WELCOME
WITH ULTRA-BROADBAND
DELIVER THE RIGHT TO COMPETE

Guillermo Alarcon
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IS THERE A Viable BUSINESS CASE TO CONNECT THE UNSERVED AREAS?

**CHALLENGES**

- Expensive last-miles access
- Duplication of Infrastructure
- Failure of Market Structure
- ICT expertise
- Low incomes
- Funding
- Return of investment

**SOLUTIONS**

- Shared Broadband Infrastructure
- Leveraging Digital Dividend
- More competition at service level
- Public Private Partnerships
- Wholesale Services

Moving from frequency auctions... to beauty contests
HOW DO YOU USE ULTRA-BROADBAND TO BETTER COMPETE IN THE GLOBAL MARKETPLACE?

- Share infrastructure to reduce cost and maximize service coverage.
- Embrace the coverage needs of the full country.
- Distinguish the wholesale and retail business and the related investment needs.
- Collaborate to make the best use of public assets and private resources.
WHERE TO START?

RECOMMENDATIONS FROM MARKET EXPERTS:

1. **Assess your situation**: coverage, competition, quality?
2. **Set the vision** on ‘one’ priority
3. **Look at your regulatory framework**
4. **Study how to mitigate all non-transferable risks**
5. **Collaborate with a full eco-system** to create a sustainable technical, financial and commercial proposition
6. **See the forest, not the tree**: It is not about “building a backbone” it is about optimizing the full supply side and incentivizing the demand side.
Choosing the right regulatory framework is key
DIFFERENT BUSINESSES REQUIRE DIFFERENT FUNDING

End-user

Services, Content & Apps
(residential, public & business)

Active Network
(network equipments, business & operation support)

Passive Infrastructure
(trenches, ducts, fibre)

Investment needed

20%

>200 B€

80%

Payback

Few m-3y

5-7 y

10-15 y
SHARING TO REDUCE COSTS AND WHOLESALE IS THE MOST EFFICIENT WAY TO SHARE INFRASTRUCTURE!

Vodafone source
Type of PPPs and Risk Sharing

Source: Enrique Moreno de Acevedo Sánchez
GOVERNMENT INTERVENTION MODEL EXAMPLES

1. Private Investment - Unregulated
2. Private Investment - Heavy Regulation
3. Private led with Government support
4. Incumbent led with Government support
5. Government controlled infrastructure

Adapted - ADL Analysis
NEW ZEALAND

- Service
  - Active
  - Passive

- Retail Service Provider
- Retail Service Provider
- Retail Service Provider

- Regulated Active Wholesale
  - Shared Active and Passive Infrastructure

- Private led with Government support

- Public Funding
- Private Investment

- Bitstream Services for Access Seekers

- Access: Fiber
- Backhaul
- Aggregation
- Service Edge
- Core
POLAND

Service

Active

Passive

Retail Service Provider

Regulated Active Wholesale.
Shared Active and Passive Infrastructure

Private led with Government support

Public Asset Contrib

Private Investment

Bitstream Services for Access Seekers

Access: Copper and Fiber

Backhaul

Aggregation

Service Edge

Core

IP/MPLS

Access: Copper and Fiber

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IP/MPLS
MEXICO (2015)

Private led with Government support

Regulated Active Wholesale
Shared Active and Passive Infrastructure

Retail Service Provider
Retail Service Provider
Retail Service Provider

Public Asset Contrib
Private Investment

Bitstream Services for Access Seekers

Access: mobile Broadband
Backhaul
Aggregation
Service Edge
Core
MEXICO HIGHLIGHT: A 1:5 COST ADVANTAGE ENABLES TO BUILD A NEW LTE NETWORK AT HALF THE COST OF EXISTING INFRASTRUCTURE

Comfortably doing video in a smartphone using mobile broadband at less than one dollar per GB, wholesale price
M-DIABETES PROJECT IN SENEGAL

Communities
NGOs
Hospitals
Governments
Content Providers
Datacentre Hosted Applications
Service Provider Connectivity
End Users
Next Generation Broadband is about more than just speed...
Alcatel-Lucent is bringing together stakeholders from traditional and non-traditional industries to:

- Accelerate deployment of **new services and devices**
- Drive **new sources of revenue** with new business models
- **Broaden the device landscape** to consumer electronics and machine-to-machine

*Working with the next generation of applications, content and connected devices providers to make the market for LTE based services in 5 target areas*

**Focus Areas**

- Consumer Media & Entertainment
- Enterprise Collaboration & e-Healthcare
- Automotive Connectivity
- Digital Signage
- Computing Experience