Multiple Play: Market and Policy Trends in OECD Countries

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www.oecd.org/sti/telecom

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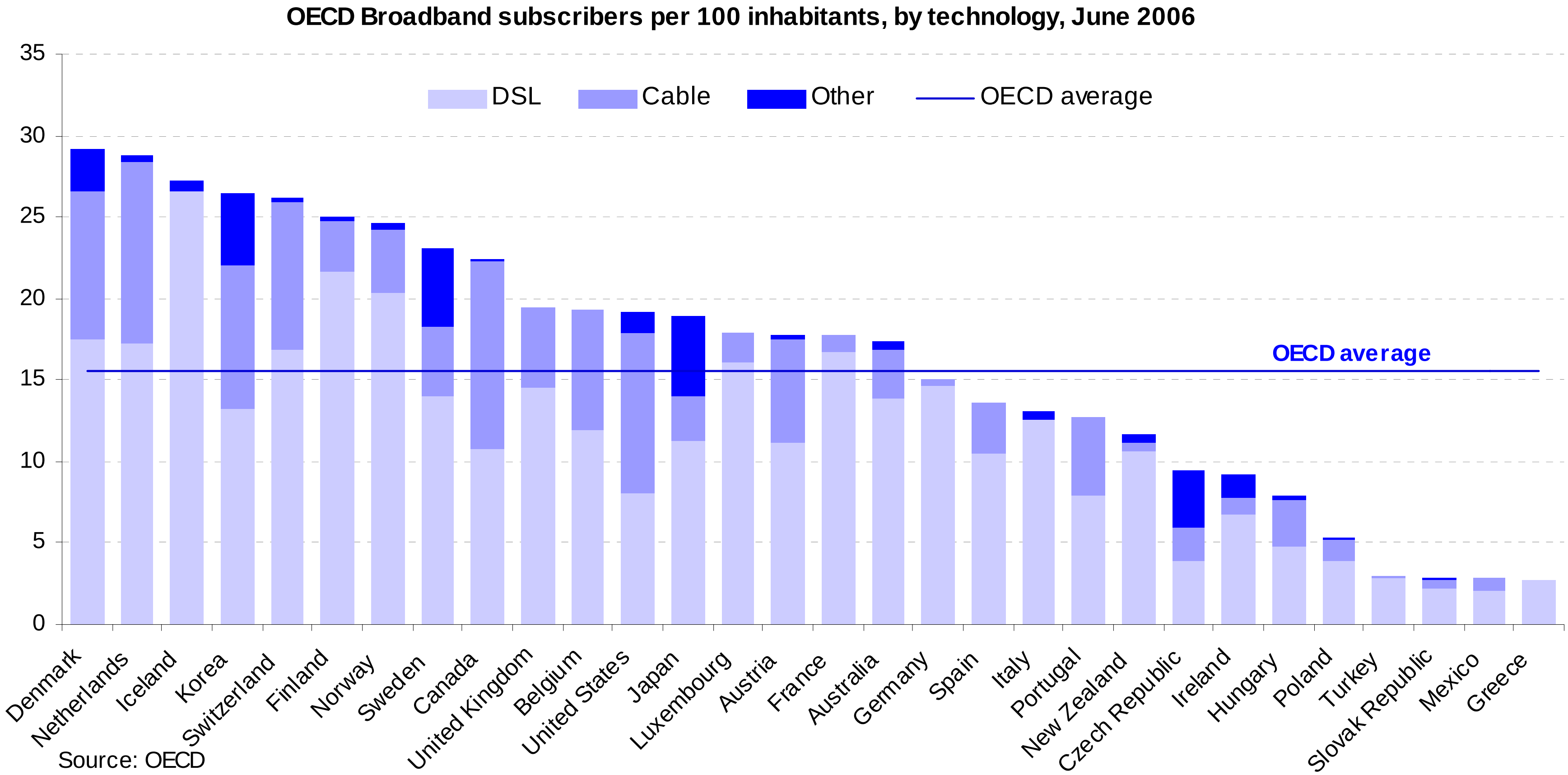
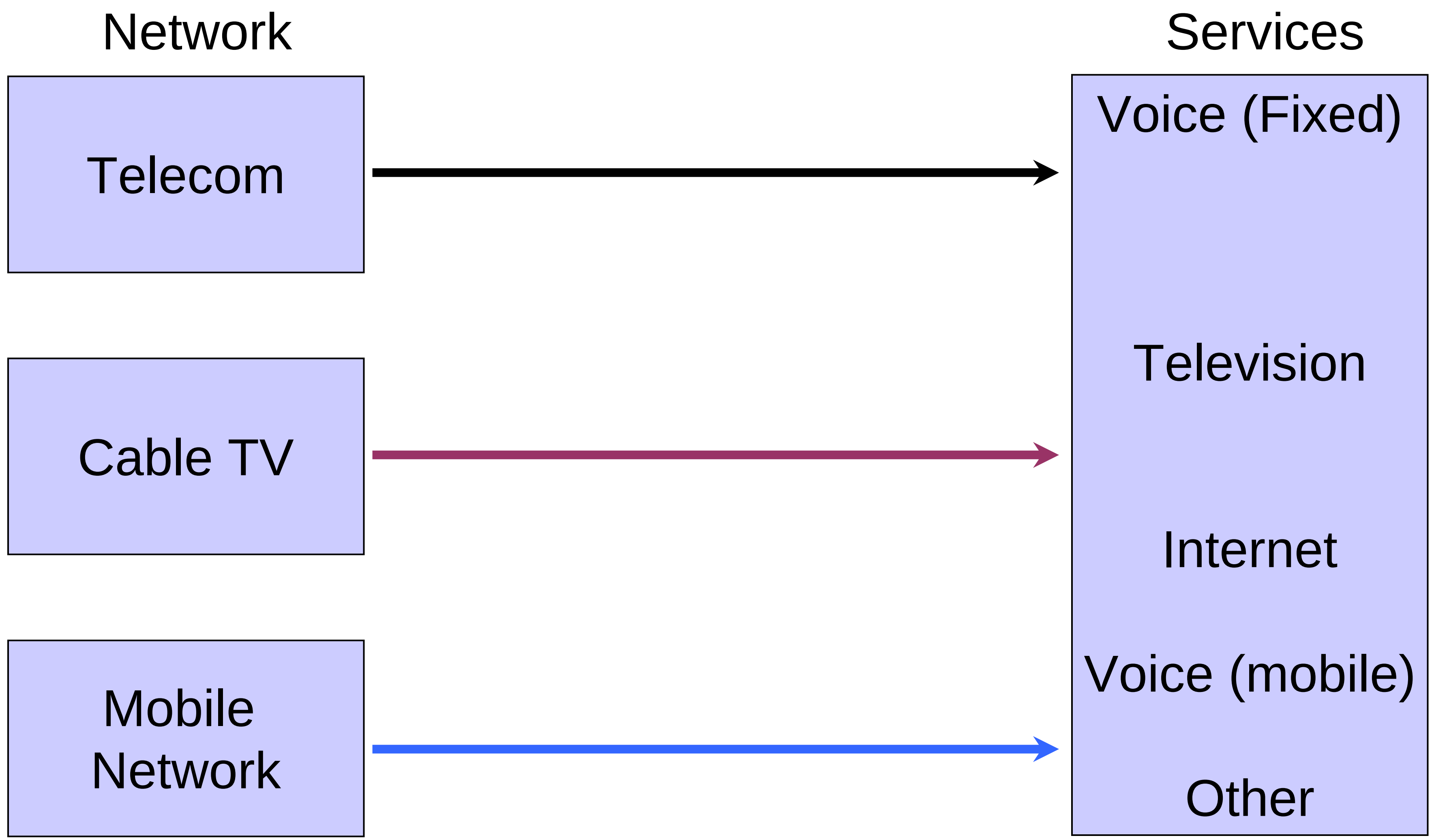
OECD Broadband (June 2006)



