

## FTTH COUNCIL EUROPE – CEO INTERVIEW

**Interview with Tobias Ahl, CEO of Rala  
27 September, 2012**

***Could you comment on the following statement: ‘Once users have faster symmetrical speeds available, they are guaranteed to make use of them’?***

They certainly will! Uptake is not the problem when it comes to rollout. However, the real difficulty lies in the fact that so many Europeans simply don't know how they could benefit from greater speeds. But as soon as their friends, family and colleagues tell them, they too will demand 'fast pipe' services and infrastructure.

Back in 1998, a major Swedish broadband infrastructure project was initiated by Bredbandsbolaget, which provided symmetrical 100 Mbps to more than 200,000 apartments across Sweden. That meant that half a million Swedes had the opportunity to experience high bandwidths and tell everyone they knew that they could now finally watch movies or download large email attachments in a few seconds. Telling this story is the real trigger for demand.

Once they've been made aware of the possibilities, people are definitely going to demand faster networks. Once they have access to higher speeds, they are guaranteed to use them - even though we might not know exactly what they'll use them for in advance. 'Fast pipe' can do a great deal to enhance productivity, but even if you just want it to play games or send pictures and videos to your grandmother, enhanced bandwidth still adds to your quality of life. An increased flow of information represents something that is fundamentally positive! In my opinion, all Europeans should be given the opportunity to be part of it and enjoy that. It is important that we keep increasing awareness of services and content to different target audiences, and explain clearly why these can't be offered over legacy networks.

***How can people be made aware of what FTTH, for example, can bring them? And what could prevent this message from getting across?***

The industry and the FTTH Council Europe really need to stimulate the telling of this story, in my opinion, and it has to be adopted by society as a whole. It's not easy, as people often have a great deal of faith in incumbents, who have built up their brands over many years, sometimes even spanning generations.

There aren't that many people in the UK, for example, who have first hand experience with fast broadband and who can share their user stories. In the meantime, however, the incumbents are claiming that nobody could possibly need more than 20 Mbps. In the UK and Germany, incumbents are dominating the messaging to politicians and citizens. Their message is aligned with their own interest in using copper networks as much as possible and preserving their business model and investments. From their point of view, that's understandable, but it might not be in the best interest of citizens. I think it is vital to demonstrate to everyone involved that there really is a great deal of interest in using 'fast pipe' services and that the take-up is significant.

In Sweden, alternative network owners are creating a completely different story, and the incumbent is reacting to that - instead of the entire market being dominated by the incumbent's point of view!

***Do you have any practical experience with fast connections yourself?***

I've had a 100 Mbps symmetrical fibre connection since 2003. Myself, my wife and our two kids all use it a lot, often all at the same time, and we don't even think about it anymore. We just take broadband for granted. Once you have high speed access, it simply becomes a part of your daily routine. It quickly seems as normal as a fridge or a bathroom.

Now, when a new movie appears, for example, we can download it and watch it right away. We make ten-minute HD movies and send them to friends who can watch them immediately. Without FTTH there's no way we would even consider doing that.

***Is there any truth in the statement that markets only start moving when there are enough challengers to incumbents or other dominating parties like telcos or cable TV operators?***

In Sweden, alternative network owners are providing access in areas that incumbents have neglected. In parts of Stockholm and some other areas, the incumbent simply doesn't have a business case as fixed network owner anymore! That could be an important lesson for other incumbents, who need to start believing that although the Return On Investment for next-generation networks might take a little longer than they'd like, it will come eventually.

If you own a well-designed and deployed fixed network of sufficient size, you will one day become rich! You need deep pockets today, or some very convincing argument to get investors on board, but you could dominate the market just by having a fixed network.

***Finally: why do the Nordic countries have such a fantastic FTTH track record? Can the rest of Europe learn from your 'best practices'?***

Our region is generally very fast when it comes to taking up new solutions. Maybe because we're at the edge of Europe and the Internet closes the distance gaps for us! In Sweden, the government has also been helpful over the years.

Fibre networks in Europe are growing at an ever-increasing pace and our Swedish know-how is highly regarded. RALA has experienced an average growth of 20% over the last five to ten years. Now, we are expanding internationally. There are lots of lessons we've learned in Scandinavia that could definitely also be used in the rest of Europe - but we can share some interesting mistakes, too! No need to repeat everything that's been done over here...