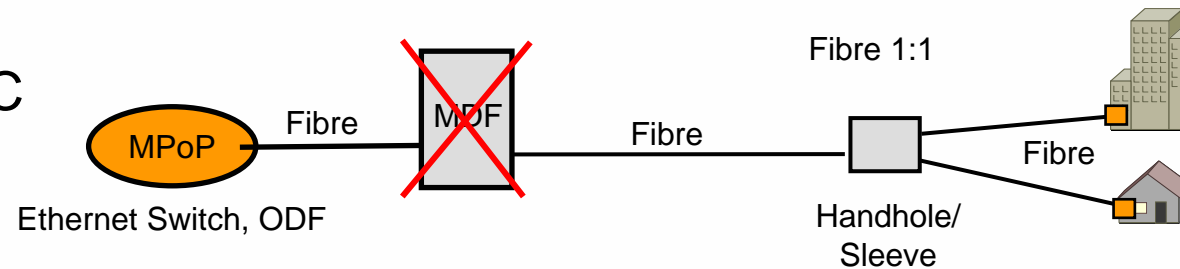
- FTTN VDSL



- FTTH PON



- FTTH P2PC



■ Active Electronic Equipment

The NGA disruption

- NGA requires substantial investment
- First-over advantages of incumbent
- NGA roll-out by a first-mover (incumbent) usually not viable on a nationwide basis

Network Type	Country					
	DE	FR	SE	PT	ES	IT
VDSL	71.5%	n.r.	18.3%	39.0%	67.4%	100.0%
PON	25.1%	25.2%	18.3%	19.2%	12.2%	17.6%
P2P	13.7%	18.6%	18.3%	19.2%	12.2%	12.6%

