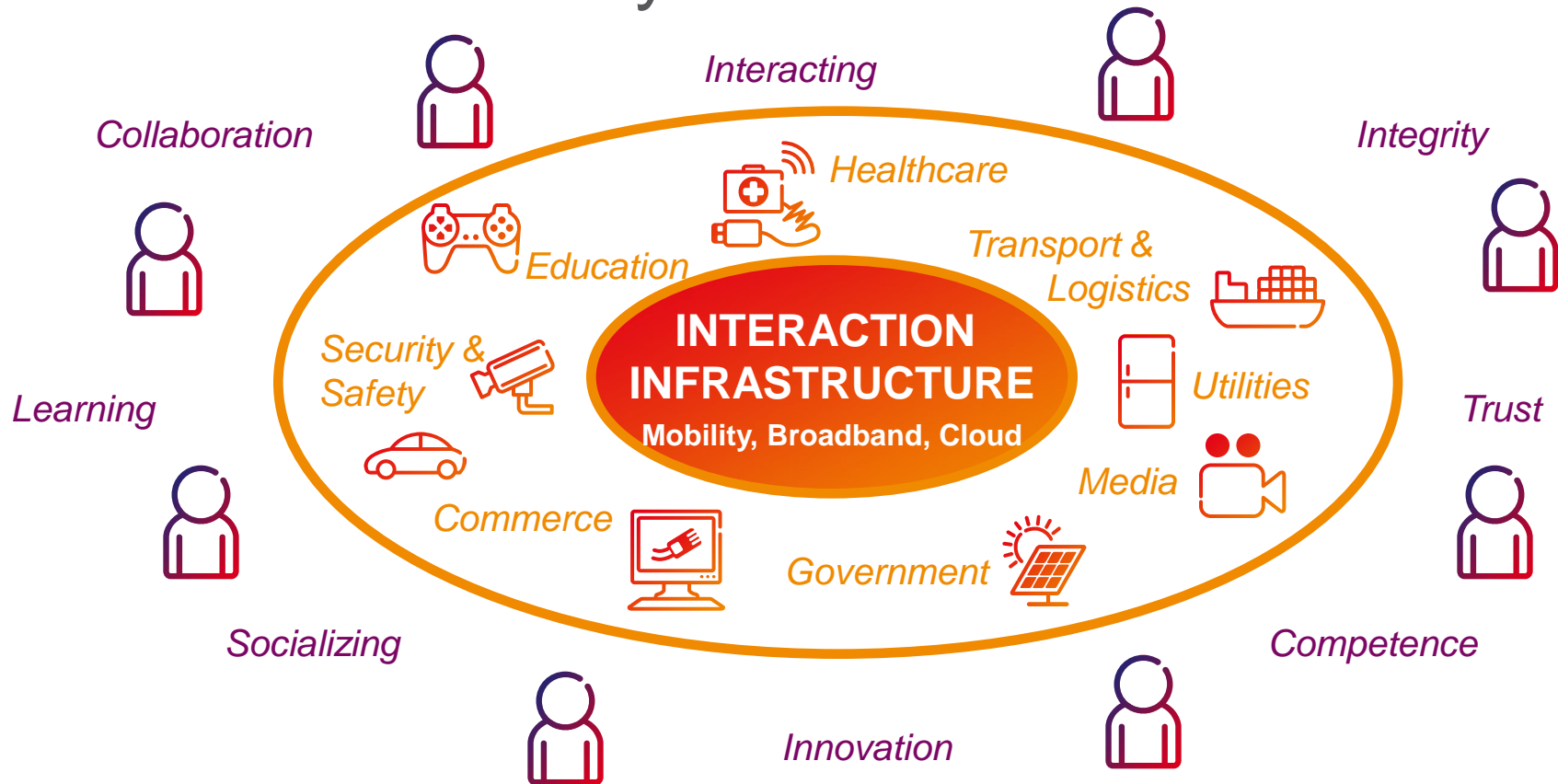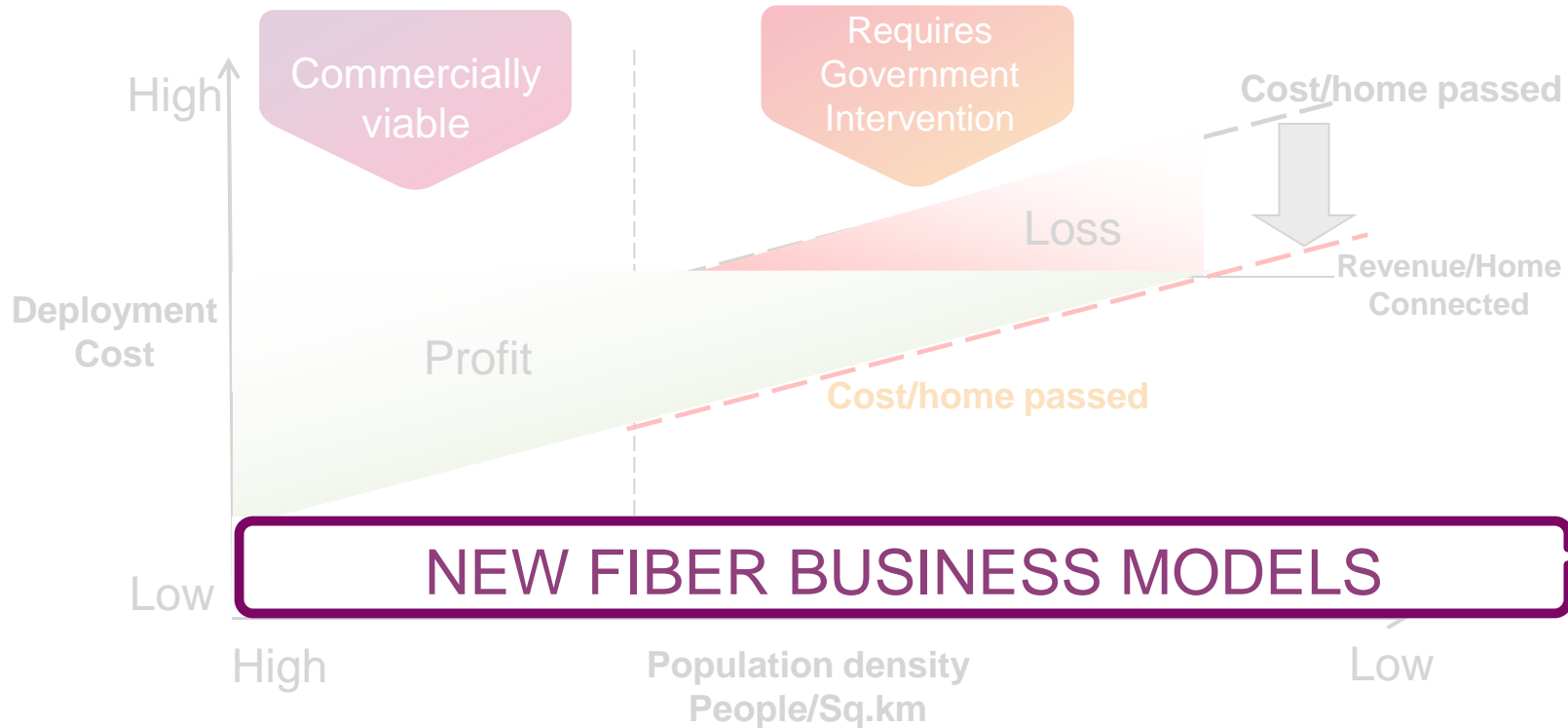# Bóly an early adopter of the fiber to the home (FTTH) network concept

