

KPN starts historic shutdown of copper network

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KPN is starting one of the biggest projects in its history this month: the shutdown of the first part of the copper network. This follows the roll-out of a national fibre access network started over 20 years ago. To mark the occasion, Telecompaper spoke with KPN CFO Chris Figeo and discussed the progress with the migration to fibre and its impact on customers, network partners and KPN itself.

Fibre on

KPN's story on the fibre market started at the beginning of this century, followed by the takeover of Reggefiber and then a slowdown after it decided to upgrade the copper network again. Former CEO Maximo Ibarra started the fibre deployment going again and then KPN agreed a partnership with investor APG, helping take FTTP to even small villages and towns as well as business parks.

The advantages of fibre are clear, especially when compared to copper (DSL). It offers a higher download speed, symmetric upload and download speeds and more stability. That leads to greater satisfaction for end-users, reduced customer churn and higher revenue per customer. In areas where KPN has two networks, nearly all the customers have moved to fibre already, according to Figeo. In areas where there is no fibre yet, customers can rely on the existing network until fibre is built there. The

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The cooperation with partners, the ISP customers at KPN Wholesale, is excellent, Figeë said, both in operational terms for transferring customers and in a financial sense. The cost of procuring fibre are higher for ISPs than for a copper line but KPN has instituted an 'end-of-life' compensation, which will offset the higher costs for a period.

The migration is also vital for KPN's own business. It faces tough competition from cable, both from Ziggo and Delta Fiber. At the same time the migration will mean reduced network costs. Rolling out fibre means the Netherlands will stay ahead in the digital future, Figeë said. Fibre also has a much more attractive cost base. Maintenance costs are lower, there are fewer calls to the support desk, and especially important these days, energy requirements are much lower. This makes fibre a key element in KPN's strategy, according to the CFO. At the same time, the impact of the lower costs appears only gradually in KPN's operations, with a significant effect not expected until 2026, he added.

The transition from copper to fibre also has a big impact on the operator's investment budget. The copper network still requires investment, too, currently at around EUR 70 million per year. Fibre investment will start to fall only after 2026, but Figeë declined to specify further the expected path.

Copper off

Helped in part by the cooperation with APG. KPN's fibre network is expected to cover around 80 percent of households in the Netherlands in 2026. Turning off the copper network will come slowly in the wake of the fibre deployment. Internet providers using KPN's network are informed at least three years in advance about the plans, giving them plenty of time to help customers with the move to fibre.

KPN has been preparing the copper shutdown for a few years already. At the end of 2018, it started a pilot project in six areas and this was extended a year later. In 2021, the results of the pilot were sufficient to support phasing out the first 40,000 copper lines, and in 2020 the company announced the [plans for a full migration](#).

in February. Based on the current rate of expansion and communication with partners, the company is planning to turn off around 300K-400K copper lines each year from 2024. The list of confirmed addresses for copper closure already numbers 3.1 million.

Last steps

There are still a handful of customers who have not yet migrated. These last steps include around 10,000 addresses. When a customer has received a fibre upgrade already - and that is around 99 percent of these cases - the customer will not notice anything when the copper network is ended, Figeer said. The company is now working on the final moves to fibre, a careful process designed to ensure no one is left without a connection, he said. If for some reason someone is disconnected, the company is ready to restore the services. In areas where KPN has not yet deployed fibre, it's leaving the copper network on. And Figeer noted that the copper network also received very good marks in the Consumentenbond (consumers union) tests.

By October the last fibre upgrades should be completed. A bittersweet moment for KPN, when the switch to fibre becomes irreversible.

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