

ATB NETT

Small local operators cooperate for mutual advantage.

Norway is a global leader in the deployment of FTTH, and has relied on some innovative business models to achieve this status.

Norway has enjoyed huge success with the extension of fibre access networks into homes and businesses, and remains one of the countries other economies in Europe look to as an example.

General Information

Infrastructure owner:

ATB-Nett is a collaboration of six networks owned by five utilities (Numedal Fiber, Drangedal Everk, Telefiber, Tinn Bynett, Samnett), and one local community organisation (Bykle Breiband). Each owner continues to operate its own network.

Location:

The rural districts of Agder, Telemark and Buskerud, made up of the municipalities of Bykle, Numedal, Tinn, Bø, Kvitseid, Drangedal, to the west of Norway's capital Oslo.

Network status:

Operational, and looking to expand into new neighbouring areas

Service providers:

Six different ISPs (a mix of local and national brands).

Strategic partners:

NetNordic Bredband for access, HomeBase for content

But not all of this pioneering work has been the responsibility of traditional telecoms companies. It is common in Norway for organisations with no telecoms history, utility companies for example, to construct fibre access networks, and operate them alongside their regular lines of business.

One example of this trend is ATB-Nett, a joint venture established at the end of 2009 by six companies, mostly utilities, active in the same region of the country. Each of the partners in ATB-Nett has for years owned and operated its own fibre access network, but now by collaborating they are jointly able to achieve the economies of scale of a much larger organisation.



Ahead of the game

Harald Kinck, Managing Director of ATB-Nett, says that FTTH deployment in Norway began in the capital Oslo in around 2000, along with Sweden and well ahead of most of the rest of the world.

Before long more outlying districts, like Agder, Telemark and Buskerud which ATB-Nett serves,

began to realise that fibre access had the power to improve lives and boost regional economic prospects.



"We were looking at who could deploy fibre for us," he recalls. "National incumbent telco Telenor was one of the contenders. But they had recently converted to become a publicly quoted company, and there was concern that shareholder priority might be early payback on their investment. There was also the worry that such a big company might end up not wanting to invest much money as this is a region with a small population. The authorities here started to look locally to see who would be able to build fibre broadband."

Deployment

Size of network:

15,000 homes passed so far, and 3,500 subscribers signed up. The region covered by ATB-Nett has around 22,500 private primary residences and 30,500 holiday properties.

Technology/architecture:

P2P FTTH and Ethernet, as well as a small proportion of GPON. Some DSL and cable is also available in the region.

Network speed:

Up to 100Mbit/s, dependent on service and provider

In 2000, a number of regional electric companies took up the challenge and started laying fibre alongside their power lines: "It's traditional in Norway for electric companies to be locally owned and to serve a small region," explains Kinck. "This region produces around five per cent of Norway's electrical power production. Lots of power plants means that there's plenty of money to invest in fibre. Suddenly there was a lot of connectivity being offered."

Fibre access was initially extended to public sector offices and local businesses – not homes at this early stage.

“This is not a major residential region, with more holiday homes than regular homes,” says Kinck. “When fibre construction started, there were parts of the region with no Internet access at all, just a few ISDN lines if anything. It was an unusual deployment, in the sense that fibre is generally laid in regions with a higher population.”

Business Case

Investment:

10,000 to 25,000 Norwegian Krone (approx 1,250 Euro to 3,200 Euro) per house depending on location.

Public subsidy: 0

Business model:

Open/hybrid network access at fibre, capacity and service level.

What limited further development, after this initial burst of activity, was that in acting alone the individual energy and utility companies found they lacked the necessary muscle, customer base and expertise to really drive take-up of services in their communities.

Now working together as ATB-Nett, a route chosen in preference to merging, they can achieve lower operating costs, as well as reduced purchasing costs in areas like content. The heavier of the investments that need to be made, and the accompanying risk, are all shared.

Looking forward, the plan is now for ATB-Nett to help foster the development of coordinated and competitive broadband services in the region, and to establish an open network structure to pave the way for a cost-effective collaboration between network operators and providers of those services.



ATB-Nett members are already further developing infrastructure throughout the region, optimising the use of fibre and maximising investment funds. All parties involved are now working to exploit each other's local strengths and competencies to ensure the community's common goals. This cooperation across municipal boundaries is helping ensure local value creation, and



also means less impact on the environment.

Residences, as well as businesses and government offices, are also now beneficiaries of the rollout: “Anyone in the region can have fibre if they want it – a nice dividend for people who live this far from a major town,” says Kinck. “Demand for fibre is quite high, with up to 90% of people subscribing in some areas. It depends a bit of the demographic. In Norway, fibre is generally priced only a tiny bit higher than DSL, so it's not a difficult decision in some respects. You pay the equivalent of 45 Euro a month for DSL and 55 Euro for fibre, giving you much higher speeds. People can afford fibre easily, particularly enjoying triple play services.”

End-user Services

Available Services:

Various packages including IPTV, Internet and VoIP, mainly sold as double or triple play solutions.

Cost of Services:

Depending on the package and the supplier, between 300 and 850 Norwegian Krone. For more information, go to www.atb-nett.no

He says ATB-Nett is actively looking for more partner organisations in neighbouring areas to extend its reach and increase synergies.

“Because we are locally based, our focus is on local people and businesses,” he believes. “Bigger companies are focused on profit only. We're in this for the long term, prepared to allow more time to get our investment back. This local ownership model is common in Norway. We're working to improve things the whole time, to lower costs, to make more products available and to increase speeds. We're now looking at a local IPTV product. An outside company wanted to charge a lot of money for the equipment, so we've set up our own package that offers much better value.”

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