



The regulation of next generation access networks: the work done and the way ahead

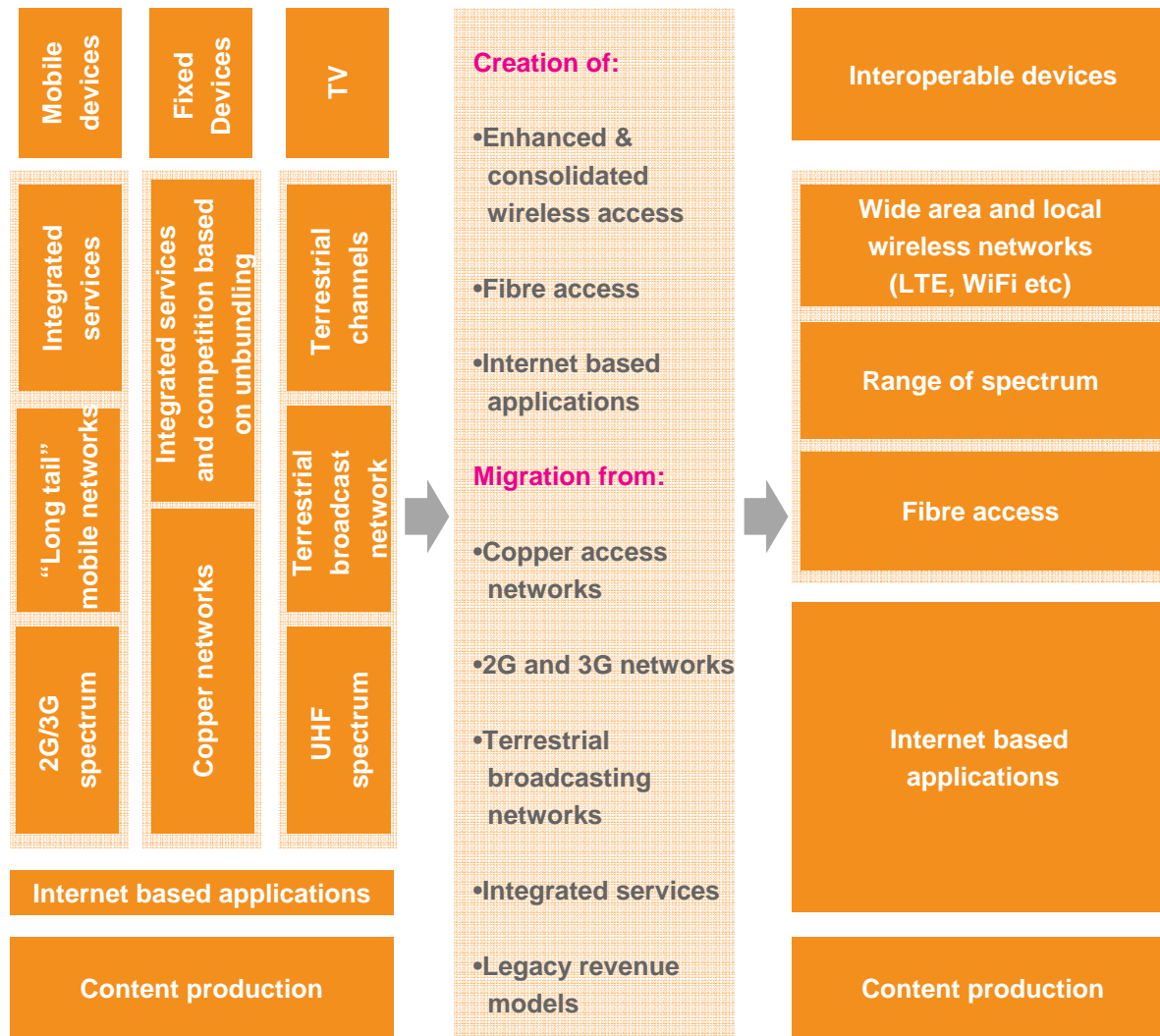
NEREC Conference

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Competition shifting to internet



Mobile and fixed NGA interact



- **LTE will, relative to 3G**

- Increase typical speed 10-fold and reduce latency 10-fold
- Reduce cost per MB 5-fold (with same quantity of spectrum)
- Offer improved rural and indoor coverage (with reallocated UHF spectrum)
- Significantly increase competitive pressure on copper DSL

