



FTTH Council Europe concerned over Digital Agenda progress and response

BRUSSELS, 16 July 2013 – The FTTH Council Europe is disappointed that the European Commission did not issue a better focussed policy response to Europe's lacklustre performance on the Digital Agenda Scoreboard. The Directorate General for Communications Networks, Content & Technology (DG CONNECT) published the updated Digital Agenda Scoreboard on 12 June and recently put a legislative proposal into internal consultation.

The data shows that defined broadly so as to include both upgraded copper (Fibre-to-the-Cabinet, FTTC) and FTTH, the proportion of households with telecom NGA upgrades in Europe is now a little more than 4% higher than in the US and that the EU's lead appears to be increasing. However, while FTTH is the dominant network deployment in the US, Europe's fast broadband networks are dominated by upgraded copper (FTTC), which is more limited by speed and distance. Although Europe is not falling behind in terms of the coverage of fixed access network upgrades, the FTTH Council Europe believes it is getting the wrong type of network upgrade.

"European policy makes no distinction between the regulatory regime for low cost copper upgrades and more expensive but future-proof fibre to the home investments. The result is that regulatory policies effectively promote copper upgrades. Prioritising copper upgrades and making the pricing regime for copper a central element of the Single Market reforms shows a lack of vision that does not augur well for Europe," said Hartwig Tauber, Director General of the FTTH Council Europe. 'We need a greater emphasis on future-proof fibre networks and need to facilitate new models of financing' he added.

For several years, the FTTH Council Europe has pointed out that the European regulatory and policy approach is not technologically neutral. By limiting or not specifying targets so that no broadband access solutions are excluded – even if they are not future-proof or already outdated – the European Commission uses a "false" definition of technological neutrality. A truly neutral approach would mean that targets are set in a comprehensive, realistic and forward looking way and then the technologies capable of delivering those targets should fall where they may. This will be particularly important in the context of any public finance where investments in technologies that are not future-proof should be avoided.

The FTTH Council Europe has estimated that investments in the region of €200 billion would be needed to deliver FTTH across the whole of the European Union and simultaneously meet the Digital Agenda targets, including the requirement that half of households should have ultrafast broadband subscriptions (over 100 Mbps).

The Council has also published a position paper noting that new investments from outside the telecom sector will need to be encouraged and facilitated by a major regulatory reform if Europe is

to lead in network deployment and to be in a position to lead in high-speed service delivery. This is an area which appears to be wholly absent from the Commission's latest policy proposals.

Lack of take up of ultrafast services is a second area of concern. The proportion of Europeans subscribing to ultrafast broadband (over 100 Mbps) remains unchanged in 2012 at just 2%.

"Europe needs to develop services for consumers that meet the needs of those consumers. This is equally true of both the public and private sectors. However, the public sector can lead the way in public service delivery from education to health and can assist the private sector through copyright and licencing reform," said Karin Ahl, President of the FTTH Council Europe.

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Further information

Digital Agenda Scoreboard: <http://ec.europa.eu/digital-agenda/en/scoreboard>

Submission to Green Paper consultation 'Long Term Financing of the European Economy':
http://ftthcouncil.eu/documents/Reports/EU_LongTerm_Financing_FTTHCE_Response.pdf

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.
www.ftthcouncil.eu

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