

Remarks of Altitude Infra on BEREC Work program 2022

About Altitude Infra:

Altitude Infra is the leading independent provider of wholesale access to FTTH in France, with a focus on rural areas (the so-called public initiative networks or PIN). At the end of its rollout, Altitude Infra will have built and will operate 5 million plugs, covering 12% of households in France. As a wholesale-only provider, Altitude Infra is fully dedicated to ensuring the fastest and highest take-up on its networks. With the recent acquisition of Kosc Telecom, a wholesale operator dedicated to services to businesses, and of FTTO networks operated by Covage, Altitude Infra has become the 3rd national wholesale operator in the B2B market and the only credible alternative to the SFR-Orange duopoly to the benefit of competition and French businesses.

Altitude Infra is a subsidiary of the Altitude Group, a family group owned by the Rivière family with a long-standing experience of over 20 years in the telecom sector .

Altitude Infra welcomes the opportunity to share its views on the draft work programme proposed by BEREC for 2022.

Altitude Infra fully supports the first priority set by BEREC: “promoting full connectivity”. Even in France where the rollout and take-up have been skyrocketing for at least 2 years now, we are still witnessing enduring obstacles to a really full connectivity.

The first priority for Altitude Infra is to address the migration of businesses to the fibre (item 1.9 of the draft work programme). We welcome the fact that BEREC is taking up this issue, crucial for the competitiveness of companies, and through them, of the EU in general. We are convinced that if companies do not switch to fibre, or at least to VHC networks, in the next few years, their competitiveness will be severely impaired compared to companies outside the EU.

Adding to the proposed draft, we would recommend BEREC to look at and determine the various barriers to migration to the fibre and to switching retail operators. BEREC should then examine how to mitigate or lift them completely.

Indeed, competition is still not sufficient on this market. We think that the remedies will involve stimulating the growth of alternative operators (in market shares and revenues). We are convinced that competition at retail level is intricately linked to competition at wholesale level, which will enable innovation, affordable offers, and high quality of service for a variety of retail operators and therefore for end customers.

In this matter, regulation should seek the emergence and thrive of small and specialised operators on this market, each with their technical specificity and capable of tailoring their services to address all the needs that could arise from companies. Large actors, such as incumbents, do not have the agility necessary to meet those needs. They usually act only to protect their market shares but do not innovate, slowing down the digitalization of companies.

Migration to fibre is the opportunity that we are waiting for to turn the tables and allow for a significant development of competition. If NRA miss it, incumbents will still have significant market power in 20 years. NRA should act now, for example in countries like France where the business market is lagging behind the consumer market concerning fibre migration, before it is too late.

Ensuring that small operators have access to the largest fibre coverage possible is, in that perspective, essential to fair competition: call for tenders for multisites companies are won by those which can provide the largest fibre coverage. Not only that, but for monosite small companies, incumbents sometimes “forget” to make companies’ buildings eligible for FTTH, as they have others means to offer fibre. Finally, small businesses are often not aware that they could subscribe to fibre and FTTH.

Last but not least, dedicated fibre (FTTO) remains essential. On these networks, we note a two-speed situation: in competitive areas, prices are very competitive today, but this is not necessarily the case in non-competitive areas where the prices remain very high.

We urge BEREC to take up this issue and hope that this report will lead to concrete and effective recommendations, capable of challenging existing monopoly or duopoly situations.

Altitude Infra also welcomes the work on copper switch-off. It is of great importance that the SMP operator notifies its decommissioning plan and shares it with other stakeholders in a timely and completely transparent manner. Especially in markets where other operators are building FTTH networks, the SMP operator should not be the only pilot when it comes to copper switch-off. A timely switch-off is key to maximize FTTH take up and to save the costs of having two networks running in parallel, especially for the SMP operator. It is therefore a positive move for the whole sector. Nevertheless, to ensure that a maximum of households and businesses are indeed capable of joining the FTTH network, the operational and financial conditions to ensure that “complex” situations can be fixed should be addressed without undue delays.

This issue might be closely linked to the universal service ones that might be a possible instrument to address and finance some very expensive final connections as it was the case previously with copper.

Finally, Altitude Infra will be very interested in participating to the works regarding sustainability in the digital sector.