

## Comments from Silver Server (Unbundling ISP in Austria) on ERG Consultation Document on Regulatory Principles of NGA (ERG (07) 16)

Silver Server welcomes the ERG approach as an attempt to prolong the fostering of infrastructure competition. Silver Server had and has the intention to enter infrastructure competition. There certainly will be a threat on the principles of the Ladder of Investment by applying NGA if remedies are not adapted appropriately.

Silver Server thinks that in Austria FTTCab is the most probable solution to start implementation of NGA in Austria, with small islands of FTTB/H solutions (coincident with Annex 2 A.2.1).

For easier evaluation of comments Silver Server keeps to the ERG structure of questions and will add further comments at the end.

### • Do you agree/disagree with the general approach?

Silver Server agrees with the general approaches, but misses the implications on the LL market (13), also in the conclusions. For all solutions except FTTH it is important to release remedies similar to the LL terminating segments for the section DSLAM - MDF. The optical fibre in this case should be treated as a non replicable infrastructure and added as a special case in future NGA remedies (market 11), because not necessarily a LL-termSeg-SMP with remedies has been released (market 13). Even if there is no LL-SMPO declared, it is mandatory for unbundling to include this remedy. To include optical fibre in the market 11 is a good approach to get rid of this problem.

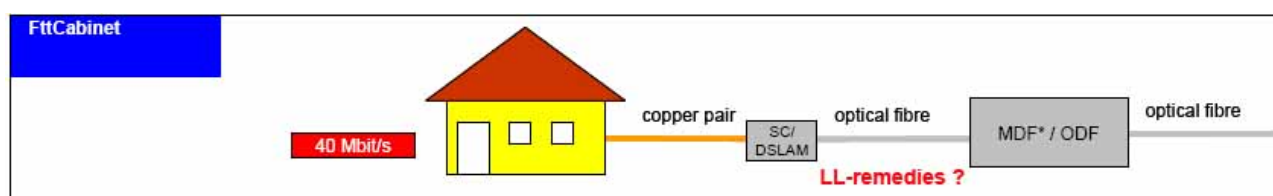


fig 1.: critical section DSLAM – MDF (ref: ERG document)

As a further argument, it certainly is not economical to build separate fibre lines between DSLAM and MDF by every operator applying NGA. The economy of scale argument holds also for the SMP operator.

### • Do the scenarios describe the relevant roll-out alternatives for NGA?

Yes

### • Do you agree/disagree with regard to the conclusions on economics and business case studies?

Yes

## SILVER SERVER



- **What is your opinion on the regulatory implications and on the evolution of the ladder of investment? Additionally please provide more specific comments regarding the issue of multicast capabilities and their regulatory treatment.**

Silver Server supports the idea of the ladder of investment, but Silver Server thinks that the Ladder of Investment might degrade to a one step ladder, by applying bitstream access as NGA for NEs only. The bitstream access has no dependence on access technology and will be easily adaptable for NGA. A future one step ladder is unacceptable for Silver Server and her investments in the past.

NGA changes the copper monopoly basics, but does not change the customer contract basics, even if the SMPO builds new fibre infrastructure. That means that the ULL-SMPO has built up the customer contract base at monopoly times. Economy of scale conditions for the New entrants will be much more difficult, than unbundling, because the start up cost per customer will be much higher, the customer clusters are much smaller. This is the reason, why NGA remedies must be applied beyond the simple copper structure.

- **Do you agree/disagree with the conclusions?**

Silver Server agrees with the conclusions, but finds that the conclusions could be more solution oriented. The potential barriers of NGA were found out perfectly. That is why Silver Server proposes her requirements.

### **Requirements of Silver Server:**

1. **Copper structure must be maintained by the SMPO and deployable by NEs, independent how many customers of an MDF are connected by NGA.**
2. **Free copper lines between MDF and DSLAM must be made accessible for power feeding purposes (48V/60V DC) of the DSLAM equipment in the cab or buildings.**
3. **LLU-SMPO must inform the NRA and all unbundling operators of NGA deployment details, at least one year prior to implementation.**
4. **LLU-SMPO must offer to NEs an optical LL connection between DSLAM and MDF, preferable as a colored wavelength. The conditions must be such, that competition is feasible.**
5. **LLU-SMPO must reserve a certain percentage of collocation capability for new entrants in the street cabinets, eg 20%.**
6. **For FTTH solutions the LLU-SMPO must provide a colored wavelength at the ODF, as long as technically reasonable.**