Convergence
(Step 1): Multiple play



Convergence
(Step 2): Next generation networks

Network

Fixed
Copper
Fibre

Wireless
3G
Wi-Fi
WiMAX
Satellite
UWB

→

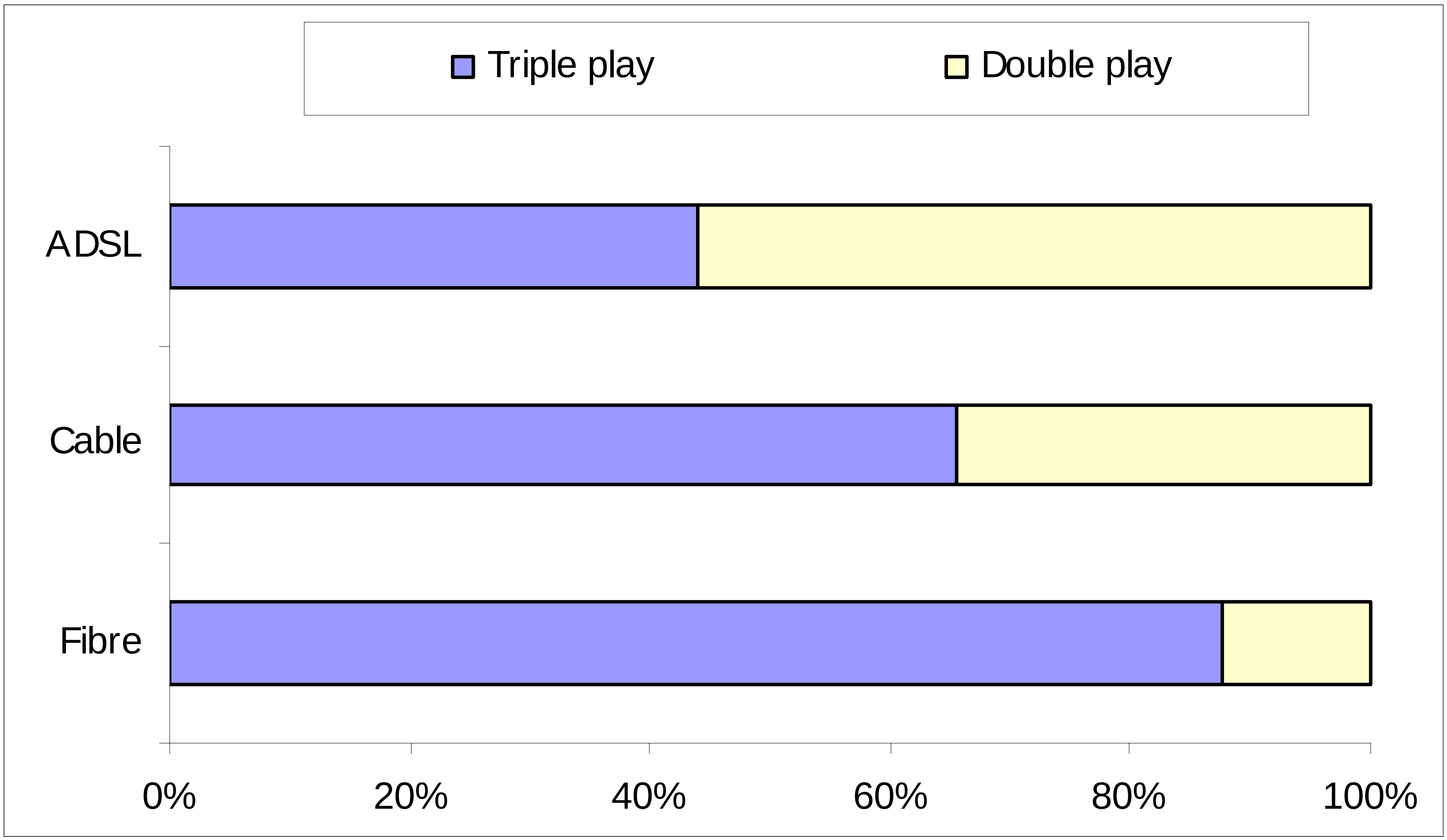
