

# Draft NGA recommendation

Towards harmonized regulatory approach?

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**Veronica Bocarova**  
**Cullen International**

# Changes since the previous draft

- Geographical variation
- Reporting requirements
- Reference offers within 6 (!) months
- Joint deployment of FTTH networks
- Exemptions for fibre-based WBA
- Volume discounts for fibre unbundling
- 5 years notice period for migration



# Pricing aspects

- Cost orientation consistent with copper LLU, including WBA
- Except for effective functional separation
- Risk premium limited to FTTB/H
- Risk sharing for fibre unbundling



# Criteria for setting risk premium

Risk factors for NGA investment	Possible risk mitigating factors
<ul style="list-style-type: none"><li>• Uncertainty about retail and wholesale demand</li><li>• Population density of the geographic areas concerned</li><li>• Uncertainty about the costs of deployment, civil engineering works and managerial execution</li><li>• Uncertainty relating to technological progress</li><li>• Uncertainty about market dynamics and competitive situation (alternative infrastructures)</li><li>• Macro-economic uncertainty</li></ul>	<ul style="list-style-type: none"><li>• Economies of scale (especially if the investment is undertaken in urban areas only)</li><li>• High retail market shares</li><li>• Control of essential infrastructures</li><li>• OPEX savings</li><li>• Proceeds from the sale of real estate</li><li>• Privileged access to equity and debt markets</li></ul>



Thank you for your attention!

[veronica@cullen-international.com](mailto:veronica@cullen-international.com)

