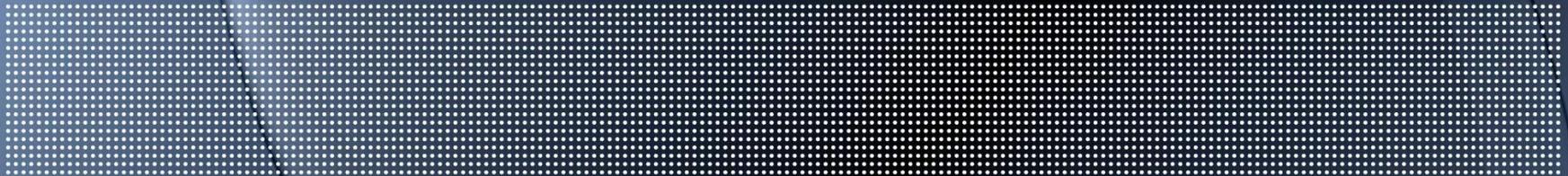


THE FIBER CHALLENGE: ENSURING A LEVEL PLAYING FIELD



FTTH CONFERENCE - COPENHAGEN

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12 February 2008

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1. THE ROLE OF THE REGULATOR



The role of the regulator – sense and sensibility

- NGN implementation: partially a process of “creative destruction”.



- Swift decision (e.g. market analysis and obligations) requested to enhance regulatory certainty.

x

- Technological and legal uncertainty.



Sound regulatory decision must not:

- be a process of “destructive creation”;
- provide incentives to “superfluous discoveries” (e.g. inefficient investments, arbitrage opportunities, rent seeking practices).

Striking the right balance

- Maintain existing business models;
- Achieve regulatory innovativeness;
- Promote competition.

- Promote technological and service innovation;
- Ensure juridical certainty;
- Attend to socially efficient use of resources.



2. TOP PRACTICAL PRIORITIES



STUDY ON NGN IMPLEMENTATION IN PORTUGAL – JUNE 2008



TOP PRIORITIES

- Open Access to All Ducts;
- Open Access to All Buildings;
- Simplify Authorisation Procedures for Construction;
- Promote Access in Low Density Areas – NGN for All;
- Ensure Fair and Predictable Regulatory Conditions.

OPEN ACCESS TO ALL DUCTS

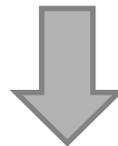
Background: \sum costs of “horizontal” and “vertical barriers” = 2/3 NGN investment



2004: ANACOM ordered and specified the First Reference Offer of Access to Ducts by the historic operators.

- Prices;
- Planning;

- Points of access;
- QoS.



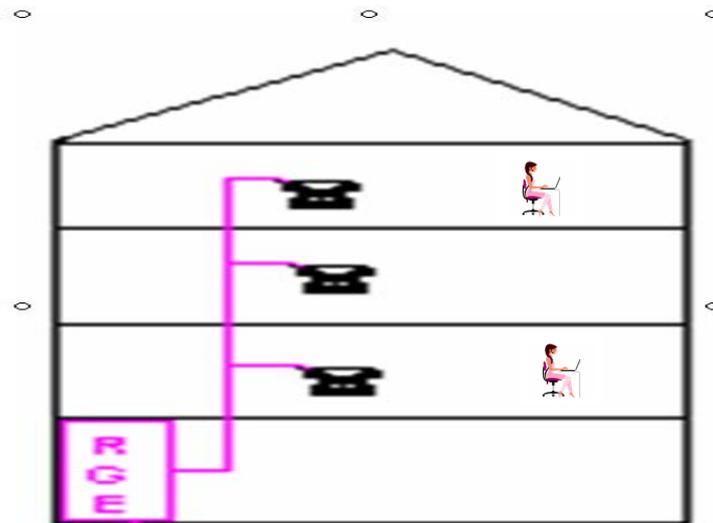
Forthcoming: legislation to open, on a non discriminatory basis, all infrastructure that may be used to install electronic communications networks.

