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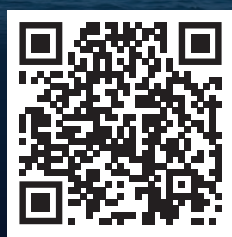
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- DATA CENTRES & SUSTAINABILITY
- WE INTERVIEW DCT DELTA, ACOME GROUP & TECHNETIX
- NEW CARBON ASSESSMENT REPORT FROM THE FTTH COUNCIL
- PLUS WE HEAR FROM NOKIA, WITBE, WEBRO, KONTRON, HARMONIC, WISI, CIENA AND IQGEO - ONLY IN BROADBAND JOURNAL



INSIDE

DCT Delta

INTERVIEW

BY MELISSA COGAVIN



ULRICH KIEBLER,
CEO, DCT DELTA



VOLKER BRAUN

COMPARED TO THE UK, GERMANY'S LANDSCAPE FEATURES FEWER PLAYERS, BUT IN TAKING ADVANTAGE OF THE SLOW UPTAKE AND COMPLEX MARKET CONDITIONS, DCT DELTA AG ARE OCCUPYING THE SWEET SPOT BETWEEN RAPID ROLLOUT AND TECHNICAL INNOVATION, ENJOYING LIFE IN LAKE CONSTANCE IN THE SOUTH OF GERMANY.



DCT Delta AG are experts on the challenges and advancements in Germany's fibre market. As Ulrich Kiebler, the CEO of Delta is handing over the baton to Volker Braun, we were lucky enough to talk to both of them. Incoming CEO Volker Braun brings his own expertise to this field so we were fortunate to have double the perspective. Compared to the UK, Germany's landscape features fewer players, but in taking advantage of the slow uptake and complex market conditions, DCT Delta AG are occupying the sweet spot between rapid rollout and technical innovation, enjoying life in Lake Constance in the south of Germany.

VOLKER, TELL ME ABOUT THE GERMAN MARKET AND WHAT SETS IT APART.

Good question, and a difficult one to answer. There was of course a huge hype about fibre in Germany over the last couple of years and with massive investments also from overseas. Increasing costs for material and energy and also the limited availability of resources is slowing down the planned fibre roll out massively. So, the original time schedule will surely be delayed. In the meantime also some of the private investors already stepped out. Additionally the slowing down of the economy has had an impact; there is a lot less money available now. On the other hand, we

have huge existing cable networks in Germany which provides a good quality of service already in large parts of the country. Consequently, we're finding consumers aren't really asking for a fast fibre roll out at present.

WHY IS THAT?

Primarily the quality of connection to consumers in Germany is not defined as such by the physical medium. In other words, with coax cable, you get a gigabit connection of reasonably good quality for a reasonably low price. So why should I pay twice for the same connection, just because it's fibre? The second issue is that building fibre infrastructure doesn't necessarily mean that people are able to connect. There are those who are desperate and want to connect, but quite often it's not possible, even though fibre is close by. It is very expensive to lay fibre inside buildings, especially in Germany. We have 37 million households in Germany, of which half are managed by housing associations or are multiple dwelling units.

SAY THAT AGAIN?

You heard that correctly. Gaining permission to put fibre into a multiple dwelling unit can take years here, because it requires the residents' unilateral agreement. Some people don't want it, they say it creates a disturbance.

Others might want to wait five years for that big renovation. The cost is also very high; in Germany customers are not ready to pay double just because it's fibre. As for example, I have a gigabit with coax at home and that took just a phone call. Nobody destroyed my driveway or excavated my street. Overnight I can get a gigabit, for half the price of fibre.

UNDERSTANDABLE THAT THINGS ARE A BIT SLOWER THERE. IS THAT CULTURE GOING TO CHANGE ANY TIME SOON?

Another reason is overbuild - it isn't restricted in Germany. Therefore we have experienced big operators building a new network even if there is already an existing one. This not only destroys the business case of the first network, this also reduces the general roll out speed.

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FROM THE INDUSTRY

The new Gigabit Interchange Act from the EU will probably help to improve things in Germany and will force developers to incorporate fibre into all new builds or major renovations. Most people would do it as a matter of course, but previously there was no legal obligation to; now it will be law.

ULRICH, WHAT IS ANGA COM LOOKING LIKE THIS YEAR FOR DCT DELTA?

What we typically do is to fit into the niches that really fulfill the actual need; we develop products that help the carriers optimise and upgrade their current infrastructure. We make sure that the customer gets fibre-like speed to the consumer to create cash flow today, not in five years when they eventually get fibre. So we will be demonstrating some improvements of our products and new developments which will help our customers to save money and enhance their networks.