Source: WIK, n.r. – not realisable

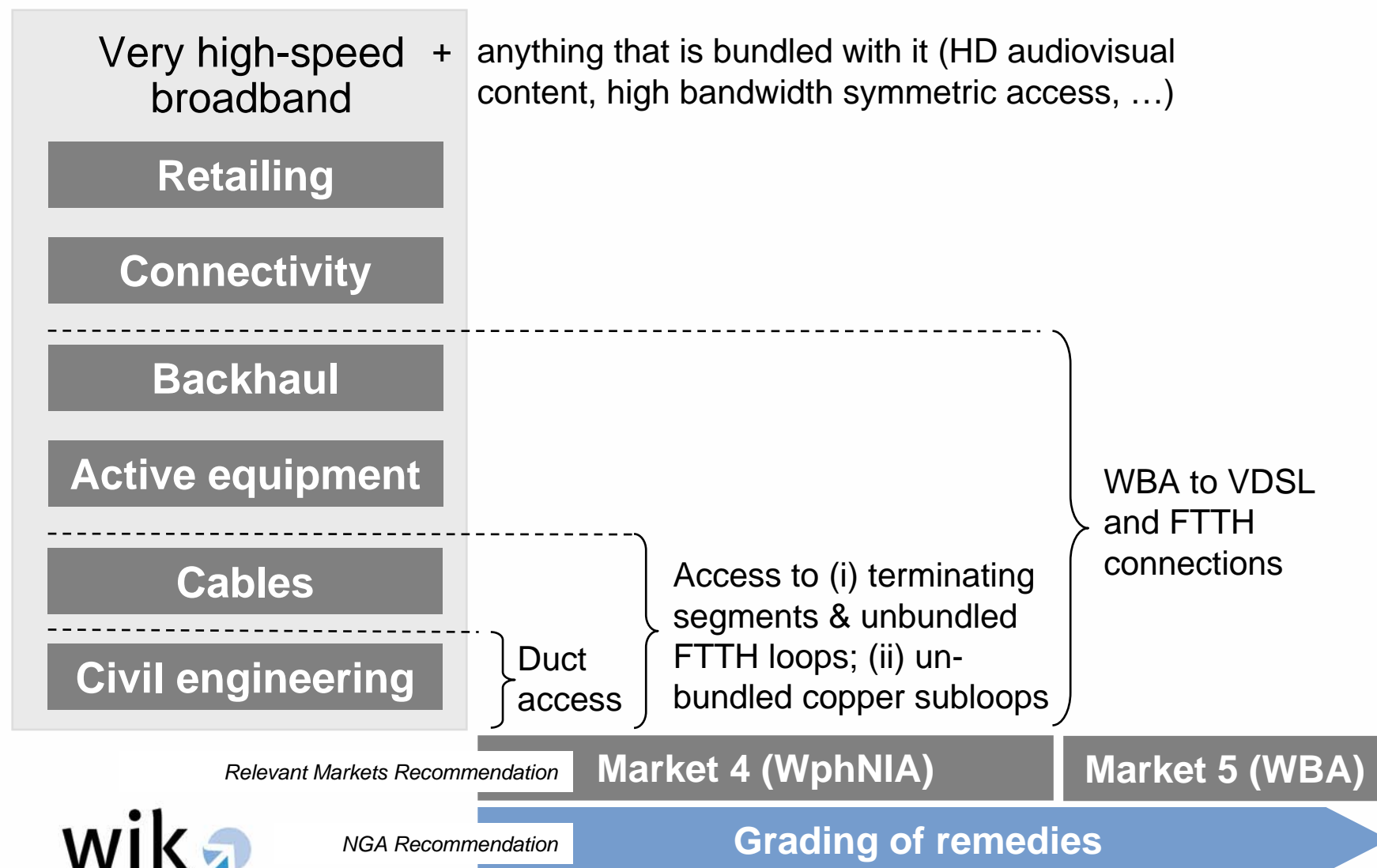
The NGA disruption

- NGA roll-out by a second-mover (replicability) not viable outside limited high-density areas
 - FTTN VDSL: SLU business case much weaker than for ULL, even assuming 80% duct access
 - FTTH: Limited viability only in France, even with access to ducts/dark fibre

Network Type	Country					
	DE	FR	SE	PT	ES	IT
VDSL	18.5%	n.r.	n.v.	39.0%	n.r.	17.6%
PON	0.3%	6.8%	n.v.	n.v.	n.v.	1.6%
P2P	0.0%	6.8%	n.v.	n.v.	n.v.	0.2%

Source: WIK, n.v. – not viable n.r. – not replicable

The regulatory options for NGA



The current approach to NGA

Access		FR	NL	DE	ES	IT
Market 4 (WphNIA)	Ducts		n.r.			
	Access to in-building wiring	SYM		n.r.	SYM	
	Access to fibre loop of FTTH networks (P2P)			n.r.		
	Access to copper subloop of VDSL networks	n.r.				
Market 5 (WBA)	WBA to FTTH connections		High qual Low qual	n.r.	High qual Low qual	
	WBA to VDSL connections		High qual Low qual		High qual Low qual	

- Regulation of WphNIA (Market 4)
 - Access to civil infrastructure and dark fibre alone not sufficient (except France?)
 - Subloop unbundling (where VDSL is relevant) indispensable - FTTH loop unbundling may also be required
 - No (?) subloop unbundling / FTTH loop unbundling in lower-density areas where ...
 - incumbent and ANOs compete in FTTH/B roll-out
 - there is effective provision of duct access/dark fibre
 - there is co-investment in multiple fibre
 - there is cable

- Regulation of WBA (Market 5)
 - WBA to FTTH connections also required, besides WBA to VDSL connections (technological neutrality)
 - WBA with multicast functionality?
 - No (?) WBA regulation in subnational markets where ...
 - incumbent and ANOs compete in FTTH/B roll-out
 - ANOs compete on the basis of unbundled subloops / FTTH loops, in particular, where there is functional separation and full equivalence in inputs
 - there is co-investment in multiple fibre
 - there is cable and mobile broadband
 - Instead of partially deregulated markets, regionalised remedies?

- Transition from legacy regulation to NGA regulation
 - Transparent plans for phasing out legacy remedies / phasing in NGA remedies
 - Effective implementation of NGA remedies
 - Reference offers
 - Cost-based prices
 - Ensure ANOs can launch new retail services based on NGA wholesale offers at the same time as incumbent



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