

## **Open letter to Telecoms Ministers ahead of the Transport, Telecommunications and Energy Council Meeting (4 December 2018)**

### **The FTTH Council Europe warns against misleading fibre advertising**

As Telecoms Ministers are gathered in Brussels to adopt the new European Electronic Communications Code, the FTTH Council Europe highlights that **misleading fibre advertising risks undermining its key objectives of incentivising Very High Capacity Network investments and empowering consumers in a transparent manner.**

According to the new Code, National Regulatory Authorities will have to consider 4 objectives when implementing the legislation: promoting competition, the internal market, end-users' benefits as well as connectivity, access to and take-up of Very High Capacity Networks by all EU citizens and businesses.

We are witnessing “fake fibre” advertising practices in several Member States **using “fibre” or “fibre speeds” in advertisements for copper-based broadband, when the advertised product is not genuinely based on a full fibre connection.**

First of all, a consumer thinking they already have full fibre will never switch to a FTTH connection. **Misusing the word fibre in advertisements prevents the consumers from making an informed choice about the products which are available to them and risks hindering fibre take-up.**

There is growing evidence that consumers are largely unaware of the form of internet connectivity they have bought, oftentimes due to the associated advertising. A survey<sup>1</sup> conducted in the UK has shown that almost a quarter (24%) of the respondents think they already have fibre cables running all the way to their home (fibre-to-the-premises), despite this was only available to 3% of UK properties.

**Where consumers know what they can choose from and understand the difference in performance between fibre and copper-based connections, they consciously choose fibre:** the degree of satisfaction of FTTH end-users is substantially higher than recorded for any other Internet access technology in Sweden **and 94% of non-FTTH users would consider subscribing to FTTH if it was made available in their area**<sup>2</sup>.

Secondly, another study<sup>3</sup> found that “such large differences between what is being promised and what is being delivered could actively suppress the demand for fibre as copper-based access may be wrongly perceived to provide similar services”. Selling inferior copper-based connections as fibre undermines the value proposition of real fibre and undercuts the investment case for full fibre deployment.

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<sup>1</sup> Survey conducted by Censuswide for CityFibre on a sample of 3422 home broadband users in July 2018.

<sup>2</sup> [The socio-economic impact of FTTH](#), study by WIK-Consult for the FTTH Council Europe, February 2018

<sup>3</sup> [Regulatory policy and the roll-out of fibre-to-the-home networks](#), report by DotEcon for the FTTH Council Europe, July 2012

**We are firmly convinced that the proper use of the word fibre in advertisements would empower consumers to make an informed choice and in turn have a beneficial effect on the take-up of Very High Capacity Networks, which is vital for investments in new fibre networks.**

This issue has already been identified in several Member States<sup>4</sup> and as the problems of FTTH demand suppression continue, a number of individual countries are leading the way by moving specific legislation to limit the use of FTTH, Full-Fibre and other fibre related terms in advertising. **In Italy for example, the regulator requires that the term fibre is only used when marketing fibre to the home (FTTH) or fibre to the building (FTTB) services and requires operators to use an easily understandable traffic light system in their communications to consumers<sup>5</sup>.** The FTTH Council Europe is convinced that this action will prove to be a very powerful tool in unlocking investment in full fibre rollout and advocate for a more consistent and European approach to this issue.

We believe that fibre is the only future-proof foundation enabling fixed and wireless Gigabit networks as well as all new innovative digital technologies and services. Acting on misleading fibre advertising is in the interest of all European citizens and businesses but is also in the interest of Europe's global digital competitiveness and sustainability.

Therefore **we urge Member States, National Regulatory Authorities and BEREC to take action both individually and collectively to prevent misleading fibre advertising. This will contribute to unlocking the investment potential in fibre across Europe as well as to ensuring that consumers can make well informed choices based on genuine, transparent information.**

We remain at your disposal to provide any further inputs or details.

Yours sincerely,



Ronan Kelly

FTTH Council Europe President

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<sup>4</sup> Such as Italy, France, Spain, Portugal, Denmark, UK, Ireland (non-exhaustive list)

<sup>5</sup> AGCOM decision [292/18/CONS](#) - Article 7