Fixed-Mobile Divergence is Here to Stay

Torbjorn Sandberg, CEO, Netadmin Systems

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Fixed-Mobile Convergence (FMC), described as a trend towards seamless connectivity between fixed and wireless telecommunications networks, has come to an end. Yes, rest assured that some major players will continue to hammer the FMC message. But they do that only because it serves their own objectives and needs – and not because it serves the industry or the people who actually pay the bills. And deep down in their hearts they know that they are wrong.

It is evident that with the introduction of low-priced TV sets, Video-On-Demand services, Netflix, video conferencing etc that consumers and enterprises have started to display completely disparate behaviors, needs and payment patterns when compared to what can be offered over fixed and mobile access.

Yes, the FMC proponents may try to make a futile cover up by saying that “the customers do not care what access they use, all they care about is the service”. And that is correct. But it is also proof that the FMC proponents are deceitful, simply because the services cannot be delivered over any access.

The following scenario clearly outlines that the FMC proponents should forever be silent:

In the future an ordinary family will have at the very least one HD/3D screen per person. They will demand that they can get the content they want, when they want

it. They want to run to parallel, important video-conferences with colleagues and business associates, where they can share content.

Do this with LTE? Good luck – and good night as well.

There is only one solution to this demand, and that is to give all consumers and enterprises access to fiber. Period. The industry needs to understand this to be able to meet the future demands of consumers and enterprises. To get right to this point; there is only one solution that will fulfill the needs of consumers and enterprises when they are at home or at work – and that is fiber. It is not the solution when the consumers are moving around - then the smartphones or laptops fulfill the needs. But when they are at home or at work they MUST have fiber.

All cool-aid about LTE and alike that the FMC proponents are trying to pour down the throats of us in the industry should be spitted out forever. Having said all this, there is one major hurdle; fiber is very costly. It is the only solution, but it is very costly. In order to remove the financial hurdle, the different stakeholders need to understand the different steps that can be taken to share the costs for the investments.

The most natural thing is to share the networks in a way that suits local competition conditions and regulations. In different countries the role of providing the passive infrastructure – the fiber itself – has been taken from players as different as ranging from local government (Sweden) to Infrastructure Equity Funds (The Netherlands). In certain countries regulations exist, in other countries different market players partner up. So the means are many, but the goal is just one: that the service providers share the same network.

Let us make fixed mobile *divergence* the new trendy phrase. What benefits the end consumers will also in the long run benefit the industry.

Torbjorn Sandberg serves since November 2012 as CEO for Netadmin Systems. He has been working more than 15 years in the data and telecom industry. His most previous position was CEO & President for Birdstep Technology ASA (publ) that provides secure and seamless wireless connectivity software for mobile operators and enterprises, where Torbjorn restructured and refinanced the group. Previous assignments include positions as CEO at Service Factory, VP Business Operations at WaterCove Networks as well as an extensive career with Ericsson. Torbjorn Sandberg holds a M.Sc. degree in Industrial Management & Engineering from the Linkoping Institute of Technology.

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