OPEN ACCESS TO ALL BUILDINGS

Competition for the field + Competition in the field => No building' monopolies:

- Facilitate access to buildings by operators;
- Share building infrastructure.

Hence, ANACOM is preparing legislation reviewing norms to install and share infrastructure in urbanisations and buildings.



SIMPLIFY PROCEDURES FOR CONSTRUCTION IN PUBLIC DOMAIN

ANACOM is preparing legislation to

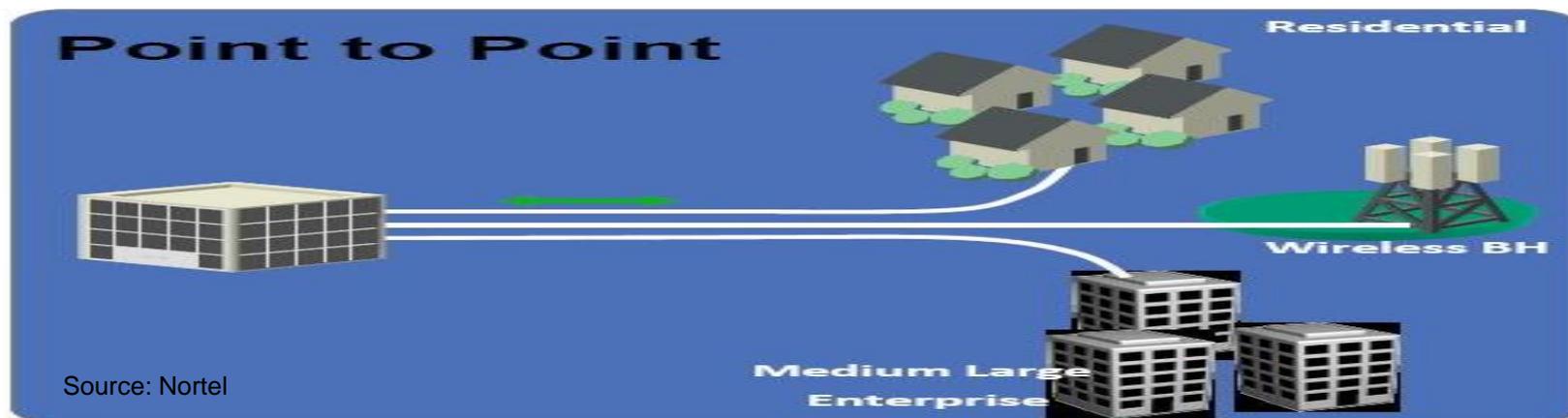
- shorten deadlines;
- simplify authorisation procedures,

on the construction of communications infrastructure in the public domain.

The NRA is also preparing guidelines to implement a global inventory of infrastructure that may be used to install communications networks.

Information Society = NGN + power to the people:

- Promotion of investments in rural and peripheral areas;
- Open networks – P2P;



- PPPs - important in NGN roll-out, especially in rural and peripheral areas.
- Promotion of adherence il all social strata.

