

Europe Lags in Fiber Buildout, But Changes Coming, Says FTTH Council Head

Regulatory uncertainty and lack of consumer demand are slowing fiber rollout in Europe, President Karel Helsen of the Fiber-to-the-Home Council Europe said in an interview Friday. Fiber networks offer business advantages, environmental benefits and the promise of more and better services for consumers, and Europe lags behind the Asia-Pacific region and North America in deployment, he said. But Europe is "on the verge," because of change expected the next five years, he said.

Asian countries lead in fiber penetration and growth because governments demand that networks be built to improve residents' lives and to conserve energy, Helsen said. U.S. telcos rules from the FCC that have helped them gain market share from cable operators, he said. But it's harder to develop a regulatory model that applies to all EU countries, Helsen said. Fiber operators need a stable regulatory environment for investment, he said. European Commission recommendations expected in early 2010 concerning next-generation access networks should make matters clearer, he said.

Demand for installing fiber networks throughout Europe has been sluggish, Helsen said. And new offerings such as e-government and e-health applications take longer to develop than older service because they're tied up in red tape, he said. The first of these applications are starting to emerge, he said.

Consumers aren't aware of the benefits of fiber networks, so the FTTH Council is planning to tell them, Helsen said. The organization has been pushing its technology for five years and now wants to pique consumers' interest by letting companies show their e-health, cloud computing and other services at the council's conference Feb. 24-25 in Lisbon, he said.

Convergence between media and telecommunications is stimulating demand, Helsen said. Discussion of cooperation in promoting and providing new services is just starting, he said. FTTH has a lot to offer, Helsen said. People love super-fast broadband networks but there must be services and content on top of them, he said.

Helsen predicted that fiber operators will get regulatory certainty in the next five years. Media and telecom companies will acknowledge that they need each other in order to offer service on the networks, and EU governments will be "much more keen" to have the networks available for competition and other reasons, he said.

The awareness that fiber-to-the-home is the "nervous system" of the new society will increasingly be the subject of debate by politicians and policymakers, Helsen said. He also expects national authorities to become more active in helping create open networks to allow the flood of new services possible on fiber. The council will work with application and service producers to help Europeans see what they can do with fiber, Helsen said.

The council held a road show for investors Thursday to highlight fiber's advantages and development potential. Financiers acknowledged that fiber access "could herald the next wave of growth" in high-tech communications, the council said. Some worried that telecom operators are "missing the turning point" by delaying investment in FTTH technology, it said.

EU officials Friday acknowledged the importance of information and communications technologies to economic growth, job creation and an "open, green and competitive knowledge society." After telecom ministers met

in Brussels they said issues relating to the prerequisites for sustainable investment and competition in next-generation networks and services must be dealt with. They asked the EC for a digital agenda covering high-speed broadband and services and encouraged governments to support construction of very-high-speed access networks "using the most appropriate technologies." — *Dugie Standeford*