IP
platform
with
QoS

→

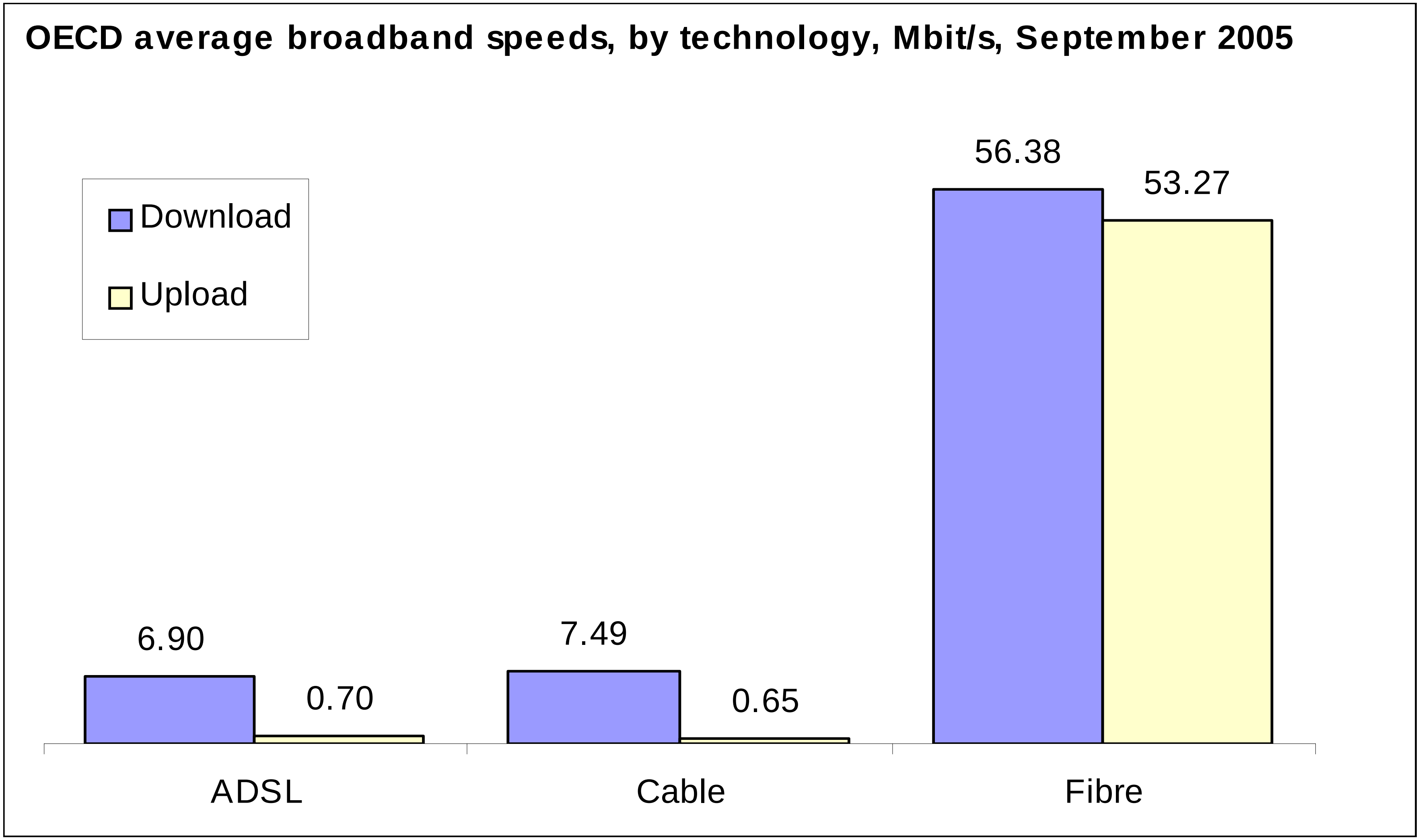
Services

Voice (FMC)
Video
Internet
Other

Development of multiple play
(88 firms in 30 OECD countries)



