



OpenNet  **Real broadband for everyone**
Europe

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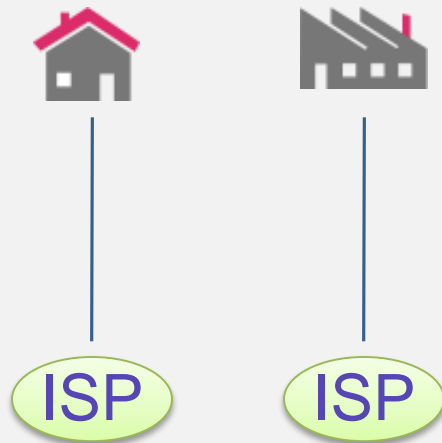
Origin, start



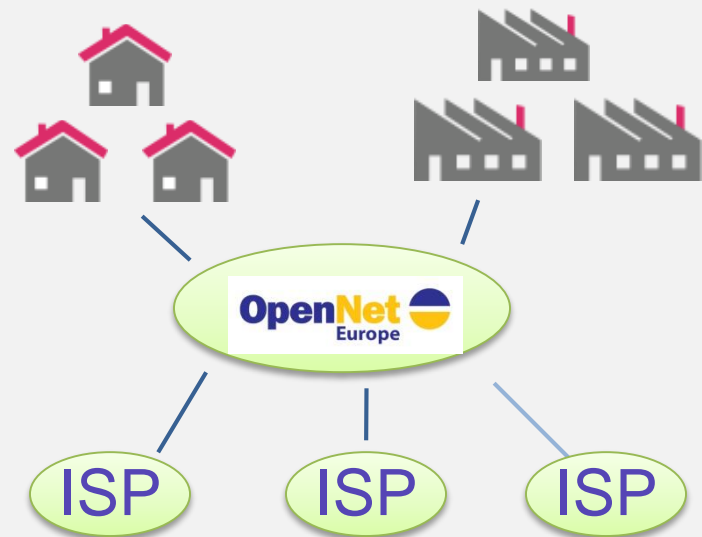
- Evolved in Sweden starting in late 90's
- Roll out of fiber transit networks national, public sector
- Involvement of local public sector utility companies
- In 2000 empty networks with few services
- Poor roll out local access networks..... Need for change
- SE academic research defines communication operator (CO)

Introduction of the neutral CO

Traditional situation



OpenNet situation



Philosophy, paradigm shift

- For everyone access
- Sustainable value chain
- Competition on services, not on infrastructure
- Volume market approach
 - High utilization
 - Low churn
 - Lower fractional costs for distribution, as volume of service rise
- Engine for change in demographic options
- Ultimate pre condition for economical development
- New local infrastructure for everyone and locally owned

Philosophy, open is not just technical

- Value chain approach, new business model
- Exclusive OR market roles
 - Limitations per role
 - Due to interdependencies sustainable
- Starts with spending of consumers
 - Instead of investment like real estate
 - Reasonable prices
 - No exclusivity
 - Competition
 - Freedom of choice
- For service providers easy access

Philosophy, outcome

- Revenue share business model
- CO as in between , network owner and service providers
- Access to a premises: SME and households
- Limited market roles
- Balanced value chain

