FTTH COUNCIL EUROPE – CEO INTERVIEW

Interview with Jürgen Seidenberg, CEO of BKtel, 24 October 2013

Can you identify key drivers for fibre uptake across Europe? How do these differ from drivers elsewhere?
Across Europe, fibre seems to be taking off in rural areas first. We're seeing next-generation networks being rolled out in regions where it had not been possible to realise broadband Internet with DSL technology. This is an entirely different situation than in the rest of the world, where FTTH is generally first deployed in the big cities, often because the economies of scale make it more feasible. However, we are currently seeing more and more large European cities following the lead being given by the rural regions.

How do you see the role of cable operators in the broadband market? Will they have an impact on the FTTH/FTTB rollouts in Europe?
A large number of cable operators across Europe are carrying out their initial FTTB projects using radio frequency over glass (RFoG) technology. This method enables cable operators to run state-of-the-art DOCSIS systems over a FTTH/B plant with a PON topology. By taking this approach, the cable operators have once again placed themselves in a position that allows them to offer faster broadband Internet speeds than the incumbent telcos, their long-standing competitors. I believe that in the end, this competition will make FTTH a requirement for every single telecom operator, regardless of whether they are cable operators or incumbents currently operating legacy networks.

What is your view about video distribution on fibre networks in Europe? What are the preferred solutions today? How will this evolve in the next 5 years?
In almost every FTTH network across Europe, we are currently seeing RF video overlay technology being employed for the transport of linear video, such as TV services. Video transport, which relies on Internet technology to enable non-linear video, does not give TV subscribers the same user experience. For this reason, the RF video overlay transport method will continue to survive for the coming five years at least. Linear video's strong points include very low latency, whereas video content transmitted via non-linear video systems frequently exhibits delays of up to ten seconds. Furthermore, the cost of the RF solution is very low compared to non-linear video transmission technology. Of course, we will be seeing a large number of additional video services based on IP technology evolving in parallel. We believe that these may well replace PC-based video consumption to a certain extent. However, watching 'regular' TV broadcasts - linear video - will remain for many years to come.

BKtel is active around the globe. Where do you see the biggest differences between fibre rollout in Europe and in other parts of the world?
While Europe is still wondering whether 'to dig or not to dig', other countries are just getting on with it. Sometimes, they'll adopt an alternative method, such as aerial fibre, where digging is not an option. Of course, digging fibre has obvious advantages, but Europe is taking somewhat of a spectator role, looking at how other regions are tackling fibre rollout, rather than taking a pro-active approach. The considerable investments that come with burying fibre can only be realised if local communities step in and combine the fibre digging cost with the cost of other civil works. For example, infrastructure for waste water, fresh water, gas or electricity might be upgraded at the same time, minimising expenditure.

What do you think the role of European legislators should be in stimulating rollout? How can they support this with actions?
We do see support from the EU for broadband. However, we are not sure whether the EU and national governments share our definition of broadband. 10 Mbit/s in 2008 could be accepted as broadband, but the same is no longer true in 2013 - and certainly not at all in 2018. Additionally, there is almost no discussion on symmetrical broadband, where the download rate equals the upload rate. As a result of the social media boom we are observing a much greater need than 10 years ago for fast upload rates. Hence, the broadband connections of the future will evolve towards symmetrical broadband connections. It seems that the current broadband implementation strategy is a short-sighted one, with its goal of achieving 'broadband' in a few years' time, but primarily using the latest wireless technology. It must be understood that we need a long-term strategy for broadband, since only fibre-based access will be able to offer real broadband. Not only in 2013, but also in 2023 and 2033.

What role will BKtel play in the future of fibre in Europe?
It is our belief that fibre will continue to expand across Europe. The constantly growing demand for bandwidth will eventually lead to the 'drying up' of increasingly obsolete DSL solutions. Firstly, BKtel's role is to offer fibre technology that will enable cable operators to upgrade their networks for multi Gbit/s throughput from their final coaxial cable plants. Secondly, BKtel is also offering future-proof fibre transmission solutions for a new generation of forward-looking operators who don´t utilise any copper technology at all in their access network.