

## Challenges of Open Access Networks in a broadband Ecosystem

Keywords:

Regulatory

Open Access - neutrality

Adoption – Trust

Regulatory failure – FNO vs SNO

SMP – David vs Goliath (Taming the beast!)

Operators

Service deployment vs infrastructure availability

Bundle service (cross subsidy)

Enablers: MPLS/IP wholesale /Aerial optic fiber/managed services

Software development: QoS, R&D, e-services (multi-lingua)

Community involvement: ICT solutions to solve localized problems

All protocols observed.

Good morning ladies and gentlemen.

The recent launch of 3.75G networks by some MNOs in Nigeria suggests a Mobile Broadband eco-system is already in place. With terrestrial networks already in place in a piece-meal form to provide the platform in ensuring speeds of 256Kbps and greater are available on devices that can support broadband applications. This eco-system is the beginning of a wider broadband eco-system that may transpire and include another range of broadband applications from the office desk or from

our homes, which will complement the reach and presence of an always-on high speed internet access paradigm!

In a nutshell, the Nigerian telecom landscape is one driven by a mobile operator's choice of technology, innovation and investment versus the normal value chains that depicts a strong fixed line incumbent protected by a National Regulator (NRA) and OLOs providing their FMC services piggy-backed on a National Backbone facility! The drive to LTE demonstrates this when you consider that the broadband (& NGN) of the future is now demonstrating scenarios where consumers are hooked up with 100Mbps download speeds to the home. As a broadband access theme, these speeds are already on pilot in other climes over cable and FTTH and hence the basis of the challenges glaringly obvious to the concept of an Open Access Network is: how can you achieve neutrality in the face of the overwhelming status quo that the only means of scale to reach broadband for NGN in Nigeria is via LTE or other form of wireless access reach in Nigeria! The challenges are not insurmountable, however, without a concerted effort or willingness to transform our business models, policies or operations; their will exist islands of broadband deployments scattered across this land that can never achieve an end-to-end connectivity as easy as it is to make a simple voice call from here (Lagos) to Washington DC with the assured clarity!

Why?

A broadband eco-system that relies purely on networks to evolve without careful planning is bound to fail both in terms of regulation and implementation – the INTERNET is not one that can be regulated by any NRA or government organization the IETF stands a much better chance

of understanding the complexities that underline the numerous protocols, standards and interconnectivity issues than any single governmental body (i.e. SKYPE, NAPSTAR etc) and therefore some level of stability at the lower layers (i.e. the backbone layer) is mandatory if not only to serve as a reminder of it being a critical asset within a broadband eco-system that is not subjected to multifaceted ideas that create more complexity in an already complex environment. The key objective is to drive for SIMPLICITY (i.e. KISS). A National Broadband Network is a key component of any viable eco-system that provides a relatively level playing field for all other multi-services (IPTV, triple-/Quad-play, e-Services, Security etc) at the wholesale level with a structure that enables a viable FTTx deployment to exist (note that Mobile Operators also benefit as well).

It is reasonable to request that in order to safe guard investments already made in building various backbone networks that an eco-system that allows for multiple scenarios to be supported in a controlled segmented framework (i.e. transformation from a monopolistic environment to one that creates focused competence and innovation in product and business model delivery) that creates SMART and LEAN players. SMART – service, management, applications, relationships and technology advancements & LEAN (Low-cost enablers of agnostic networks at both the applications and devices level).

Needless to say, the telecoms landscape is changing fast and this requires new regulation, will introduce new competitors entering adjacent markets and increasing customer demands for converged and bundled services. No telecoms service provider is able to meet all of its customers' requirements without relying on services bought wholesale from other service providers – this complex value web in which

wholesale has a critical role to play, enabling and supporting the retail service providers' service portfolios is one that we have been doing at Phase3 Telecom for 4 years on our Open Access aerial OFC Network (representing 2500Km of aerial optic fiber as a Utility telecom (or Utelco)), and within our eco-system and in the larger broadband eco-system we have partnered with Dangote Group to expand this facility to Port Harcourt and Calabar representing an additional 600 Km within the space of 9 months! A National Backbone provides the platform for National Broadband Network.

An Open Access Network such as ours offers within the value chain benefits such as lower costs, greater efficiencies and expertise; like the international wholesale market that is consolidating around a fewer larger players, to whom national and regional carriers are outsourcing their traffic, in the same way it is only natural within the broadband eco-system to have domestic service providers outsource the network operation and ownership (i.e. which no longer be an important differentiator to them) as it can be deemed an unnecessary drain on their resources and their focus should be to improve of consumer experience within in this new paradigm.

In summary, a regulatory approach to next generation access with the eco-system should address the following:

- The deployment of fiber in the access network (last mile) represents a substantial transformation in architecture and poses crucial regulatory and policy questions (also not forgetting the hugh investment in the NGN100bn(s))
  - On what basis must access be provided? What remedies are being chosen – are they active or passive?

- Does NGN access require public intervention to take place and under what form?
- Are there any open-access requirements?
- Best practices from countries where NGA is already a reality?

For an effective eco-system to be sustainable and for continued growth of the telecoms industry these questions are a few of many that needs to be addressed.

Thank you and God bless.

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