

# Stop duplicating costly fibre networks, industry tells the government

Local government should work co-operatively with the private sector to avoid the duplication of costly fibre optic infrastructure where open-access networks already exist. This was the general consensus of the panel discussion of industry leaders who gathered to discuss the future of fibre in South Africa.

The event, hosted by Conduct Telecommunications, was held to showcase the potential of optic fibre and its role in businesses. Guests were also treated to a showcase of Internet speeds of 500Mbps courtesy of Internet Solutions.

The panel discussion was moderated by TechCentral's Duncan McLeod and panellists included members of Conduct Telecoms, Dark Fibre Africa (DFA), Vodacom, Internet Solutions (IS), Teraco and Jasco ICT Solutions.

Conduct Telecoms CEO Johan Pretorius explained that they are trying to create an environment that stimulates growth in this market by putting the fibre infrastructure in place. "We need to create new and dynamic markets for ISPs by providing open-access fibre proactively to key precincts. Once the fibre is in place, competitive services will emerge."

Conduct is a last-mile fibre-optic telecommunications operator that invests in open-access fibre in the last mile, proactively connecting commercial premises to dark fibre. It then provides the fibre to third-party Internet service providers that "light" and sell capacity and services on the connections to their clients.

## More than 300,000 businesses could benefit

DFA chief strategy officer Reshaad Sha said that fibre access into buildings remains one of the largest obstacles in getting businesses onto a fibre-based network service. "I would like to commend Conduct and any other company that is able to find a mechanism supported by a sound business model in delivering fibre access to buildings. Across South Africa, there are in excess of 300 000 businesses that could benefit from a fibre access services."

Vodacom's executive head for enterprise access services, Janine Rebelo, said that each access technology has its own primary benefit. "The debate is not about which one is better, but about how to use different access mediums to their full potential. We need to provide subscribers with best kind of connectivity throughout their day, whether driving to a meeting, catching up on emails at a coffee shop, or watching HD TV and video on demand at home."

Vodacom has identified several office parks for FTTx deployment between September 2013 and March 2014. If the resulting investment review meets expectations, wider deployments in the enterprise and residential areas are planned over the next three to four years.

## **Infrastructure sharing is incredibly important**

Internet Solutions connectivity executive Sean Nourse stressed that infrastructure sharing is incredibly important. "We also need to look beyond the fibre infrastructure. The industry needs to step forward and look at how to encourage services around fibre and the enhanced services it allows. Bandwidth costs have decreased significantly and it will continue to come down, now we need to look at the consumption of bandwidth and how it can be leveraged across all industries."

He said that the government should already be looking at ways to stimulate an online delivery of services while continuing to drive the demand for fibre. "This includes the government's e-services, but it should not necessarily rely on the roll-out of its own fibre infrastructure, but rather ensure that the demand for fibre is there."

Michele McCann, Teraco Data Environments business development manager, said that South Africa desperately needs a solution to keep up with growing demand. "There are many obstacles facing organisations building fibre networks across South Africa and sharing is the key to building a competitive environment. Companies save costs by not having to build their own, or duplicating infrastructure."

McCann believes that solutions can be found through open-access fibre infrastructure and open peering. "Until recently, one of the main challenges affecting Africa was connectivity to and out of Africa, which was largely resolved when all the undersea cables landed.

"Now the main hurdle is terrestrial cable. We've got all this undersea capacity - way more than we can actually use right now - but the problem is getting that to consumers throughout the country," she explained.

## **The cost of not embracing fibre technology**

Jasco ICT Solutions GM for business development, Eckart Zollner, said that the adoption of fibre by businesses should not be so much of a question of the cost of fibre versus the cost of traditional infrastructure solutions (e.g. copper-based), but businesses should look at the cost of not embracing fibre technology.

"Fibre technology enables many IT services that are business 'game changers', such as videoconferencing and cloud-based solutions. This brings with it tremendous savings, such as reduced travel costs and lower software licensing costs. Companies need to embrace the notion of doing business differently, he explained.

"Fibre in South Africa is still relatively expensive; however the benefits thereof are tremendous. Fibre connectivity allows for a more stable and vastly improved user experience in terms of availability, stability and speed, especially in terms of applications hosted in the cloud and allowing for video on demand," added McCann.

"Most importantly, the private sector and the government need to work much closer together to create a framework that deploys complementary, rather than isolated and often overlapping and competing, fibre deployments in the same areas whilst omitting other un-served areas. We require a broader framework of open access networks on the national infrastructure as well as the international connectivity side," concluded Zollner.