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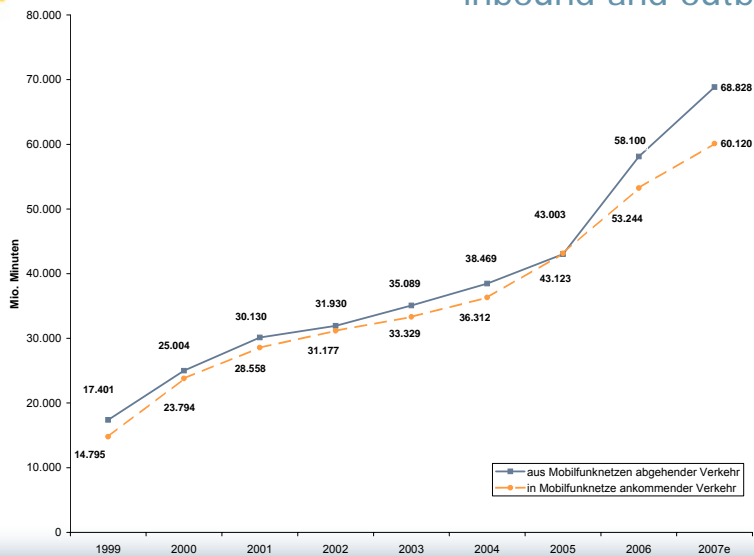
Matthias Kurth,
President
Bundesnetzagentur
(Federal Network Agency)

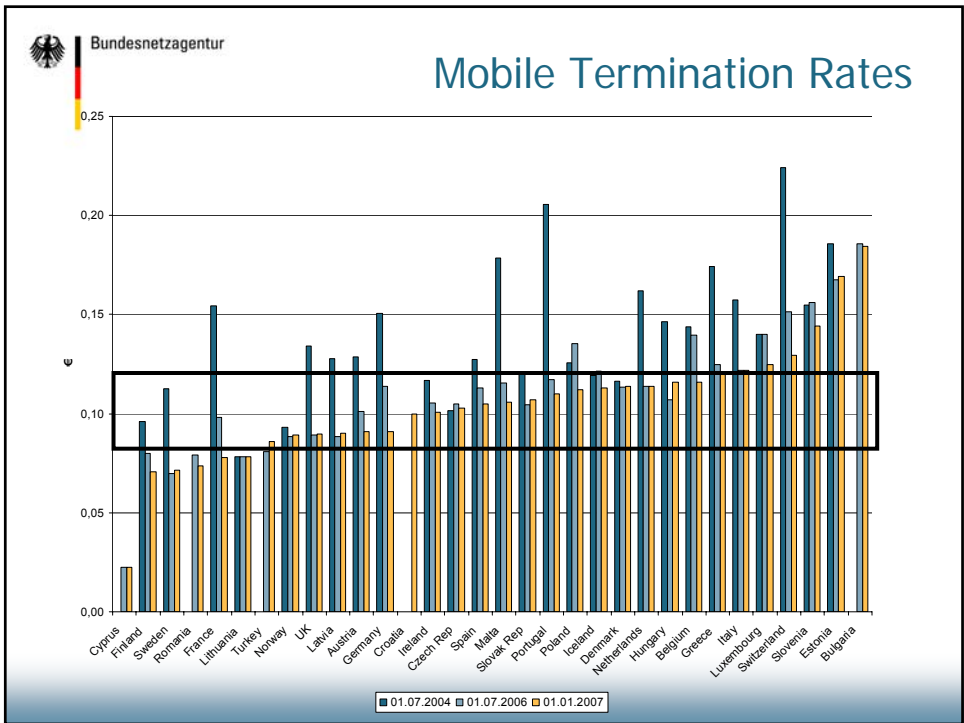
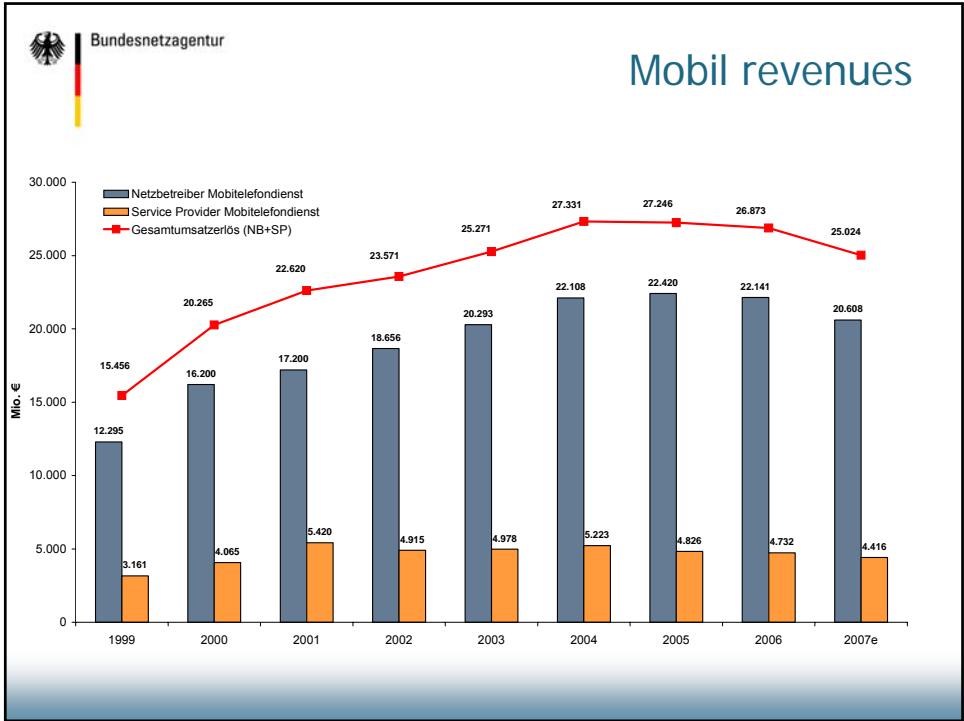
19. October 2007



