Universal services in Sweden – providing telephony and broadband to all

Seminar 11 April, 2011

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Digital divide – of what kind?

• Socio-economic divide? **Affordability**

• Demographic/geographic divide? **Availability in remote areas**

• Disability divide? **Facilitate availability for disabled users**

The NRA’s focus lies on the last two bullet points. Telephony service affordability catered for by competition (price pressure) and minimum rights in social legislation.
How to secure maximum availability in Sweden?

- A geographic/demographic challenge

9 million inhabitants
80 per cent of population in southern part

At least 1 Mbit/s average downstream

1100 households/businesses less than 1 Mbit/s or no access
“Traditional” USO model

- The former monopolist (PTT) appointed as universal service operator
- Reliance mainly on traditional telephony network (PSTN)
- If unfair burden – public funding...
- ... or USO fund, financed by all market players according to turnover/market position etc.

Availability - broadband (percentage of population at least 1 Mbit/s)

- xDSL: 98.5%
- Fiber LAN: 33%
- Cable-tv: 38%
- HSPA: 99.6%
- CDMA 2000: 99.9%
Since the liberalisation - increased competition over the years

- TeliaSonera’s market share decreasing - appr. 40% chosen another telephony solution than TeliaSonera’s PSTN network

- Appr. 1,2 million IP-telephony customers, remarkable increase since 2005

- Price competition - no possibility for cross subsidisation from profitable to non-profitable end users

- Mobile telephony and mobile Internet extreme growth and coverage

- No USO fund in Sweden

Conclusion - not proportionate that TeliaSonera alone should stand cost in areas lacking commercial incentives for provision of telephony.
Multi-stakeholder model

- Several operators competing (incumbent’s market share in fixed telephony less than 50 %)
- Several fixed and wireless technologies competing – PSTN, CTV, FTTH, GMS, UMTS, CDMA, HSDPA, LTE...
- In remote areas – mobile operators have commitment in license conditions to provide wireless solutions
- 800 MHz band - one license with commitment to rural area coverage of at least 1 Mbit/s, 30 M Euro to spend
- Extremely remote households and businesses – public procurement of the telephony service via 450-band, satellite and repeater technology (GSM) (~ 16 cases)
Trends for the coming years

• Technical conversion in rural areas from old copper landlines to wireless solutions (GSM, HSPA, CDMA)
• Incumbents’ landlines and poles 60-70 years – end of life cycle
• Rationale – reduce costs
• LTE in 800 and 900 MHz and 2,1 GHz (3G) bands. High speed.
• Tele2 and Telenor committed themselves to 4G for 99 % of population by end 2013
Want to find out more?

- www(pts).se
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More info - the Government’s national goals for broadband

• Sweden should have world class broadband

• A national broadband strategy should enable the market to achieve
  1. Year 2020, 90 per cent of households/businesses access to 100 Mbit/s
  2. Year 2015, 40 per cent of households/businesses access to 100 Mbit/s

• All households and businesses should have good opportunities to use electronic public services and service via broadband
More info - several measures for accessibility

- Competition enhancing measures and spectrum liberalisation
- Measures for new market entry
- Measures in non-market driven areas

Public funding or co-financing

Accessability

100%
90%
50%