Hárs József, City mayor
Mogyorósi Zoltán, Ericsson

Networked Society

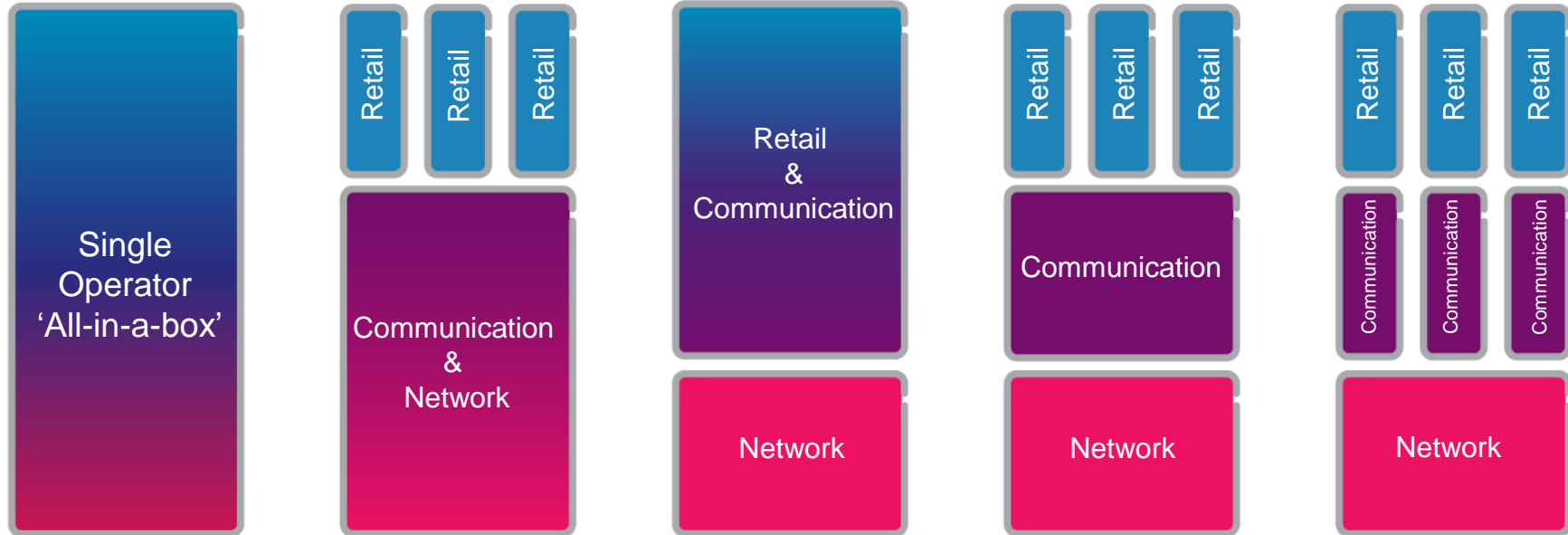# Changing the rules of investment

Commercially viable

Requires Government Intervention

Cost/home passed

High

Deployment Cost

Loss

Revenue/Home Connected

Profit

Cost/home passed

Low

NEW FIBER BUSINESS MODELS

High

Population density People/Sq.km

Low

Enabling new business models
open access

ERICSSON

Single Operator 'All-in-a-box'

Retail | Retail | Retail

Communication & Network

Retail & Communication

Network

Retail | Retail | Retail

Communication

Network

Retail | Retail | Retail

Communication | Communication | Communication

Network

A real Networked Society : Bóly

Introduction of the city:

- 3880 inhabitants
- 1194 homes
- 251 + 209 local businesses
- Nationality of inhabitants:
  55% German, 45% Hungarian
- Complete infrastructure and social net

History of the optical net development:

- 1989: cable system by the community
- 1997: "intelligent city", internet service
- 2004: 300 subscriber the system stopped
- 2007 July: new optical system starts

A real Networked Society : Bóly

Investments history:

- 1989: community cooperation - 15 kHUF entry fee and civil works done on voluntary bases for own street
- 1997: municipality investment - 25 kHUF entry fee for internet, 64 kb/s on modems, 150 subscribers at start
- 2007: municipality investment – no financial aid, connection to each home and 1 set-top-box

Optical network build business details:

- Ericsson solution selected for 1600 optical fiber and 1250 end points
- 270 MHUF invested, 25% own capital 75% bank loan (taken by the municipality) for 5 years
- Bank loan will be paid back in 5,5 years with using only the service income according to the business plan!

A real Networked Society : Bóly

Operation details:

- Municipality is operating the system, local companies are maintaining
- TV penetration: 1105 homes, 93% decreased from 95% due to competition
- Internet: 636 homes, 48,9% stable
- Telephone: 610 homes decreasing

Services provided:

- 5 TV package (eg. 33 chan. 2.5 kHUF/m), 16/9 picture size, HD quality, info bar, program news, local channel, interactive connection, voting
- Internet for home 5-10 Mbps for 5 kHUF, for business 10-20 Mbps for 10 kHUF
- Telephone for 2kHUF from Invitel
- 100 Mbps within the city
- FTP store 100-200 Mb, Web store 50-100 Mb

A real Networked Society : Bóly

Benefits:

- High quality services, fast data connection
- Remote working, support for local enterprises
- Industry zone, new businesses moved in
- Young families and enterprises come back
- Other services, bank service
- Connection of the surrounding settlements - Békáspuszta
- Extension towards Pincefalu – restaurants, wineries, guest-houses
- Security, CCTV surveillance system in the Industry Zone
- Education
- Open e-point in the social care center etc.
- Infrastructure management, thermal water system control, data collection from solar inverters

A real Networked Society : Bóly

Operation experience:

• Power disconnections – power backup
• Lightning, DRG and STB supply units
• Constant technical development and cheaper operation
• Fault reporting and management system

Additional developments (after loan paid back):

• Cooling system renewal, thermal water cooling system
• Replacement of servers
• Services development (video store, health care monitoring system)
• CCTV surveillance system, security and number plate recognition system
• e-administration system for the municipality