Ahead and Behind
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Earn my living from equipment ads, conferences, some consulting with mostly small companies. Not paid by telcos.
Ahead

- Innovative apps
- Video over the top
- Lower termination wireless
- 20% of the U.S. getting a decent network
- Cable research
- Lobbying
- Italy, Spain, Germany still
- Availability 95%
- Cheapest transit. $10-15, versus 10-15 euro competitive. Less developed peering
- Ridiculous patent barriers to entry
Penetration driven by price

If Martin had courage, for BellSouth deal require a 3 meg $15-20 DSL U.S. quickly passes

Compare to the Best

- Eight and ten years ago, U.S. was best
- Now, middle of pack of developed countries. Ahead of Germany Italy, soon behind France
- Should Chicago have a second rate Internet compared to Berlin, Paris, Amsterdam, Vienna,
- And New York, when Verizon gets going. FTTPR
- (Trying to get franchise to not serve Bronx)
5 or more for competition

- U.S. wireless prices went up when we went from 6+ to 4+
- 500 million fines for France mobile 3, but they continue
- Bell Canada and cable raising prices
- 2 carriers could fight (Verizon/Cablevision) but don’t even need to meet to make a deal.

Monopoly can work

- China is the proof of concept
- Government owned telcos are leading in DSL, and about to pass U.S. in broadband.
- Officially agreed to non-compete
- Where you have “monopoly”, smart regulator can do ok. Germany, Italy, most of U.S.
Best solutions

• Push full DOCSIS 3.0 in 2008-2011 with digital transition.
• Where incumbents do not deliver world class Internet (at least 10/50, $15-35), government do something. Produce Colognes across Germany DT ADSL
• Columbia synthesis: Recognize “monopoly behavior” Do something serious. DT four years ago was widely overpriced, Kurth made unbundling work

International

• Unbundle as much as possible, per line, not per bit. Choose sharable fiber, not PON
• Support competitors heavily. Regulate hard monopolies, like BT Openreach, TI, and …
• Subsidize services, not stockholders
• Keep price per bit insignificant. Charge per line
Ahead: Web Innovation

Small companies
Google, eBay, Facebook,

DVD Quality video over the top
Lower Termination Rates

• Because of terminating monopoly, these rates are not affected by price sensitivity

20% of U.S. getting a decent network

• Verizon is building a decent fiber network
• Leads in research for DOCSIS 3.0, darn good system. ?deploy
• Pumps up U.S. numbers temporarily
$M to politicians

$Million Lobbyists
Very good

Honest folks
misled
Rhetoric

• Deregulate to encourage investment
• Monopolies invest more because they are more efficient?
• Japan fiber because of Softbank, German DSL dropped in half because unbundlers drove down prices, FT fiber response to Free taking almost 3M customers
• Literally, copying American rhetoric
• American disease

Ahead of Italy, Spain
Availability 95%

Cable not government
Behind

- Surveillance
- Speeds over 1 upstream, quarter speed downstream rare across 60-80% of U.S.
- Price - $100-150 against 30-60 Euro
- Investment ratios/ AT&T 30% less
- Qwest, regionals 40-50% less
- Verizon merely replacing depreciation
- No profitable simple network example
- BT FON almost free wireless cloud, Slingbox coming, free wireless cloud and video share
- Truphone better than jajah
- Wireless interoperability

Every customer, every session, all the time
longue durée

Gap is small
2-5 good years

Converge 70%
Republicans failed

Deregulation failed
Sophistry/Nits

Paris 30 euro
$15- $25

70% U.S. AT&T similar
1 meg up,
6 meg down

10/50 Berlin
100/100

Paris, Geneva, Cologne, Amsterdam
100/100 nation
Japan, Korea,
Taiwan, Singapore
Andorra, Holland

Verizon 20%
AT&T data

DOCSIS 3.0
Soon, robust, affordable

Modest cost
Decimate
AT&T

Likely delayed
U.S. CLECs died 1999-2002

Deregulation discourages investment
Thank you