



# The Views of Alternative Operators in Ireland

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# NGA and NGN

## **NGN**

- Core Network
- Voice and Data Interconnection
- IP Based Issues to Overcome

## **NGA**

- Access Network – most difficult issue
- Significant Investment Required
- Stranded Asset Concerns
- Huge Commercial Implications

# NGN and NGA - The Strategic Dilemma for Ireland...

The Radical approach – rip and replace

The Conservative approach – an overlay

# Radical

## Complete transformation – single IP network

- Maximises cost savings
  - Delivers service agility
  - Supports full convergence of services
  - High capital costs to deliver
  - Potential high regulatory risks
- Classically a strategy adopted where market **competition is strong** and incumbents are **facing pricing pressure**

# Conservative

Overlay strategy – optimises part of the network

- Keeps PSTN network intact
- IP MPLS at core
- Classically adopted by incumbents who;
  - **Lack investment** resources
  - Cannot convince **investors** of CAPEX case
  - Market **not competitive**
  - Super normal **margins** from legacy networks
  - A **selective** reaction to cable



# NGN and NGA opportunities for Alternative Operators

- Consumers **extract greater value** from telecom services
- **Grows** the overall market for all
- Stimulates **innovation** for all players
- Reduces **TTM** for new services
- Improves **QoS** (lower contention ratios)
- Supports greater **inter-operability between networks** – eircom use the MANS
- Provides **lower barriers** for new entrants (mobile operators)
- Should **support migration** between operators

# Conservative NGN and NGA threats for Alternative Operators

- Further segments the market – creates a **digital ‘Tri-vidé’**
- Lack of **commercial clarity** impacts;
  - Existing LLU providers
  - Inter-connect arrangements
- Requires **regulatory certainty** and process
- Stalls both **new investment** decisions and new entrants
- **Guarantees** on legacy network for by-passed exchanges
- No business case for SLU (**kills innovation & differentiation**)

# 1 - **More formal intervention** is required going forward to establish an **effective approach**

- Alternate operators and industry must move forward in step on NGN rollout to;
  - **Facilitate efficient investment**
  - Maintain a **competitive environment** for infrastructure and services
  
- An **improved framework** for industry engagement is required in the form of;
  - Industry Forum
  - Transparent Processes
  - Chaired by Comreg



## 2 - Greater certainty of the **role of industry** and the market in determining NGN-based competition

- **Equivalent Wholesale** services available in advance of Retail launch
- Transparent **SLAs**
- **Limit impacts** of foreclosure on network design
- **Compensation** for stranded assets
- **De-risk investment** for alternative operators building network level competition
- **Address issues** associated with network **migration**
- Full **open access** for new systems and interfaces

### 3 - Transparency of **customer benefits and issues;**

- Facilitate **full Migration processes**
- **Reduce impacts** to current service offering
- **Limit impacts** regarding **withdrawal** of services
- Maintain and improve **quality of service**
- Promote **service innovation**

# Supports TIF Principles

- Principle of **equal access**
- Principle of support for the **national economic strategy**
- Principle of **competitive price and quality**
- Principle of **investment, innovation and research**
- Principle of **subsidiarity**
- Principle of **customer's choice**

# Summary – the gradual ‘scenic route’ to NGN & NGA

- Vigorously applaud the B&B/JP Morgan initiative
- Significant **implications** for the future telecoms industry and Ireland
- A market lagging in competition, poorly provided on it’s existing copper network creates a **digital ‘Tri-vide’**
- The proposed solution appears to be a reaction to cable threat
- Requirement for much **stronger regulatory management** than historically demonstrated
- Urgent need for **industry process groups** to ensure that the whole industry can take part
- Look forward to **embracing in consultation** governed by **Comreg**
- Much at stake for all!