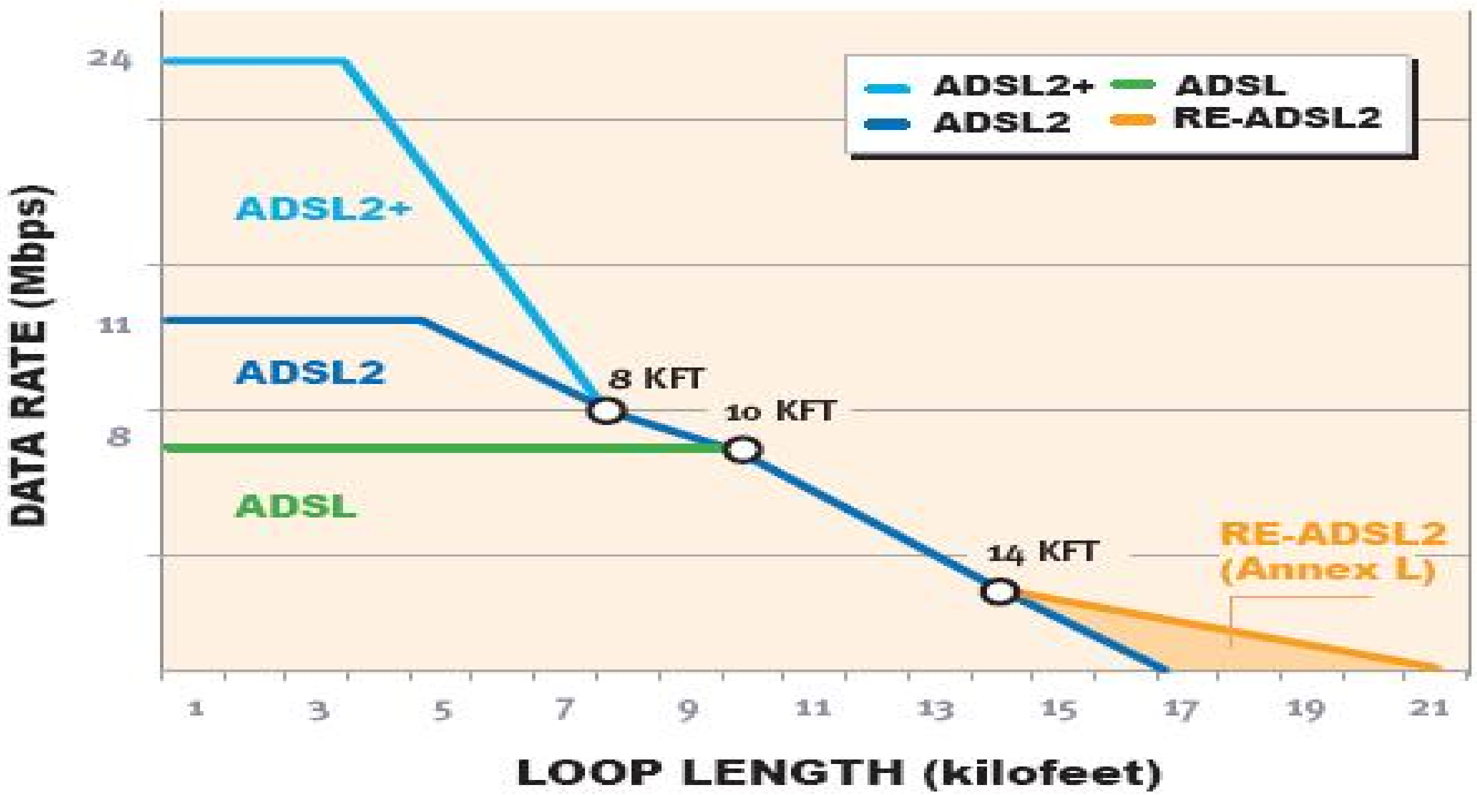
Average broadband speeds



Need for speed…

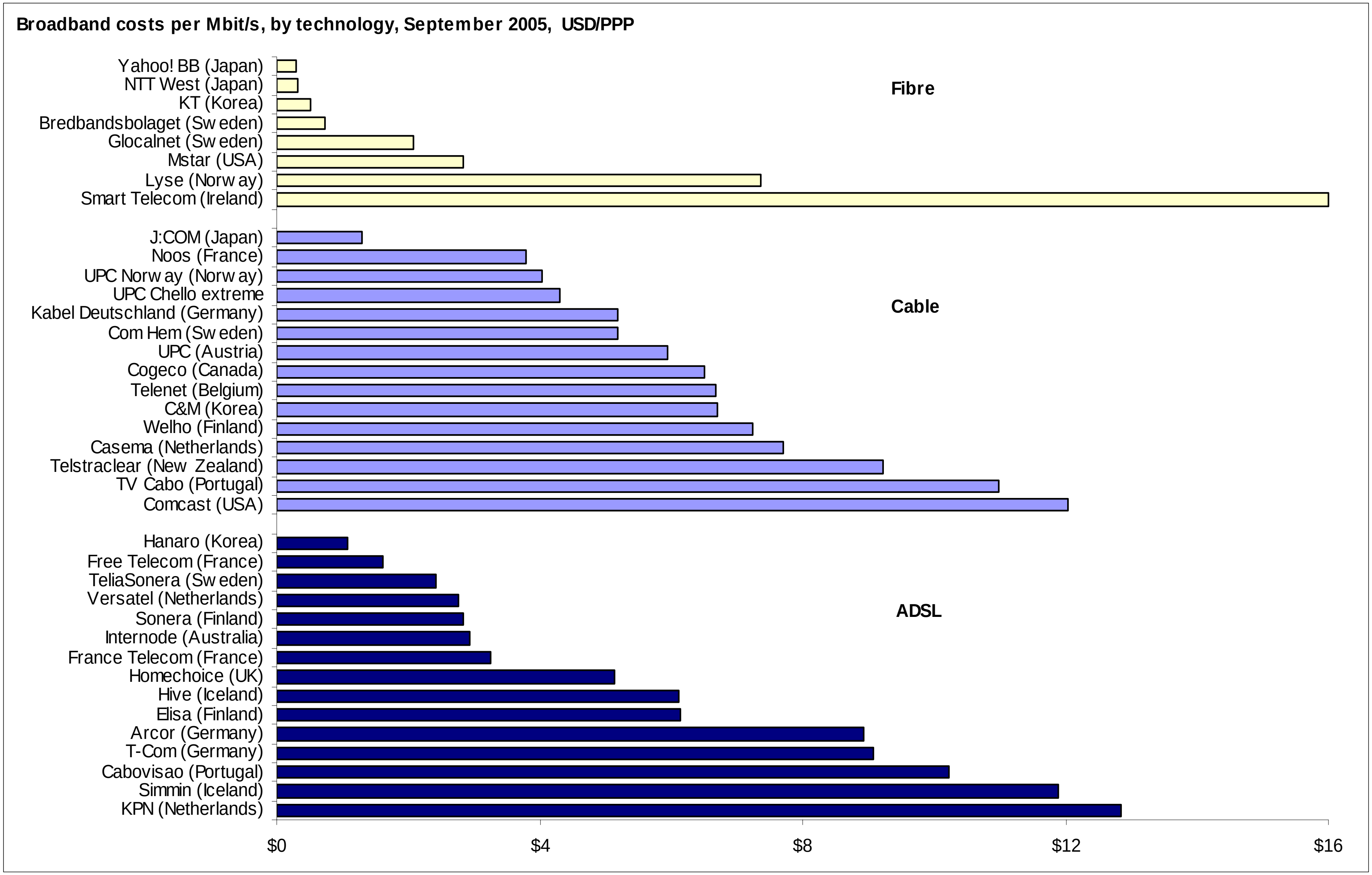
(10000 feet = 3.12km)

