

ΕΥΡΥΖΩΝΙΚΟ ΠΛΑΝΟ ΤΗΣ ΚΥΠΡΟΥ

Σύνοψη Απαντήσεων Δημόσιας Διαβούλευσης

Ερωτήματα

- Q1. Do you believe that the national targets set up in the Cyprus Broadband Plan are achievable? Please explain your response and submit your suggestions.
- Q2. Broadband networks operators are requested to confirm their deployment plans and define milestones for the monitoring the implementation of the above plans.
- Q3. What are your opinions/suggestions regarding the effective use of the available public funds (about €22 million) intended for the deployment of broadband infrastructure (and conditions) and aiming to support the achievement of second national target? Please explain your response in detail.
- Q4. Are there any other actions (in general) that can contribute to achieve the first general objective (Connect Cyprus) of the Digital Strategy of Cyprus? Please explain your response.
- Q5. What actions should be taken in order to decrease the cost of internet connection of 100Mbps? Please explain your response.
- Q6. Please provide comments regarding any other issue related to this public consultation.

	CYTA	MTN	CABLENET	CYNET
Q1	<p>Networks will be in place to enable Cyprus to meet the national targets. What needs to be promoted is the demand in order to ensure that customers subscribe to the higher speeds which will be available. It is therefore of crucial importance for the achievement of the national targets to proceed expediently with the implementation of measures which will boost the demand.</p> <p>CYTA is engaged in an investment plan which ensures that will have a network capable of providing speeds of 30 Mbps or higher for 97% of the total households and 100 Mbps or higher for 71% of the total households by 2020. The investments in fixed network include technologies which upgrade the capabilities of the copper network (as bonding and vectoring) and also investments in Fiber to</p>	<p>First national target (30Mbps) is achievable if the appropriate regulatory measures are in place so that vectoring, bonding and fiber are developed.</p> <p>Second national target (100Mbps) will depend on the FTTH final implementation plan and the plans of the Government to embrace LTE rollouts.</p>	<p>The national targets, concerning the coverage, are achievable subject to following actions that need to be undertaken by the State or its appointed regulatory bodies:</p> <p>(a) Allow market players to develop their own networks, both as upgrades to the legacy systems but also new optical FTTx networks, in an already highly competitive internal access market (even LTE/4G networks are valid technological competitors for other fixed NGNs and they can deliver speeds exceeding 100Mbps per connection).</p> <p>(b) Given that most areas on the island will be covered by a multitude of access networks (i.e. a choice of up to 6 or 7 competing networks), the case for regulation of the wholesale access on any of these networks becomes very weak. At least, Cablenet will likely not roll out any further cable network if there is any risk of regulation of its network. The only regulation that should be maintained is the obligation of the incumbent to continue providing local loops and sub-loops and also for the SMP (Significant Market Power) cases.</p> <p>(c) State must take actions to boost the demand.</p>	<p>Research and Education Sector strongly believe that the national targets are not only achievable but also mandatory.</p> <p>CYNET (Cyprus Research and Academic Network) has for some years now, increased the service provision to its members to a recommended minimum of 40Mbps, and optionally reaching up to Gbps and their future plans are to install, or lease, Dark Fiber in at least all its major member institutions (i.e. University of Cyprus, Cyprus University of Technology, European University, University of Nicosia, Cyprus Institute, Frederick University, Cyprus Institute of Neurology and Genetics, Open University, Uclan University, Neapolis University, Agriculture Research Institute, General Hospital).</p> <p>Also, CYNET consider essential that all Students and Researchers home service provisions shall be</p>

