

# **Next generation access**

## The challenges for regulation

9 July 2007

## In the UK, NGA poses three main challenges to Ofcom

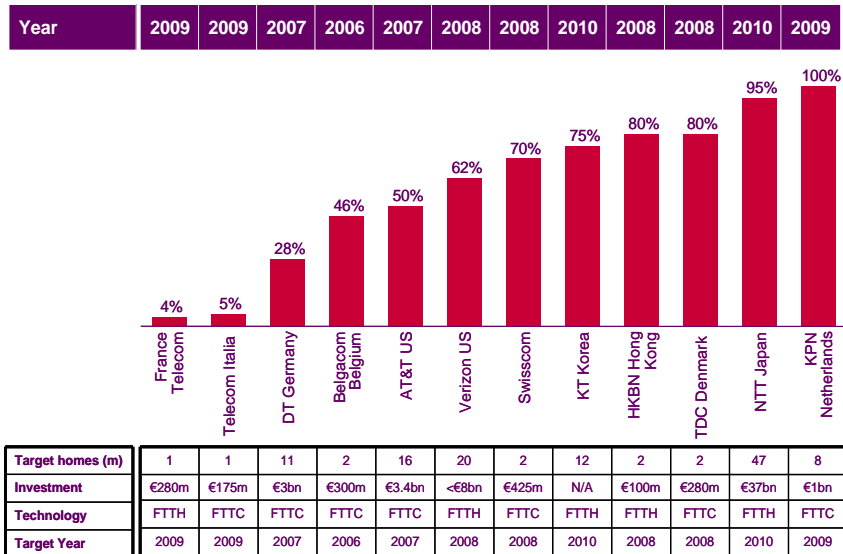
In advance of deployments, how do we ensure that there is timely and efficient investment in NGA networks?

Once NGA investments have been made, how do we promote competition in the case where NGA is an enduring economic bottleneck?

Following NGA investments, how should policy address any prospective digital divide?

# NGA announcements continue internationally, for a number of different reasons

## Intended coverage of major NGA deployments



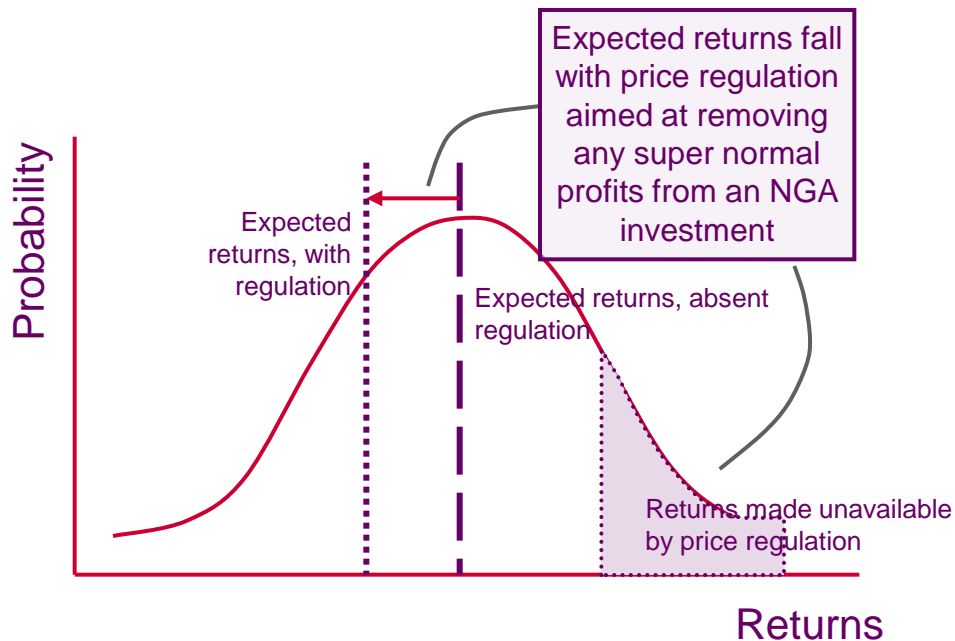
Source: Capgemini/Ofcom

## Key drivers behind NGA deployments

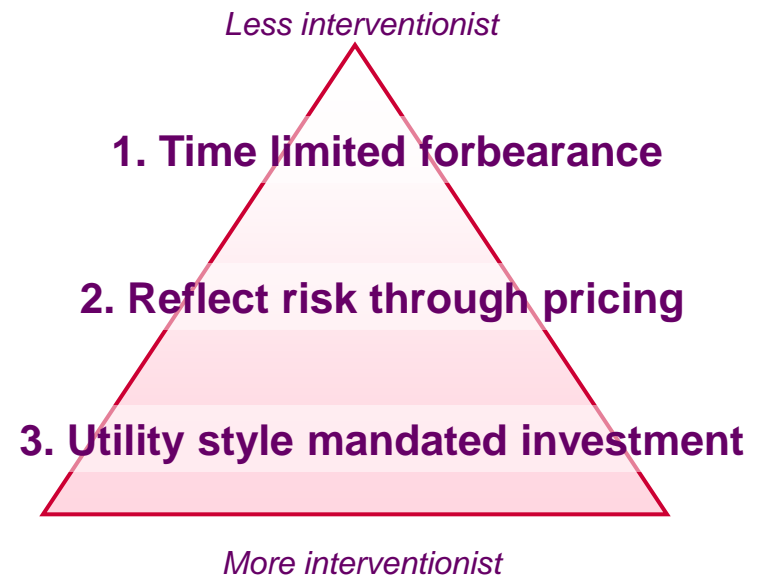
	Lower cost build	Cost savings	IPTV	Public sector intervention	Competition	Copper quality
Belgium			✓		✓	
France	✓		✓		✓	
Germany			✓			
Japan	✓			✓		
Netherlands	✓	✓			✓	
South Korea				✓		
Sweden				✓		
US			✓		✓	✓