FIGURE 14: RATE & REACH PERFORMANCE OF ADSL AND ADSL2 STANDARDS

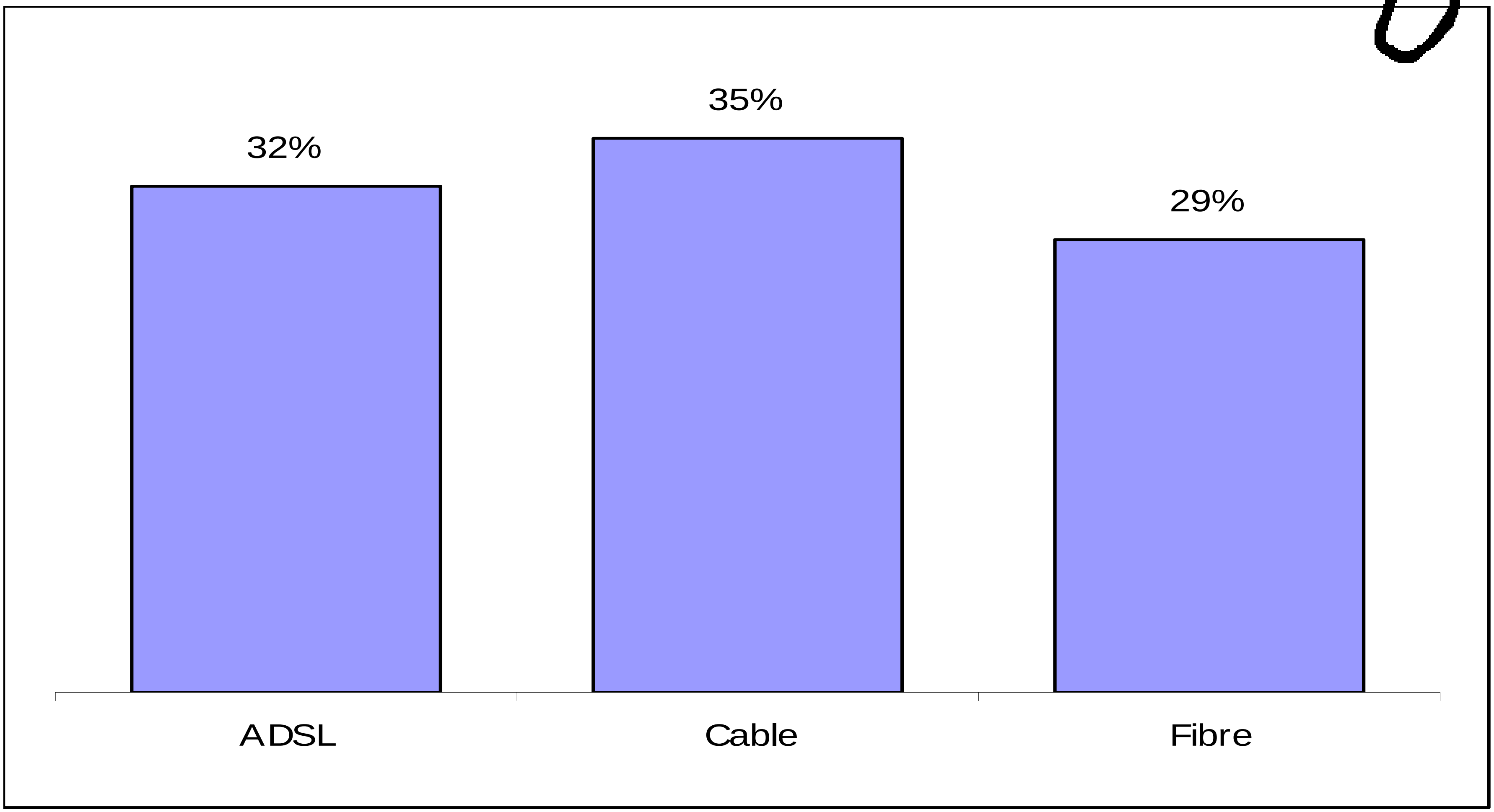


Source: http://www.farina1.com/bookmark/000004/2005/02/27/00020260.HTM

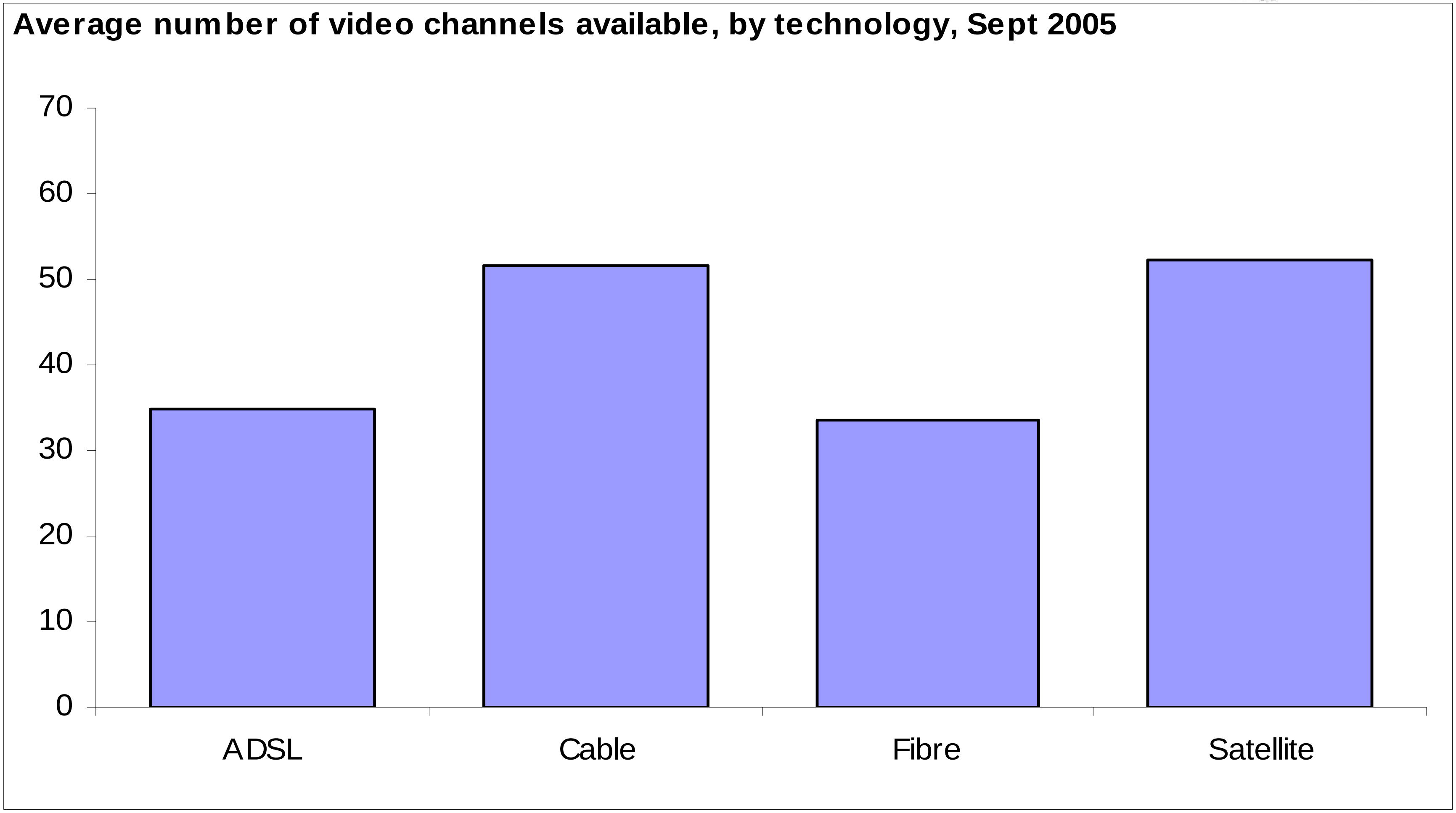
Broadband pricing per Mbit/s, by technology