	<p>the Home (FTTH). In addition to that there are more investments in the mobile network which complement the investments in the fixed network.</p> <p>For the demand to materialize, the Action Plan 2015-17 of the Digital Strategy which includes the promotion of e-services and the digitalization of the Government, the health and the education, need to be implemented without any further delays and at least by the end of 2017. If these actions are not implemented in time, Operators will be left with investments, the cost of which will be impossible to be recovered.</p>		<p>However, Cablenet does not believe that the above actions are enough to achieve the 50% required take-up with the current supply conditions. A major factor in increasing penetration is the price of high-speed internet connection which must be reduced significantly, otherwise Cyprus will fail to meet its second national target.</p> <p>Let's take the current price of Cablenet's 120 Mbps service which is €99.90. The local access and core network cost only amount to about 22% of the costs (and is fundamentally fixed in nature and does not vary substantially with the speed of the connection) and the international capacity cost is around 78% (and is variable and directly related to the speed). This occurs only because Cyprus is an island and there is an objective cost for the undersea cables that connect the island primarily with continental Europe.</p> <p>The OCECPR must study the international connectivity cost and issue a report or perhaps even proceed with regulation of the market if this is justified.</p>	<p>satisfied with at least 100Mbps. CYNET has the capacity and can offer the Internet part of the home connection with 100Mbps to their researchers and students.</p>
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<p>Q2</p>	<p>CYTA confirms its plans – yearly review of the plans and modify them accordingly.</p> <p>Government and all other stakeholders should proceed with their planning and execution of the actions which will boost the demand and further the take-up.</p> <p>Framework of regulation is needed which will be supportive to investing.</p>	<p>MTN is currently planning its 4G and 3G expansion, and for the moment they cannot provide more data.</p> <p>The availability of the outlined regulatory measures will dictate whether such plans are realistic, especially for the fiber to the home (FTTH) network plans.</p>	<p>Cablenet will keep investing in the network expansion of its cable network to sub-urban areas of the cities, already covered, as well as urban and sub-urban areas in Paphos. Cablenet also plans to upgrade its network to DOCSIS 3.1 in the near future.</p> <p>The above network expansion will not deploy if there is any risk that Cablenet will be forced by OCECPR to offer broadband wholesale services on its network. Cablenet consider that any opening up of its network will be catastrophic for the company. Any regulatory uncertainty will be a significant investment-limiting factor.</p> <p>Regarding monitoring, Cablenet proposes yearly network coverage reports from all the Operators to be submitted to the authorities.</p>	<p>CYNET is a non for profit organization created by the Council of Ministers, with a mission to deliver and support an advanced electronic network infrastructure and innovative networking services to the Cyprus Research and Education community.</p> <p>There is not any Government funding since 2012. Projects like Dark Fiber connectivity, Schoolnet, and other collaboration with European and Regional Countries/programs require political will and support.</p> <p>GEANT can be chosen, by the EU, as the pan European infrastructure network for all the government e-services.</p>
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<p>Q3</p>	<p>The funds shall be spent to facilitate the migration of internet broadband users to higher speeds. This can happen by using a multifaceted approach:</p> <ul style="list-style-type: none"> (a) the digitalization of the Government (b) the promotion of digital awareness (c) the acquisition of key digital skills (d) incentives to businesses to be digital (e) incentives to users. <p>One of the significant barriers to the migration to higher speeds is the unsuitability of the existing copper-based internal cabling of buildings to accept fiber. This barrier plays a significant role in the decision of the customers to migrate to higher speeds. Providing incentives, such as a voucher, directly to the owner(s) to cover the cost of the upgrade of the internal cabling will help the increase of the take-up.</p>	<p>It is know that without appropriate infrastructure within the building (in building wiring), the FTTH will not realise its potential.</p> <p>The funding shall include wireless broadband in the rural Cyprus (microwave fees or any other initiative to assist and facilitate wireless broadband in the rural Cyprus).</p>	<p>The funds should be used for the coverage of white spots that will consist of remote villages and rural areas (due to their low population density, commercial NGNs rollouts will not occur).</p> <p>Alternatively, the funds could be used to improve the international connectivity of Cyprus, both for resilience reasons, but also because the key element to achieving the second national target is the reduction of the cost of international capacity.</p>	<p>A part of the public funding of 22 million Euro, which could have a huge impact/benefit for Cyprus, can be allocated for:</p> <ul style="list-style-type: none"> (a) The high speed interconnection of the academic and research institutions. (b) The implementation of the “EDUROAM” service, where the ISPs can divert traffic with specific SSID to CYNET. (c) The implementation of the “Schoolnet” which is the network infrastructure of all Primary and Secondary Education institutions. (d) The high speed interconnection of Libraries, Museums, Archives, Cultural Institutions, Hospitals, etc, something that is performed in other European National Research and Education Networks (NRENs) like CYNET.
