

## European FTTx regulatory uncertainty may be clearing

By Kurt Ruderman

Efforts by the European Commission (EC) to put in place a new telecommunications framework that focuses on broadband fiber access technologies have raised optimism at the FTTH Council Europe, whose mem-

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bers say clear, coherent regulation is needed to spur massive FTTH deployments.

"This is a major step," said Joeri M. Van Bogaert, president of the FTTH Council Europe. "A major change is that FTTH and FTTC have been separated and a graduated set of remedies have been made."

Today, European Union (EU) regulations cover traditional copper telecom networks and do not address issues arising from fiber-based next-generation access (NGA) networks. The opening of telecom networks, different market conditions, and the advent of a variety of FTTx technologies have created a very diverse regulatory picture in the EU. In northern Europe, where municipally owned companies are building FTTx projects, governments tend to favor service-based competition in which competing service providers all use the same network. In France, Spain, Portugal, and Italy, alternative carriers are driving infrastructure-based FTTx competition, which is favored by the FTTH Council Europe.

"If you look at Europe at this moment, regulators are looking at regulations differently," Van Bogaert said during an interview in November. "This is a problem for suppliers from outside Europe,

so centralized regulations would help. What we want to see is one coherent European regulation. This will help investment and investors to build pan-European projects. For the moment there are a number of investments that have been postponed because of regulatory uncertainty."

The EC intends to submit recommendations this year to enable the EU's 27 member-states to implement consistent legal frameworks that maximize benefits and minimize costs related to the regulation of NGAs at a European level. The commission's goal is to have a first proposal in place before France's presidential term ends in 2009.

Van Bogaert said that "most national regulatory authorities [NRAs] in Europe would like to remain independent. They would like to take EU recommendations and tailor them. In many countries, incumbents are still partly owned by the government. It will be a challenge for the commission to get all NRAs in line."