Percentage of operators offering unlimited nationwide calling to fixed lines, by technology



Average number of video channels available, by technology



Top offers (unlimited fixed calling)

Company	Type	Country	Price USD (PPP)	Price USD	Down (kbit/s)	Bit Cap (MB)	TV Chan
Free Telecom	ADSL	France	32.50	36.72	20 000		93
Casema	Cable	Netherlands	48.43	53.75	10 000		42
Versatel	ADSL	Netherlands	60.62	67.28	20 000		1
Kabel Deutschland	Cable	Germany	68.77	78.40	6 200		38
Cablecom	Cable	Switzerland	71.83	102.72	2 000		87
TeliaSonera	ADSL	Sweden	75.00	92.25	24 000		23
France Telecom	ADSL	France	78.98	89.25	8 000		34
Lyse	Fibre	Norway	80.86	120.48	4 000		23
Mstar	Fibre	USA	90.26	90.26	15 000		24
Smart Telecom	Fibre	Ireland	91.38	122.44	2 000		70
Noos	Cable	France	91.89	103.83	10 000		100
Telenor	ADSL	Norway	98.54	146.83	4 000		25
TDC	ADSL	Denmark	100.68	143.97	4 096		18
Telewest	Cable	UK	106.50	119.28	1 000		100
Belgacom	ADSL	Belgium	113.54	124.89	4 000	30 000	42
SBC	ADSL	USA	124.97	124.97	3 000		60

Top offers (timed/charged fixed calls)

Company	Type	Country	Price USD (PPP)	Price USD	Down (kbit/s)	Bit Cap (MB)	TV Chan
Yahoo! BB	Fibre	Japan	29.27	39.22	100 000		24
NTT West	Fibre	Japan	44.93	60.20	100 000		21
Welho	Cable	Finland	48.59	61.71	6 000		12
Elisa	ADSL	Finland	50.62	64.28	8 000		12
Auna	Cable	Spain	54.40	51.13	2 048		50
KT	Fibre	Korea	62.81	54.01	100 000		44
J:COM	Cable	Japan	73.28	98.20	30 000		100
Com Hem	Cable	Sweden	73.49	90.39	8 000		35
Simmin	ADSL	Iceland	78.29	126.05	6 000		10
Sonera	ADSL	Finland	87.54	111.18	24 000		12
Aliant	ADSL	Canada	90.14	94.65	5 000		70
Bell Canada	ADSL	Canada	92.17	96.77	5 000		53
Bigpond	ADSL	Australia	92.54	99.01	1 500	10 000	33
AON	ADSL	Austria	93.78	105.03	2 048	15 000	13
TCNZ	ADSL	New Zealand	95.50	101.23	2 000	10 000	36
Telefonica	ADSL	Spain	95.84	90.09	1 000		48