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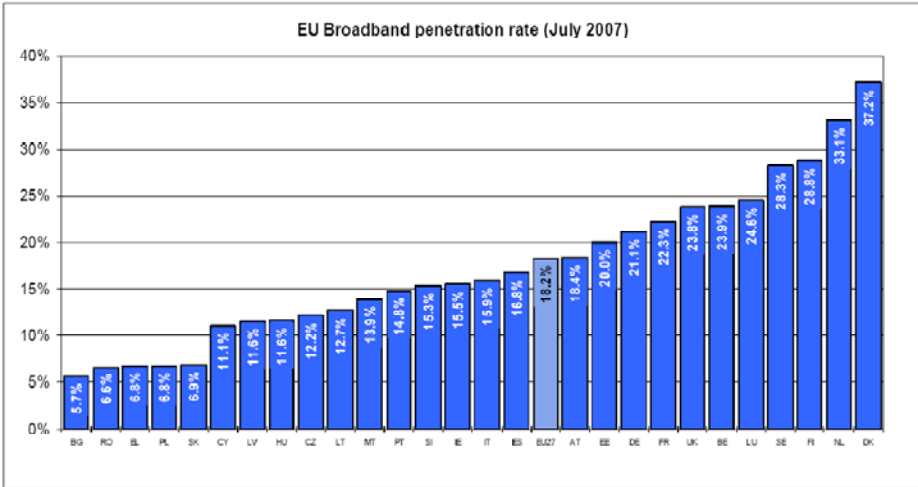
German mobile call volume inbound and outbound



