Andorra's Declaration of a Fibre Revolution

Jaume Salvat, Director General and CEO, Andorra Telecom, talks to InterComms about the company's strategy for the future

Jaume Salvat was appointed CEO of Andorra Telecom in April 2006. He is a Telecommunications engineer, with over 30 years in the Telecommunications Sector, with a wide experience in different Telecommunication Operators, holding Executive positions in Strategic Planning, Commercial, Network Technology, Engineering, Planning, Deployment, Operation and Maintenance. As a consultant he was very actively involved in projects with Regional Governments, Municipalities and private Telecommunication Operators related to Strategic, Business, and Technical and Organizational aspects.

Q: What's the biggest news for Andorra Telecom?

A: The Universal Service Declaration made by our government places Andorra as the first country in the world to set internet access over optical fibre as a universal service to all final users in any populated spot in any geographical area for a basic price and with 100Mbps speed of access. The government made the Declaration in February as a result of our fibre to the home deployment. Policy has followed deployment. This is something that is going to happen in the rest of the European countries later; the objective for the EU is to have a similar guiding principle in 2020. Actually, we reached 38 percent penetration for the fibre network for inhabited homes, and we will achieve 50 percent by year end. Copper network will probably be entirely gone in five years and all customers will be migrated to the fibre network. We don't just want to force our customers to move to the fibre network; we are trying to convince them that services on fibre are far better and not more expensive than on copper, so we expect a natural migration to fibre.

Q: What does Andorra Telecom have to offer in terms of lessons learned for others following your path?

A: In our case, the first thing to put in place has been regulation to allow you to do that with any obstacles. It made a lot of sense for us to move to a Fibre To the Home network, because we wanted to build a future proof infrastructure in order to allow us to move forward and offer new and better services to our customers.

During the process we learned many things. It is not easy, even in a small country as Andorra is, where the only advantage we have is that we can deploy faster. For instance, we don't have any economies of scale and we have to install everything at the same time. We were not in a position to work on a pilot for a couple of years, preparing everything in order to start a deployment and do it accurately in the near future. We are a small company and we cannot be experts in everything, so we also need to have partners with experience and who have gone through this in the past. What we have learned is what is the best way to go to building owners and explain them exactly what we wanted to do and how we were going to deploy the network. We also had some integration

problems with the service platforms we already had, such as NGN and a some others, and it took a lot of effort to solve these issues.

The process has been quite good for us. We have learned a lot and the result are encouraging.

Q: What organisational changes have been put in place?
A: This has been very challenging for us. The lessons to learn along the way have been that we need to align the organisation with the goals of our initiative. It is not only about technology but aligning the commercial department and all the other departments in the company in order to deliver. There have been several changes in our philosophy and culture within the company.

Q: What about problems in the physical implementation?
A: Extending fibre in the horizontal network from our premises to the buildings is complicated but we have managed it very well. Getting inside properties and homes was challenging because we had to agree things with the owners which required quite a lot of negotiation and strategy in order to do it correctly and successfully.

Q: Now the Fibre To The Home network is in place, what new services are you offering?
A: Our goal has been to lower operating expenses. That means migrating customers smoothly as possible to the fibre network. We also decided to improve services on the fibre side. We began with the residential market because it was a lot easier and, actually, we have packages which include national and international minutes and other value added services like voice mail. We also integrate television with telephony and on screen interaction capability. We are also working on future services like high definition voice communications and integration with mobile voice services. For internet access, we offer 100Mbps full duplex connections with a very low latency access on the fibre net. We should have better control of the services that we offer and billing will probably be different in the future. On the IPTV side we offer at the present moment premium TV channels.

Q: What are the interactive services that are available now?
A: White and Yellow Pages are available right now but we are working on using the TV as a terminal to buy goods, and the administration also wants to promote new services. We are working on e-government, e-learning, e-marketplace, mobile integration and 3D. We hope that we are going to get there in the near future with a higher penetration.

Q: Can you outline your strategy for Fibre To The Business?
A: The business market is a lot more complicated. What we were previously offering to the business side was connectivity services such as connecting one telephone to another. If a business customer already has 100Mbps at home, we can't charge more for the same, just because they are a business. On the business side we have a segmented approach and we will offer different services to different segments. We have prepared a strategy and we have spent efforts and resources to have this ready for this summer. On the voice side, we will offer some specific bandwidth packages and applications, value added services like integration with any billing systems they businesses have, mobile integration and Video Teleconferencing service as well. On the data side we offer high speed internet access and LAN to LAN or Fibre To The Home VPN with different options, topologies and security, trying to better understand their needs for data services. We can also offer data centre integration as well. We are trying to explore the possibilities of TV to the business side because we know that is going to be very important and we are also exploring some other, very specific business services but that will take more time to prepare our value proposition.

As a example of our business services we have the launch of our full IP telephony solution for companies, which will be available in April. We want to have the confidence that it is working well and make sure that customers get the support they need.

Q: Any difficult issues on the domestic side?
A: Perhaps 10-15 percent of customers only want a telephone connection and so they will not be very interested in moving to fibre so we will have to see what happens next. We also have quite a lot of residences where customers only come at the weekends or on holidays, so we should prepare specific packages to them.

A challenging thing is the fact that our customers, who are connected to the Internet, get their router through dealers that are selling them in Andorra's shops, and sometimes, if there is any misconfiguration we have to assume most of the leading on fixing the problem. We have established links with most of the dealers to be able to react as quick as possible when a problem with a router's model raises.

Another issue that we are continuously afronting is the perception of the speed's connection. The users believe that with a 100 Mbps access, the experience on the Internet has to be fast whatever the server they connect and wherever it is placed, and that is not the case. Placing a Speed Tester helps, but we cannot avoid giving a lot of explanations to the customers.

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