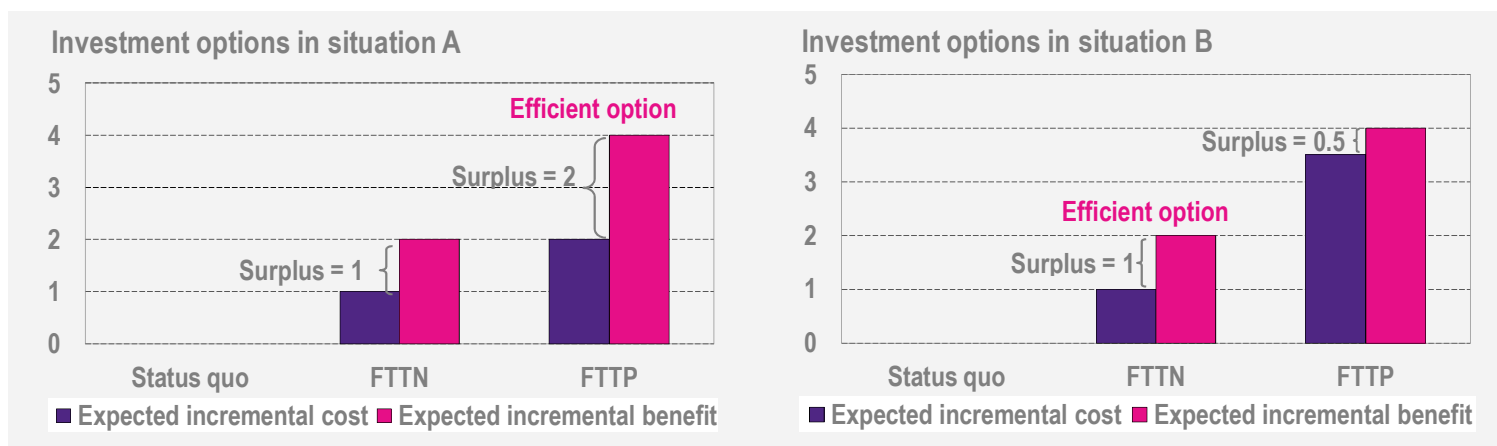
- **Mobile and fixed fibre are also complements**

“The extent to which fibre cables are brought within 100-300 metres of people’s homes will determine the viability of massive upgrade of wider area mobile radio data speeds.” William Webb. 2007. “Wireless communications: the future.” John Wiley. Page 209.

- **Regulators should consider**

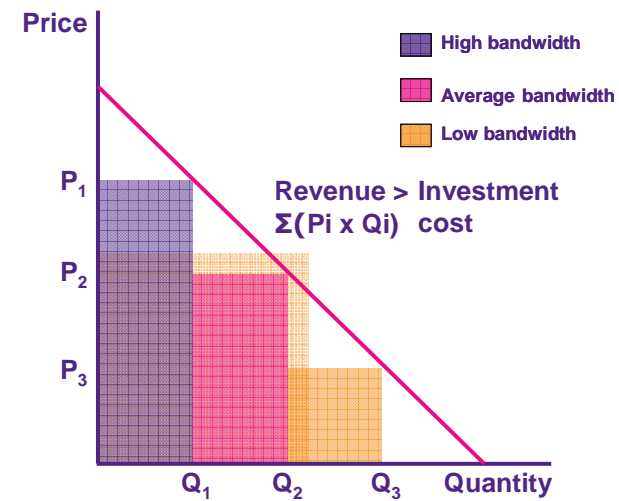
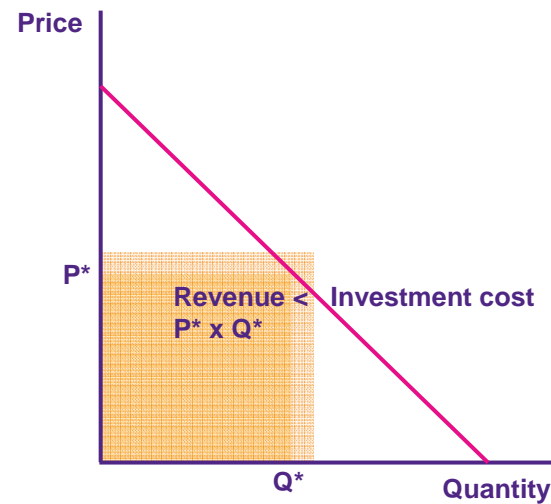
- Implications of wireless-fixed complementarity
- Implications of wireless-fixed substitution including
 - Policy for copper phase-out including any fixed voice USO obligations
 - Implications for sub-national markets

Price flexibility to support efficient investment choices



A cost based price will not incentivise efficient investment choices

Price flexibility to support timely investment



A single price is unlikely to incentivise timely investment



Positive aspects of draft Commission recommendation

- **Guidance on regulation ahead of investment/market review**
 - Investors need to know approach before they commit
- **Supports development of protocols for bitstream**
 - Likely to play greater role in future and supports pan-European services
- **Avoid “inappropriate divergence of regulatory approaches”**
 - Versus harmonisation as a end in itself
 - Recognises diversity of possible approaches

Way ahead requires



- **Consideration of altered market context and implications of**
 - Multiservice platforms and platform transformation for cost based approaches
 - Internet based applications/content for competition and discrimination
 - Wireless NGA for legacy copper and fixed NGA
- **Price flexibility to support efficient and timely investment**
- **Flexible forms of consumer protection where required**
 - Anchor product regulation?
- **Greater neutrality regarding**
 - Technology choices (wireless vs. fixed, multiple fibre versus GPON, FTTH vs. FTTC)
 - Market structure (co-investment, long term contracts, customer involvement in terms of choice and investment)
- **A comprehensive framework for timely switch-off of legacy networks**