



Creating a brighter future

Response to the consultation on the draft 'BEREC Work Programme 2018'

8 November 2017

Introduction and Comment

The FTTH Council welcomes this Draft Work Programme document and the opportunity to give further comments.

The FTTH Council is pleased to see that Connectivity Challenges and Access to High Capacity networks is a priority area and the prominence of 5G and consumer empowerment in the draft Programme.

The FTTH Council Europe notes that there is a considerable regulatory evolution underway with the review of the Regulatory Framework. However, there are a number of broad trends taking place today which are driven by market dynamics and which will evolve independently of the change in the regulatory environment, but which have significant impacts on regulation. The first is a very strong push towards FTTH in Europe – this is driven by a number of factors over and above the inherently superior performance characteristics of these networks (for instance much lower operational costs, growing demand for higher bandwidth and the evolution of higher bandwidth services). This change is driving a significant change to the market structure as investors in FTTH are often new entrant operators (not existing smaller operators but genuinely new entrants) in the market. These new entrants do not suffer from the replacement effects of existing operators and so, very often what is seen in the market is two FTTH operators plus (normally at least) a CATV operator in the urban areas and no investor in the rural areas. This in turn leads to very significant challenges for NRAs and BEREC with regard to appropriate regulation which may vary by geography. Though covered in the programme, the FTTH Council believe the matter to be of such importance that a public consultation should be carried out whereas none is proposed in the Draft Work Programme.

The FTTH Council also believes that the form of operator may be an important consideration in the way that is also new. By ‘form of operator’ the question is whether that operator structure, for instance wholesale-only, lends itself to different regulatory considerations. One example might be the role of terminating contracts and switching provider. Different considerations should apply where the wholesale only operator has a longer term access contract whilst switching service providers ought to continue to be enabled.

Finally, the FTTH Council Europe also notes that the NRA community does not necessarily collect data on FTTH deployments in a consistent or harmonised manner (for example, what constitutes FTTH Homes Passed, FTTB, FTTH varies by NRA). A consistent nomenclature and a consistent definition for data collection purposes would be very useful to industry and the FTTH Council would be happy to work with BEREC on such a project where it would be happy to share its European and global experiences on data collection and challenges in harmonisation.

Consultations

The FTTH Council recognises that a certain amount of flexibility in the work programme is required given the inputs to the legislative framework and ad-hoc inputs to the Commission for Article-7 cases, which puts all stakeholders under pressure to respond appropriately where they can and so a limitation on public consultations is both necessary and welcomed. Within that constraint which may alter some deliverables and their timetables, the FTTH Council believe

that BEREC has outlined a work programme which is consistent with its mandate and with its medium term strategy document.

In general terms the FTTH Council welcomes the continued and deepened transparency which BEREC seeks to achieve through consultation with stakeholders. Nevertheless, the FTTH Council would ask BEREC to reconsider its decision not to put certain work programme items to a public consultation. Those items are 1.1. BEREC Report on access to physical infrastructure in market analyses and 1.3 BEREC Report on geographical market definition. The FTTH Council finds more public workshops welcome and in the event that more public consultations are not possible, would request that their use be extended to cover those deliverables for Strategic Priority 1: Responding to connectivity challenges and to new conditions for access to high-capacity networks, in particular subsections 1.1 and 1.3 mentioned above.

With regard to the subject of the work programme, the FTTH Council recognises the emphasis which is being placed on network development and wishes to work with BEREC particularly in areas related to FTTH.

Finally, the FTTH Council Europe believes that there are certain additional areas for input that should be considered:

Lowering barriers to entry in VHC Networks

NRAs have a very important role in lowering barriers to entry in the potentially competitive urban areas – ensuring appropriate access to passive infrastructures, especially in-building wiring could lead to a significant lowering of deployment costs and a higher level of market entry. A consistent EU wide approach that relies on best practices could deliver enormous benefits to the market.

The FTTH Council believes that the public sector can act as a vital catalyst to accelerate the roll out of infrastructure by lowering entry barriers and facilitating competition. This can be developed based on access to passive infrastructures and the ability to pursue independent deployment strategies. Investments in passive infrastructures lower entry barriers for all operators and provides for any operator to move first which in turn may create its own dynamic. Even if the first operator to deploy in a given area does not ultimately engage in a large scale deployment, the real possibility that it could happen may, of itself, stimulate other operators to accelerate their investments in NGA. The FTTH Council believes that this can be the best mechanism for ensuring mass market deployment in an appropriate and timely manner.

This activity is largely ignored in the BEREC WP-18 document and it is an area which the FTTH Council Europe addressed, where NRAs could learn from best practice particularly in the context of the Cost Reduction Directive which is now active after its transposition into national law across Europe.

Ensuring a consistent methodology for measuring FTTH deployments

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