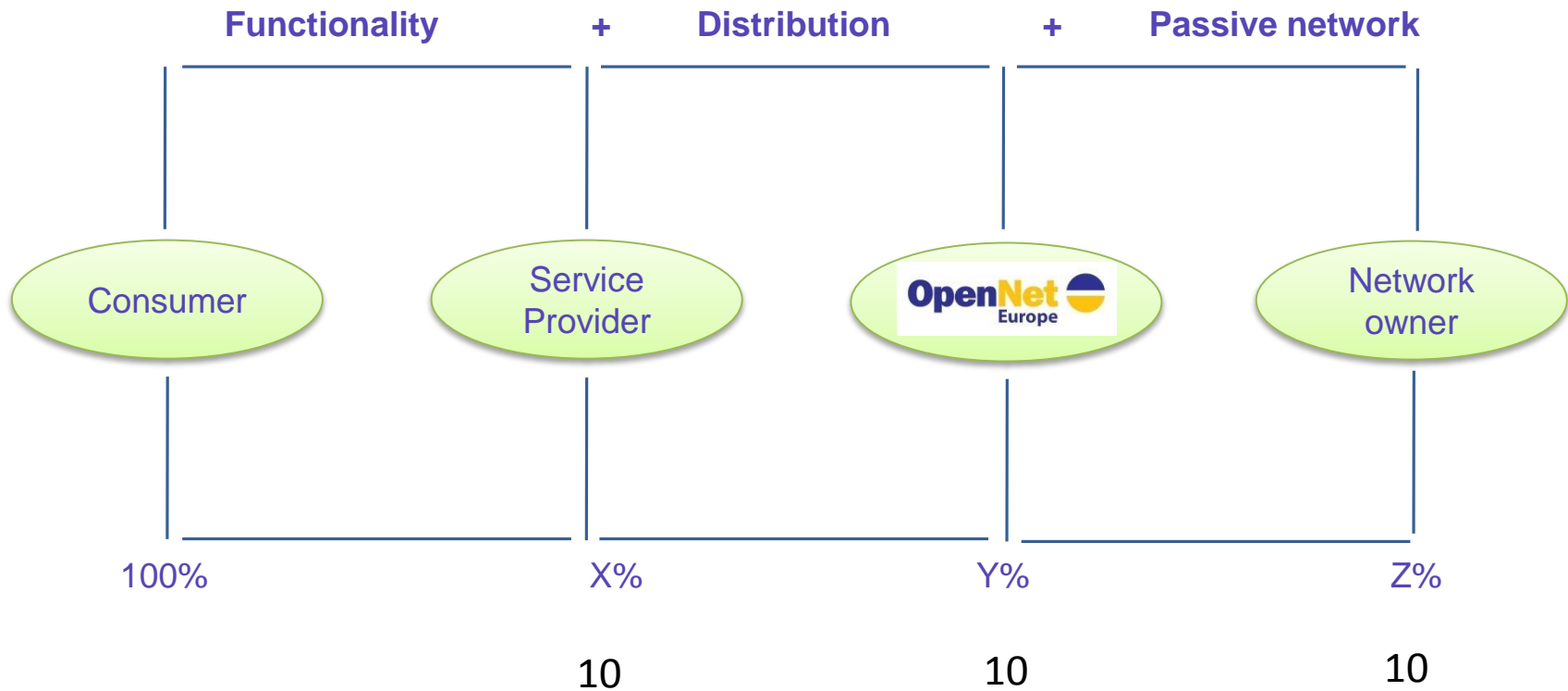
- Mobilization of service providers across Europe
- “Cottages Industries”

- Acceptable prices and freedom of choice
- Utilized networks

Basic assumptions

- Adheres to the Digital Agenda 2020
 - Every European symmetrical broadband of high capacity (100mb)
- Sharing the active layer is possible
- Essence
 - Broadband approach instead of fiber roll out
 - Broadband is the goal, fiber is a mean
 - Symmetrical access points towards fiber
 - Infrastructure in collective ownership
 - Infrastructure use for telecommunications
 - Local infrastructure where preferable the owners are also the users

Revenue sharing business model



Revenue shared business model

- Value chain in three market roles
 - NO: CapeX , ROI continuity, rental fee (passive layer)
 - CO: OpeX, fee on transport service and operations, active layer 2
 - SP: earning on the service /functionality, layer 3
- Value chain sustainable due to
 - Interdependencies and discrete roles.
 - Max of cash flow running in the value chain
 - Risk of exclusion withheld > stick divided roles



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Thank you!

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