Regulation of NGN Access
The dutch case

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Table of Content

- Short introduction – the dutch NGN landscape
- OPTA's approach
- The EC recommendation
- Challenges

The dutch broadband landscape

- Fast uptake of broadband services
  - 78% of households use Broadband Internet
  - 37% of households use Voice over Broadband
  - 45 % of households use Digital TV
  - 95% of households use analoge TV

- Competition level – Cable and DSL
  - DSL based on ULL competition

- Start of FttH competition

The dutch NGN landscape – networks and access

- Two competing infrastructures: Cable and Copper
  - More than 95% network coverage by Cable networks
  - 100% network coverage of ADSL, of which 65% ADSL2+
- Both networks are constantly developed
  - Cable: start introduction of Docsis 3.0 (120 Mb)
  - Copper: introduction of FttC (VDSL2 – 50Mb)
- New networks emerging
  - Introduction of FttH (PtP Ethernet – 100Mb…1Gb)
- KPN plans to develop 'ALL-IP' network within next five years. FttC (VDSL2), but recently more focus on FttH.
- ULL becomes threatened as future-proof infrabased competition model.

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Regulatory NGN approach – promote infrabased competition (if possible)

- Cable and KPN is not enough – access required
- Infrabased competition is driver for innovation and investments

- Promote infrabased access model - regulation
  - LLU
  - SLU
  - ODF Access (‘unlit fibre’)

- Wholesale broadband regulation if infra-access is not effective
  - SLU has limited potential
  - LLU becomes less effective

- No WBA regulation if infra-access is effective
  - ODF Access has strong potential

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Regulatory challenges for NGN Access in NL

- How to stimulate infra-investments in NGN, and without disturbing level of competition
  - Create enough regulatory certainty.
    - Remedies over more than 1 regulatory period?

  - Clear and long term Pricing principles of NGN Access
    - allow enough 'risc premium', but prevent too much monopoly-profits – the question is how?

  - Allow for gradual transition – current ULL-based competitors
    - ULL "arrangement"
    - Cable resale option

  - Create effective regulation of (passive) infra-access
    - ODF Access ('unlit fibre')

The EC Recommendation – some reactions for NL-case

- Goals of EC, infrabased-competition and sharing of investments fully supported by OPTA
- Shared fibre access (GPON) and FttC seams (in most countries) the expected NGN-option: will sharing of DUCTS be the (only) solution? or is WBA (also) required?
- Non shared fibre access (PtP – current default in NL) seems much better regulatory option – why not stimulate more investments in PtP?
- Pricing too prescriptive and not dealing with the actual question – how to create (just enough) regulatory certainty for investors in NGN, without disturbing the level of competition?
- The NL-approach, based on ODF Access, might not be the example for Europe, because of typical dutch conditions. (cable and new-build FttH)