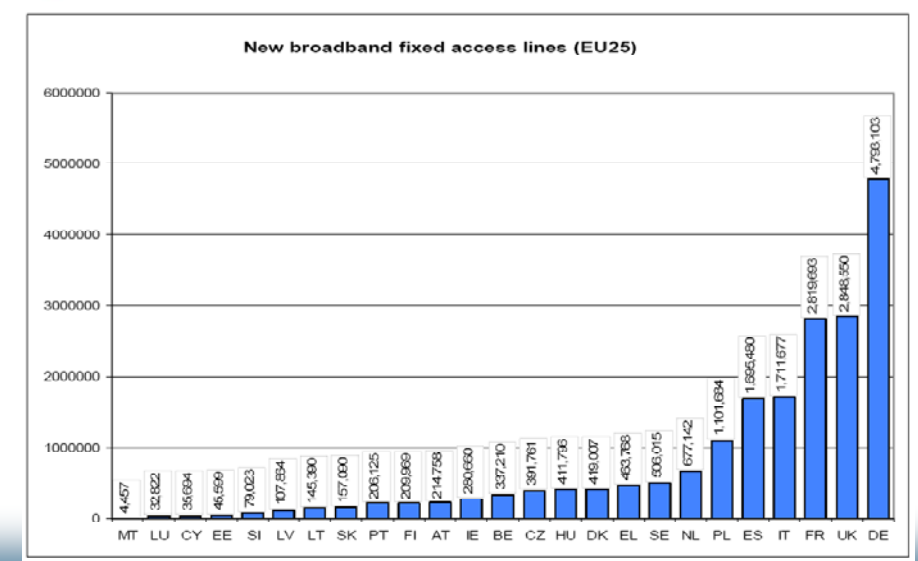




Broadband Penetration



Broadband Development





Next Generation Access

To date, limited knowledge of NGA rollout plans

- In several countries incumbents plan to roll out fibre to the cabinet
- Also FTTB/H is considered,
- Country case studies show a large variety of rollout strategies across Europe
- Information on rollout strategies of incumbents is crucial for managing transition process

- 2 Scenarios considered
 - Fibre to the cabinet, which consists of a hybrid solution with DSL technology and fibre going to the street cabinet and copper between the street cabinet and the end-user.
 - Fibre to the home which is a fully optical solution going to the end-user premises. Fibre to the building is included in this scenario even though, technically, it has to be considered a hybrid solution.

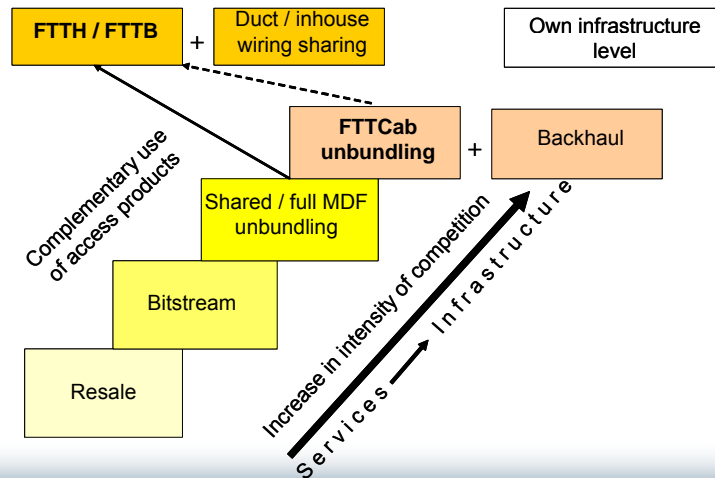


Economics of NGA

- A mixture of technologies will be used for NGA deployment depending on a number of parameters and specific local characteristics, including
 - copper local loop and sub-loop lengths,
 - customer density and dispersion,
 - the number of street cabinets per MDF.
 - Economics of NGA networks are likely to vary across different technologies and different geographies, i.e. between MS and within MS.
 - Increase in costs per line/user due to a lower No of end customers per node.
 - Viability of the business case also depends on the demand side and additional ARPU that can be attained by offering customers innovative services.
- **NGA investments are likely to reinforce the importance of scale and scope economies, thereby reducing the degree of replicability, potentially leading to an enduring economic bottleneck.**



Ladder of Investment in an NGA environment



The European perspective Review

- Review of Framework Regulations is underway
- Adoption by Commission is slated for 13. November
- The existing framework is fundamentally sound
- Experience with the framework and the rapid development of new technologies show the need for some changes, though
- The number of markets susceptible to ex ante regulation can be reduced significantly, as competition has evolved



The European perspective EECMA proposal

- EU Commission has proposed to establish a European Electronic Communications Market Authority (EECMA)
- Regulatory fragmentation and inconsistent regulatory approaches by 27 NRAs is the justification for the creation of EECMA. No real evidence to date in support of this assertion
- NRA can react more flexible, with more knowledge of the local market and often faster than a central agency could
- EECMA would have more functions and tasks compared to ERG; however, ultimate decision-making powers lie with the Commission



Vielen Dank für Ihre Aufmerksamkeit!

Thanks for your attention!