

FTTH COUNCIL EUROPE - CEO INTERVIEW

Interview with Carlos Barroqueiro, CEO at CBE

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Is enough progress being made in Europe's FTTH/B market?

Developments are taking place, albeit slower than expected. World rankings show Europe is at an intermediate step on the path to FTTH, but growing faster than in previous years. The Nordics, Netherlands and Portugal are moving fast, while other countries like Spain and Germany are just starting their deployments. However, overall things look really promising, especially as the European Commission adopted its 'Digital Agenda for Europe' in 2010.

Portugal has one of the world's most advanced, well-established regulatory environments. Ducts, poles and even in-building fibre networks are shared, although there is still much to be done regarding neutral network sharing. In 2011, we began deploying FTTH rural areas access networks, with the goal of covering 100% of Portugal and its islands. CBE is an active player in this.

What end user market trends towards higher bandwidth do you see?

Increasingly popular services like HD Video, Cloud Computing and Online Gaming require bandwidth symmetry, which only fibre can achieve. As governments become conscious about increasing quality of life for populations, through teleworking, telelearning, telemedicine, and many more healthcare and education services, they will push for faster FTTH deployment. As complementary solutions like LTE and other mobile technologies also need fibre, they are also FTTH drivers.

Will specific applications or services drive FTTH uptake?

No 'killer app' will determine whether a fibre network is deployed or not. Many European broadband users don't even know of the existence of high-speed FTTH access, or which personal advantages this brings. Therefore, one of our main priorities should be educating end users on fibre benefits, stimulating active demand. However, uptake doesn't entirely depend on what clients want, but on telecom operators' market strategies. According to Diffraction Analysis, an operator deploying fibre can generate up to 40% more ARPU and almost double uptake levels. There is an undeniable growing demand for fibre, and operators can use it in their favour - possibly aided by EU funding.

You are CEO of one of Portugal's leading FTTH installation and service companies and also have a good understanding and business relations with the film industry. Where is the connection between the two?

The mainstream film industry needs new ways to deliver content to consumers and generate new revenue streams. The independent film industry wants new distribution and consumer payment methods – this was the focus of the conference session on 'Entertainment and Film Industry over the FTTH Era', which we held at the FTTH Conference 2012 in Munich, with Technicolor and Acetrax. Today, physically distributing movies is expensive because of high costs - but downloading several digitised HD films each week is only possible if local distributors have ultra-fast connections.

In New Zealand, FTTH is playing a major role in developing the country and its film industry. The country provides breath-taking scenery for filmmakers and many local companies are active in movie production, visual effects, multimedia and post-production, such as Peter Jackson's world-renowned Weta Workshop (Lord of the Rings trilogy, Avatar...). Special effects and post-production companies need vast bandwidth, especially when working with HD and 3D High Resolution content. Major investments allowed the entertainment and film industry to grow and develop tremendously in recent years. Director James Cameron (Titanic, Avatar...) recently moved to New Zealand, not just for the scenery, but for its digital and fibre infrastructure. Government-operated Crown Fibre Holdings aims to accelerate broadband rollout to 75% of New Zealand's population by the end of 2019. Priority users - businesses, schools and health services - will be offered minimum initial speeds of 100Mbps Downstream and 50 Mbps Upstream by the end of 2015.

What can be done to further involve the film and entertainment industry?

The FTTH Council Europe could invite film producers, distributors, sales agents, digital platforms and major and independent studios to the FTTH Conference, held in London on 19-21 February 2013, allowing both worlds to mutually benefit from opportunities and investments. London is Europe's film capital, followed closely by Germany and France, but the only one to close the gap between Europe and Hollywood. The film and fibre worlds should address end-user markets together to find new revenue streams and financial business models. Also, operators need the opportunity to experience first-hand how film and entertainment industry trends will shape the future, and the end user experience. This is important to make sure no-one misses the next big opportunity!

How does Europe's market development and uptake compare to other areas?

Europe has been slow to deploy FTTH. Some countries have established fibre networks, but others still rely on their legacy networks, despite the Digital Agenda for Europe's ambitious goals for all 27 EU nations. I foresee continuing growth in the European FTTH market over the next couple of years, as several projects reach the deployment stage.

Globally, all regions are constantly pushing boundaries, striving toward faster and better fibre infrastructures. Governments have acknowledged the importance and demand for new digital networks, ensuring future operations have a strong supporting system to run on.

Your company is based in Portugal, one of Europe's FTTH leaders. How do you see further development of the Portuguese and European fibre markets?

Portugal has successfully deployed almost 2 Million homes - nearly 50% of total households - and started building rural areas. Also, operators Portugal Telecom, Vodafone and Optimus have made important strategic investments in FTTH over the past 4 years. FTTH is today's fastest growing broadband technology, according to Portuguese regulator ANACOM. Several operators' publicity and marketing investments, with 'fibre' as a key factor in advertising, have led to widespread public recognition and awareness. Portugal and Europe will increasingly deploy FTTH as the only future-proof infrastructure. Though operators are still investing in their legacy networks, these are already outdated and can hardly meet today's Next Generation Access specifications. Also, fibre's long-term gains are significantly greater.

You are starting business in South America. Is there a connection between European and South American fibre and telecommunication markets?

South American governments are starting to realise that fibre is the only future-proof infrastructure that will allow their nations to develop. In areas outside LATAM, for example Europe, Asia Pacific and North America, this technology is already available, in an advanced state, which is leading to the emergence of new products and services. Through globalisation, these are also rapidly arriving in South America, where fibre networks are still in an embryonic state. According to Gilberto Guitarte, FTTH Council Latin America Chapter Chairman, demand fuelled by these new fibre products and services will force South America's operators and governments to adopt fibre networks. FTTH Council North America President Heather Burnett Gold recently decided to merge with the LATAM Chapter and adopt the name FTTH Council Americas. This decision says everything about South America's importance and potential.