

FTTH COUNCIL EUROPE – CEO INTERVIEW

Interview with Mats Victorin, CEO of Tilgin, 22 November 2013

Many products from Tilgin are intended for use on the customer premises. Are end users ready for FTTH?

Absolutely! End users definitely have a need for high-speed, high-quality broadband. Just look at the growth of video and online services consumption over the last 2 years, which has been amazing! So yes, the need for high speed is there and FTTH is the way to deliver it.

Can you identify any additional drivers or trends towards FTTH for end users?

There are several drivers. Today's primary driver is the increase in video - 'over the top' as well as IPTV-based. Demands are increasing with respect to quality as well as the number of streams, and the vast majority of today's copper networks simply cannot deliver what is expected. Another driver is the need for symmetrical bandwidth. This will continue to grow with more and more of us working remotely and wanting to upload and download big files, such as pictures or videos, or access them through cloud-based applications.

Many analysts see a special challenge in an FTTH roll out that involves connecting the end-user premises. Do you agree with this observation? And how can Tilgin product portfolio help to solve this issue?

I agree with their observation. A new network termination involves installation inside houses. That is challenging from a logistical as well as a technical perspective, depending on the type of residence (e.g. apartments or villas). Tilgin has tackled both of these issues with the Flexible Premises Solution, providing flexibility in installation and placement for both operators and end users. The fibre termination and the gateway can be installed independently. This allows operators to structure their roll out and optimise it from a financial perspective. Improved lifecycle cost helps build the best possible business case.

Tilgin has solutions for FTTB (fibre to the building) and FTTH networks. Do you see FTTB as an acceptable interim step towards FTTH?

Yes. Electrical Ethernet, as offered through FTTB, promises symmetrical gigabit connections as well additional flexibility with regard to how the network is deployed. We see this as an absolutely acceptable step towards achieving full fibre networks. Today, FTTB is the most common method of deploying full gigabit-capable access in urban areas.

In your opinion, what are the biggest challenges and hurdles for FTTH roll out in Europe today?

The hardest part is to get all involved parties, from the business as well as the political communities, to realise that there are, in fact, two different business cases, which must be dealt with separately. The infrastructure must be regarded and calculated in the same way that any other kind of long-term infrastructure investment would be; whereas IP services development and delivery must be considered as any other new service near-term investment. When the two are mixed together, fibre investments often tend to get pushed into a three-year business case, even though the network will actually be in place for several decades.

Tilgin has customers in the CEE and Middle East. How do you see the dynamic of FTTH/B in those regions?

There is really no difference in fundamentals. However, we do observe a greater diversity in business models in CEE, in terms of actors; whereas in the Middle East, investments are more commonly done using a vertical provider model.

How do you see the development of the European Union broadband market in the next 7 years until 2020? Will Europe meet the Digital Agenda broadband targets?

I personally think that the European broadband target of "30Mb/s or more" is nowhere near ambitious enough. Instead, we should be defining as targets a large portion of households that have access to networks capable of delivering 1Gb/s. In the current European economic climate, investing in high-speed broadband will prove to be a 'must' for maintaining global competitiveness. This requires the building of future-proof FTTH/B networks. National governments as well as the EU have to implement more aggressive measures to make this happen. This is a challenge, especially as some of the largest European countries are lagging behind. I think that Sweden is a good example of how it can be done. This country's approach also clearly demonstrates that the benefits of rolling out fibre on a significant scale are far greater than the costs.