# In considering investment in NGA, we need to consider the potential impact of regulation

## Expected returns and regulation

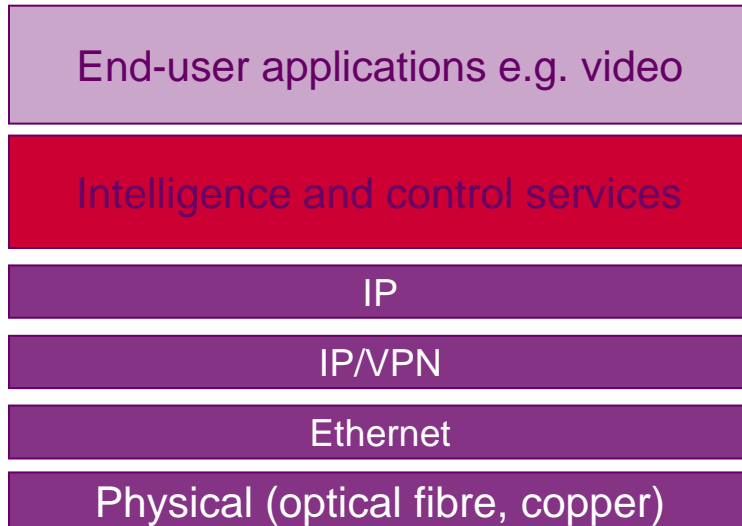


## Mechanisms to secure investment through regulation

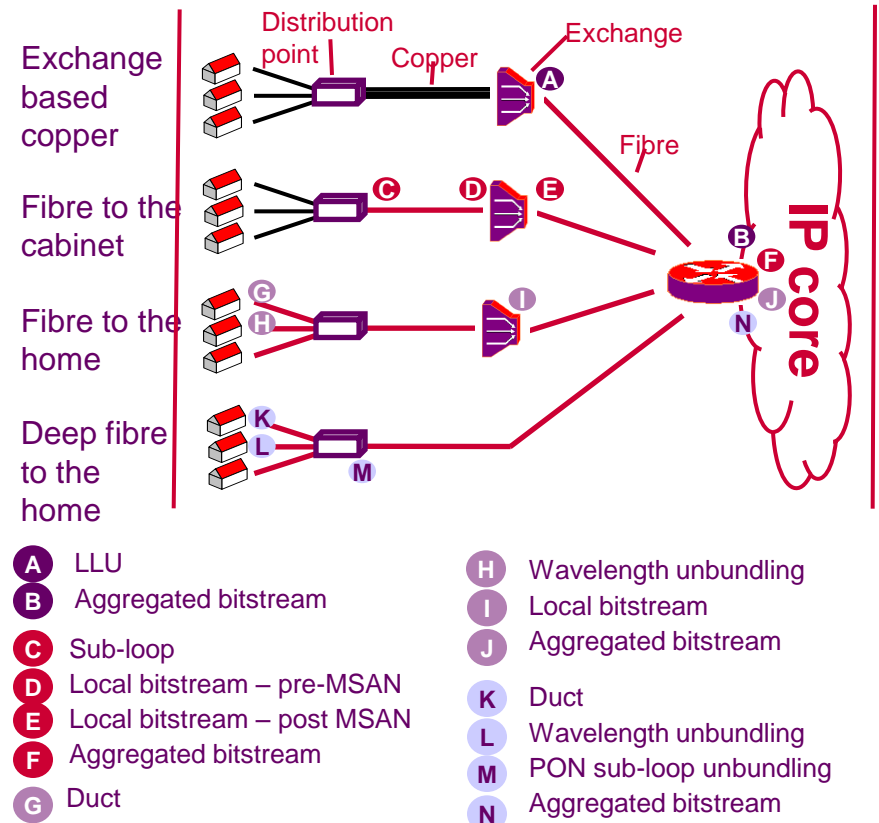


# Following deployment of NGA, we need to consider where it may be appropriate to promote competition

## Form of competition



## Location of competition



## **We are seeking stakeholders' input on these, and a range of other issues, through consultation in September**

- Are there any new, innovative regulatory approaches that could be adopted that address both issues of securing investment and promoting competition?
- How can regulation adequately reflect the risk of investment while at the same time promoting competition?
- How do stakeholders consider the relative merits and costs of competition based on physical access and electronic access compare under NGA?