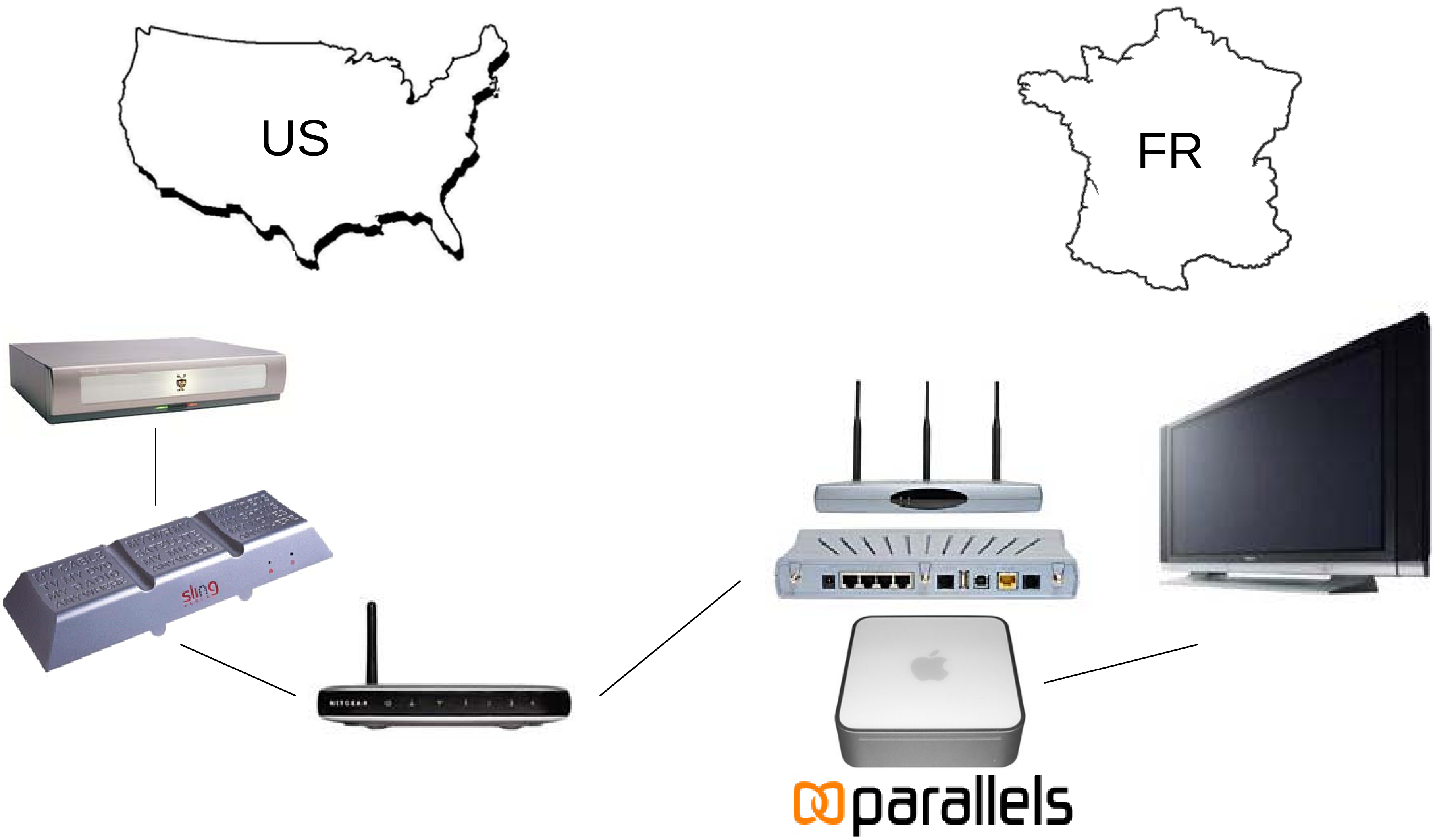
Bit caps and limitations on service

Company	Country	Bit Cap	Video	Voice call	Podcasts	DIVX Video
			2064 kbps	64 kbps	30 min	1.5 hours
		MB	Minutes	Minutes	Downloads	Downloads
Belgium	Versatel	500	32	1 042	17	1
Iceland	Og Vodafone	2 000	129	4 167	67	3
Portugal	AR Telecom	6 000	388	12 500	200	9
Portugal	Portugal Telecom	8 000	517	16 667	267	11
Portugal	TV Cabo	8 000	517	16 667	267	11
Australia	Bigpond	10 000	646	20 833	333	14
New Zealand	TCNZ	10 000	646	20 833	333	14
New Zealand	Telstraclear	10 000	646	20 833	333	14
Australia	Optus	12 000	775	25 000	400	17
Austria	AON	15 000	969	31 250	500	21
UK	BT	15 000	969	31 250	500	21
Ireland	Eircom	16 000	1 034	33 333	533	23
Luxembourg	Coditel	20 000	1 292	41 667	667	29
Austria	inode	20 000	1 292	41 667	667	29

Mobile multiple play (France)

Prices	SFR	orange
Web access	EUR 0.20 per minute	EUR 0.98 per megabyte
TV	EUR 0-0.25 per minute for the video + EUR 0.10 per minute for the connection	Charged on traffic as above, but roughly EUR 0.40 per minute of video. TV free on weekends for one year
30 minute sitcom	EUR 10.50	EUR 12.00
1.5 hour movie	EUR 31.50	EUR 36.00

Slingbox
Television without borders



Multiple Play and Convergence

- Merging of two different traditions:
  - Broadcasting: High public impact, high relevance for democracy and society; Distribution via scarce resources; Policy focus on plurality of voices, and neutrality of news, quality of information and public decency; Active government interference, especially on content layer
  - Telecommunications: No scarcity: access to networks for anyone; Policy focus on liberalisation, competition and innovation; No government interference with what's transmitted
- Restrictive broadcasting licensing declines, competition increases – less scarcity
- Development of multiplatform environment
- Lowering of access barriers: active consumers on different layers.
- Enables interactivity, consumers produced content and multi-media

Key policy issues

- The evolution of video regulation: How and if existing regulations should apply to linear (traditional broadcast) and non-linear (streamed, time shifted) video delivery
- How to maintain social and cultural objectives (universal access – telephony, broadcasting; plurality of voices, cultural diversity, consumer protection);
- Must be vigilant against anti-competitive behaviour from firms using bundled services to leverage market power
- Consumers should retain the ability to access competitive services from outside service providers in a network-neutral manner – Avoid walled gardens Balancing equal access to services with QoS demands
- Limited access to content (such as exclusive contracts) could hinder alternative multiple play providers
- Current ADSL technologies limited in bandwidth so need to invest in fibre
- The future role of “must carry" regulations in a converged environment
- Retransmission rights & access to content;