

## **The FTTH Council Europe welcomes attempt to change the investment environment**

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Brussels , 12 July 2012 -- The FTTH Council welcomes the Vice-president Kroes' initiative to change the investment environment after the disappointment of the last month's Digital Agenda Scoreboard which highlighted the lack of investment in new and future proofed broadband networks. The FTTH Council believes that the continued failure to accelerate investment in fibre networks both to replace legacy networks and as an integrated solution with next generation mobile, risks condemning Europe's economic recovery to the slow lane.

As stated earlier by Vice-President Kroes 'Europe needs growth built on cloud computing, eHealth, access on demand to exciting new content and services, data-intensive business, and much more. And very fast broadband is the precondition for all that.' Those very fast networks need investment and last month the Commission scoreboard painted a very mixed picture, in Europe's six largest markets investments are falling in 3 and rising in 3. Therefore a change is needed and for that reason the FTTH Council welcomes Vice-President Kroes' initiative and will review the measures when they are available.

Competition is unlikely to drive investment in less densely populated areas given the impact of lower density on costs in particular. Selective use of public funds to stimulate fibre investments will be needed as well as appropriate access remedies to ensure end-users benefit. FTTH Council President Karin Ahl said "It is important that all parties get behind the European Commission's proposals for ICT in the Connecting Europe Facility. Public funds will be needed in areas where there is a clear market failure and market forces will not deliver the necessary investments being careful not to crowd out private market initiatives".

The FTTH Council has long advocated a greater emphasis on network based competition in densely populated urban areas when more than one network operator is normally present already. Today's announcement seems to be a move in that direction. Countries that are emphasising the need for network based competition like France, Spain and Portugal see not only more investment, but also see a more competitive market dynamic even when revenues are falling.

**About the FTTH Council Europe:**

The FTTH Council Europe is an industry organisation with a mission to accelerate the availability of fibre-based, ultra-high-speed access networks to consumers and businesses. The Council promotes this technology because it will deliver a flow of new services that enhance the quality of life, contribute to a better environment and increase economic competitiveness. The FTTH Council Europe consists of more than 150 member companies.

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