Matthias Kurth,
President
Bundesnetzagentur
(Federal Network Agency)

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German mobile call volume
inbound and outbound
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

- FTTH / FTTB
- Own infrastructure
- Duct / inhouse wiring sharing
- FTTCab unbundling
- Shared / full MDF unbundling
- Backhaul
- Bitstream
- Resale

The European perspective

- 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!