

The FTTH Council Europe calls for changes after the latest Digital Agenda Scoreboard shows a lack of progress in high speed networks in Europe.

The FTTH Council calls on Member States to support the Commission's proposals for ICT in the Connecting Europe Facility. Given the current situation, the Council believes the provision of such funding is necessary in areas where there is a market failure.

Brussels , 20 June 2012 -- The FTTH Council calls for greater emphasis to be placed on network based competition where it is feasible. The FTTH Council has expressed disappointment by the latest Digital Agenda Scoreboard released Monday which highlights 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.

In Europe's six largest markets, investments are falling in 3 and rising in 3. This mixed pattern is happening at precisely the same time as Commission President Barroso and Vice-President Kroes have identified very high speed broadband networks as critical elements to Europe's economic recovery and to achieving its broader societal goals in terms of increasing productivity, managing an aging population, environmental concerns.

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. Measures which undermine incentives to invest should be avoided. 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.

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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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