HENCE YOUR RANGE OF REMOTE PHY TECHNOLOGIES SATISFY EXISTING CUSTOMER NEEDS NOW.

We are proud of ourselves in offering optimised solutions that fit the budget of the client. For example, we can ensure your remote PHY virtually costs €500 per building; our customers love this lateral-thinking style approach. We focus on how to make remote PHY and XGS-PON more attractive to the heterogeneous networks. For example, here I have FTTH and there I have FTTB, but it should all be covered with the same POP. It should not only fit into huge POPs like the classical incumbents, but also into the smaller ones for the city carriers. This is what we will show at ANGA.

The DCT Delta classic product line - amplifiers with optical nodes and optical head ends - is doing significantly better than last year; we are seeing a kind of revival actually. People are recognising that fibre is what they want, but it's some time away, so they might as well optimise what they have (e.g. DOCSIS 3.1 Ultra) in order to create cash flow.

WHAT'S YOUR TAKE ON AI? HOW'S IT GOING TO AFFECT YOUR COMPANY?

In terms of telecom networks, the influence will be limited. I don't know any Google AI that is really driving out to the street cabinet and is patching fibres, for example. We will see preemptive network management solutions, that's where AI will really have an important impact.

YOU MEAN ANTICIPATE PROBLEMS BEFORE THEY ARISE?

Yes, but before that can happen the networks need to become cleverer. The emphasis on keeping costs down has prevented new development in this area. However, at DCT Delta we've been doing something similar for the last 10 years anyway. Our amplifiers and nodes have small transponders added to them, that provides additional information measurements that, in real time, makes these things getting smart.

AHEAD OF THE CURVE! SO YOU'RE DOING A BIG RETROFIT NOW, BUT YOU'LL EVENTUALLY THEN SUPPLY STUFF WITH SMART-CAPABILITY ALREADY ENABLED?

That's right. In order to apply AI, smart sensors are required all over the network, which we have been providing for many years. Now there's a new push into that direction, which is fine for us because it means increased sales. All the new series of products have much more intelligence and contain sensors to report back a lot of details. It's a process - we are regularly upgrading things as we go along, such as higher frequencies for coax networks.

TELL ME ABOUT THE MANUFACTURING - IS THAT ALL DONE ON SITE IN LAKE CONSTANCE?

90-95% of the products are produced here. We have a few things like SFP modules etc which are designed according to our specification and produced in South Korea and Taiwan.



AND YOUR R&D, DESIGN WORK, PRODUCT DEVELOPMENT, IT ALL HAPPENS IN THE ONE PLACE?

Most of the development team is placed in Bodman. Beside our Development team here we have also a team in Poland who work on the hard/software development topics and additionally supporting our pre-sales and sales activities. We are very happy to have these colleagues as it's really difficult to get enough qualified people in Germany. It's a common problem everywhere.

THAT'S THE ADVANTAGE OF A MIDSIZE COMPANY ISN'T IT? YOU ARE ABLE TO SPOT OPPORTUNITIES AND ACT QUICKLY.

Yes, and the decision making process is very easy and fast. We are independent and we are lucky that we are financially quite a healthy company. So that's a huge advantage. If my employees feel that a certain strategy is a good idea and if I share it, then we just do it.

HOW WOULD YOU DEFINE THE LAST FEW YEARS AT DCT DELTA, AND ANTICIPATE THE NEXT?

With COVID, we managed quite well. It was obviously a challenge and I was surprised how well we tackled it. Of course you have to handle a production department differently from an engineering department. An engineering department you just send home. But even that is not easy because a lot of our work is concerned with measurement of course. When the engineers had to go to the lab, we created shift patterns; basically they didn't see each other for five months.

Actual disruption in the market of course is a challenge. We have the right products that are fulfilling the needs of our customers. So if they have to do something because the end customers are really asking for more, then they're in good shape if they do it with us. And secondly, being a smaller company, of course you are more flexible, you can easier move left or right.

WHAT'S THE FUTURE FOR THE COMPANY AND YOUR EXPANSION?

Everything's about more fibre, everything becomes more digital, that's clear. We are one of the few companies that has its own remote PHY developed in operation with a number of carriers. It is unusual for a company our size to have such a complex product. However, we are likely to become more of a system company than a product company over time. The combination of different products made in a very clever way really gives us the advantage, the best possible advantage to the customer. If you want to save energy, if you want to save OPEX costs, if you want to get most out of your existing infrastructure, you just have to cleverly combine things.

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