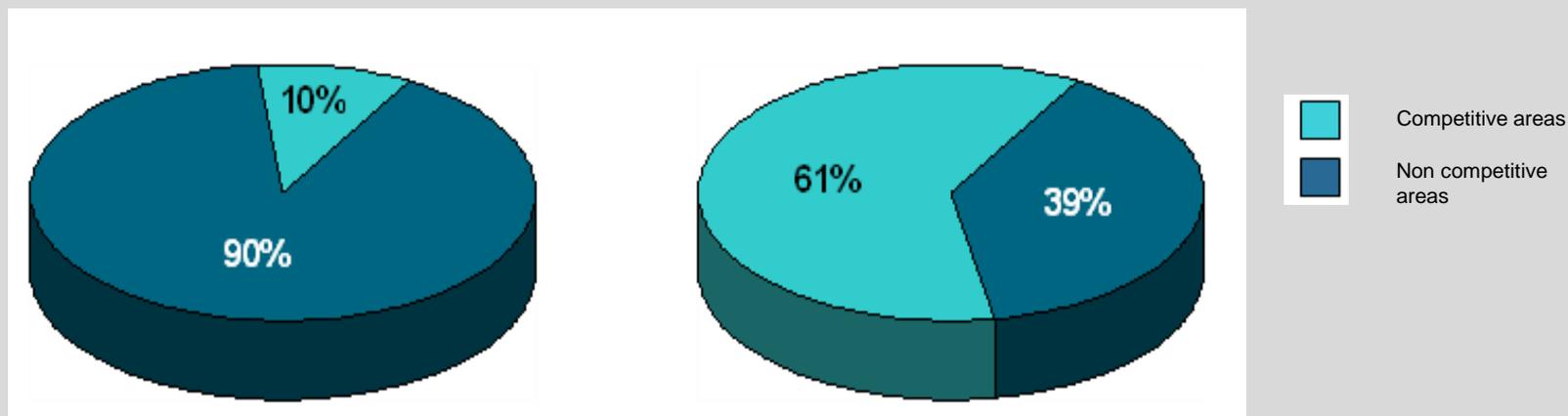
FAIR AND PREDICTABLE REGULATORY CONDITIONS (I)

The EC endorsed in January 2009 ANACOM's market analysis, which found:

- that in a significant number of geographic areas:

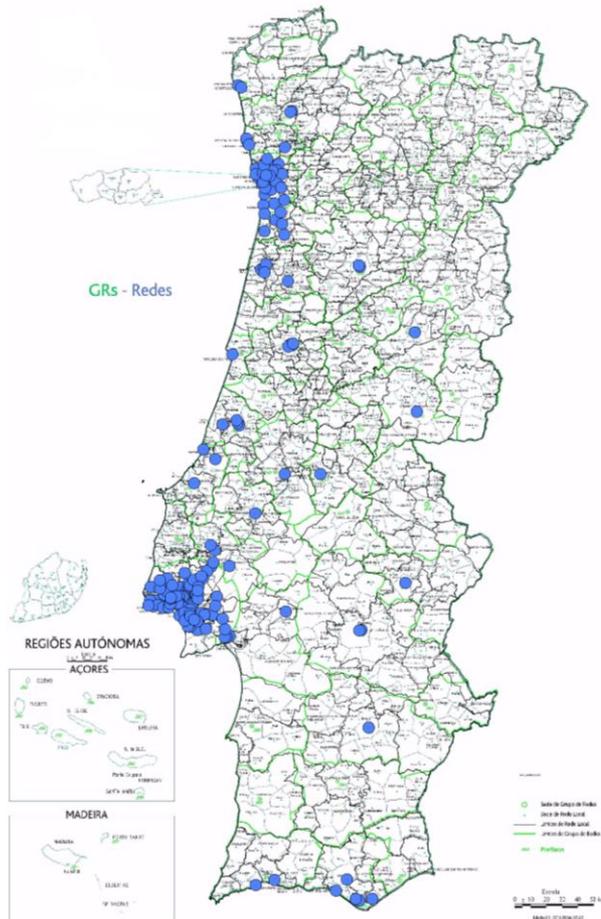
Number of MDFs

Number of broadband accesses



- the broadband markets are competitive (e.g. a cable operator is competing with the historic operator and there is at least 1 co-located challenger).

FAIR AND PREDICTABLE REGULATORY CONDITIONS (II)



Bitstream obligations were removed in the competitive areas

	LLU	Bit stream
"C Areas"	✓	x
"NC Areas"	✓	✓

3. CONCLUSION

- NGA development may foster social and economical development;
- NGA investments are considerable and will be phased;
- The regulatory environment favours NGA developments and the framework embodies evolution;
- NRAs may have, and in fact are having, a critical role in promoting NGA development.