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<p>Q4</p>	<p>Designing a suitable regulatory framework which will help the investments.</p> <p>Lifting regulation in areas where there are more than one fixed networks is imperative.</p> <p>Pushing towards, by a regulation, the reduce of the wholesale prices of access to the copper network has the potential of delaying the migration towards the New Generation Access networks.</p>	<p>Mobile Networks issues:</p> <p>(a) The main issue (barrier) in the rollout of mobile networks has been the inadequate application of the framework for the installation of base stations (average time of 14 months). This framework require immediate intervention so that the competent authorities are issuing the permits within the prescribed periods.</p> <p>(b) The availability and the pricing of ducting system used for backhaul purposes (fiber roll out) is of material importance for mobile broadband.</p> <p>(c) The international submarine cable market is also important and review could be justifiable to ensure that the market is sufficiently competitive.</p> <p>(d) High microwave fees hinder the mobile broadband rollout especially at the rural areas.</p> <p>Fixed Networks issues:</p> <p>(a) Wholesale access products do not currently allow a sufficient margin in the fixed market.</p> <p>(b) Problematic access to ducts (owned by CYTA), since there is no provided GIS to the alternative providers and therefore the process is lengthy and costly. Also, the pricing of ducts is surrounded by legal uncertainty, as the incumbent does not follow the prescribed methodology.</p>	<p>It is essential to use NGA mobile networks to cover remote and rural areas where the costs and time frame of deploying wired networks are high.</p>	<p>A support from the Government to the CYNET's future plans to deploy innovative electronic services (like high-definition video, telepresence, cloud computing, telemedicine, e-learning, etc) for the Research and Education community.</p> <p>A substantial reduction of the costing for submarine connectivity between Cyprus and countries in the region.</p> <p>A political support for CYNET's efforts, as it is a part of European and other Regional projects like GEANT, EUMEDCONNECT, EUMEDGRID, LINKSCEEM, etc., to make Cyprus a gateway between the Middle East/Africa and Europe.</p>
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		<p>(c) For FTTH, the State should take an active role (regulatory framework) in facilitating a good and competitive wholesale product, so that the alternative providers can prepare their products on time and in parallel to CYTA.</p>		
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<p>Q5</p>	<p>The price reductions will materialize through competitive pressure and through the increase of the customer base.</p> <p>Price regulation has to be absolutely avoided in either the retail or the wholesale part of the market.</p> <p>To proceed the soonest with the actions that will boost the demand.</p> <p>Pushing towards lower prices should not compromise the quality of the networks and the experience of the customers and also the security of the customer in accessing the internet.</p>	<p>As Q4 above.</p>	<p>Due to the geographical location of Cyprus and the fact that it is an island nation, remote from Europe, a major component of broadband services is the required international capacity to connect to the major hubs. International connections are currently provided through the undersea cables that connect Cyprus to other countries. The cost of international capacity is currently the major cost element (and also the only major variable cost) of high-speed data connections. On the other hand, a typical European operator does not have the cost (of circuits) of reaching Europe, but has only the cost of peering, resulting in a cost much lower than for Cypriot operators, by a factor of almost 10. Therefore, the direct comparison of broadband connections in Europe and in Cyprus is typically biased and unfair.</p> <p>Cablenet outlines all the factors and calculations of the internet's cost, both for local access networks (essentially fixed in nature) and for international capacity, reaching on the conclusion that the cost of international capacity in Cyprus must be reduced by a factor of 10, until 2020, if the second national target is to be achieved (in Europe, 100 Mbps connections are available for prices around €40 to €50 per month).</p>	<p>For the Cyprus Research and Academic community actions could include:</p> <ul style="list-style-type: none"> (a) Involvement in more National, European or Regional e-infrastructure projects. (b) Decrease the cost for international and national high speed links. (c) Long term contracts with organizations/institutions. (d) Increase the number of connected organizations.
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<p>Q6</p>	<p>The figure of 99% mentioned as the percentage of mobile broadband coverage (in section 3.2, at page 8) is not accurate. The coverage for 3G services is currently at about 90%.</p>	<p>No answer.</p>	<p>It is essential as a country to have a high quality of service and reliability in international broadband connectivity services, since this is a crucial factor for attracting international investments to Cyprus, such as for the announced (by the Government) technological park and other high-tech industries.</p> <p>Cablenet believes that the current submarine cable networks are either not sufficiently redundant (same landing station in mainland Europe) or are outdated (most of them are reaching the end of their life span), and therefore new submarine cables are required.</p> <p>For these reasons, the Government must ensure that necessary proper incentives, including perhaps subsidies or other economic instruments, that will promote and accelerate the landing of new cables in Cyprus, are provided to interested parties for providing further international capacity for the island.</p>	<p>CYNET is in the best position to stimulate demand for broadband services and to promote the digital society in general for e-health and e-education and specifically to provide the e-infrastructure for the development of:</p> <ul style="list-style-type: none"> (a) e-Universities, (b) e-health services, (c) e-learning and training programs, (d) Public- private – partnerships to offer the means (e.g. Wi-Fi) to access the internet at targeted groups. <p>Countries smaller or close to Cyprus have invested in their National Research and Education Networks (NRENs) and have shown amazing achievements and results.</p>
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