



Around 3,000 delegates gathered at the Excel exhibition centre to get an update on the state of the fibre market in Europe, marking the tenth anniversary of the gathering. While there was the usual bravado, there was also a current of realism running through the event, with some even admitting that hard core 'fibre evangelists' are doing more harm than good when it comes to promoting the cause.

On the whole, FTTH Council Europe's position is that fibre is an absolutely necessary component to guarantee Europe's competitiveness going forward and wants to achieve Europe's (admittedly meagre) 2020 digital agenda targets with fibre networks. The FTTCE argues that fibre increases quality of life, brings economic growth and sustainable development.

"The world won't end in 2020. Our vision needs to be long-term. Countries are choosing FTTH or FTTC (fibre to the cabinet). In the Telecoms Olympics that's the difference between gold and silver," said FTTCE president Karin Ahl.

By the same token, the conference took place under the shadow of EU cuts, which saw the Connecting Europe Facility budget slashed from EUR8 billion to EUR1 billion. This was identified as a huge missed opportunity, although not an insurmountable one.

So the FTTCE is under no illusion as to the challenges the region faces to gain ground on

other pacesetters. There were 7.3m FTTH subscribers in the EU at the end of 2012, compared to 7.5m in Russia alone, 79m in Asia-Pacific and 11.1m in North America.

There are some bright spots, however. Lithuania and Andorra have achieved complete fibre availability nationwide, while Scandinavian and Baltic countries in general boast strong penetration rates (see <http://www.csimagazine.com/csi/Lithuania-tops-Euro-FTTH-rankings.php>).

Idate, which compiles the figures for the FTTCE, attributes the high take up rate in the Nordics to lots of door-to-door marketing and proactive local communities. In France by contrast, the main players aren't promoting fibre enough, reckons Idate.

Ahl admitted to CSI on the sides of a press conference that the aim isn't so much to surpass Korea, Japan and other leaders as merely try narrow the gap. FTTCE's forecasts do point to some optimism on this front, with 41.5m subscribers predicted by 2017 and 'fibre maturity' (meaning 20% penetration) by 2022.

While progress has been made in the last ten years, much regulatory and other work will still need to take place for these numbers to materialise. The problem is partly due to a wider technology lag - Europe's ICT budget is barely visible compared to more advanced economies - which itself is a symptom of cultural attitudes that the recent budget cuts merely reaffirm.

Incidentally, the UK government didn't see fit to send an official to appear on stage, and Chi

FTTH Council Europe came to London this year, keen to promote the message that FTTH is the only winner in the 'Telecoms Olympics'. Goran Nastic reports

Onwurah, a British Member of Parliament and the Shadow Minister for Innovation & Science, argued this might be partly a result of the UK's low FTTH ranking but also due to a misperception of the topic itself, which requires greater engagement with policy makers. "Part of the problem where the debate is today in the UK and other European countries is that politicians and policy makers don't know enough. They see FTTH as a small bunch of techy geeks."

She summarised the challenges nicely in her address. "Incentives for this long-term investment don't exist for now. BT would suffer as result of mass FTTH rollout; it's market reality."

Anthony Whelan, head of cabinet of Commissioner Neelie Kroes, echoed these sentiments. "We are working hard to ensure that investors see there is a way of meeting the latent demand that is brewing for high speed broadband use. Kroes' package, due as reform this summer, aims to get the investment signals right."

In terms of supply side obstacles, he noted that 80% of fibre roll out costs are civil work costs and estimates that 30% of these can be saved by observing throughout Europe best practices that have been developed in certain regions, which the Commission will this year turn into legislative proposal. These include access to physical infrastructure on reasonable terms, single contact points for permits, and new buildings and major renovations being NGA-ready.

To this end, the technology itself is almost irrelevant. Having said that, there were some impressive demos of fibre as a platform for innovation, with a dedicated Applications Dome inside the exhibition hall highlighting advanced services such as eHealth, teleworking, entertainment and the smart home. **CSI**