

**FTTH Council Europe's open letter to Telecoms Ministers ahead of the Transport, Telecommunications and Energy Council Meeting (8-9 June 2017)**

**The FTTH Council Europe calls on Telecoms Ministers to promote investments in future proof digital infrastructure for the next generations of European citizens**

As Telecom Ministers gather to discuss the European Electronic Communications Code (EECC) at the Transport, Telecommunications and Energy Council Meeting later this week, the FTTH Council wishes to share its views on two aspects of current discussions regarding the EECC legislative proposal.

The FTTH Council Europe is a non-profit organisation with a mission to accelerate ubiquitous, fibre-based connectivity for a competitive Gigabit Society.

First, **the FTTH Council Europe believes that the definition of Very High Capacity put forward by the Commission is appropriate and encourages the Telecoms Ministers to strongly support this definition.** We firmly believe that it would be a mistake with long term negative implications to lower Europe's digital infrastructure ambitions. Our vision is that fibre connectivity will transform and enhance the way we live, do business and interact, connecting everyone and everything, everywhere.

Fibre based infrastructure is the only future-proof foundation enabling fixed and wireless Giga-networks (e.g. 5G). It is also the enabler of a plethora of new, innovative technologies and services and the prerequisite for Europe's global digital competitiveness and sustainability.

Furthermore, [the FTTH Council undertook a cost modelling exercise](#), which shows that **this target would cost €137bn between now and 2025 and is realistically achievable.** Without the necessary investments in fibre networks, Europe will not be able to deliver on its other ambitions for a Gigabit Society. Network investments in Europe are lower than the ones in other parts of the world, today network investments in Europe for each broadband subscriber are one third of the level of those investments in the US. Europe needs to keep its focus on driving competitive investment via the EECC to ensure the next generation of Europeans can compete and thrive on the World stage.

We are concerned to see the continuous weakening of the investment incentives put at the heart of the original EECC proposal. FTTH networks can deploy quickly if appropriate policy and regulatory measures are in place that encourage both new and existing operators to invest in new network infrastructures.

Experience in Europe shows that the elements to success are (a) a target set up by European/National policy makers to achieve FTTH (b) measures to reduce deployment costs and (c) creating incentives to invest – normally by focusing on infrastructure-based competition. The Commission’s initial approach in the EECC was successful in reflecting these elements and we would encourage the Ministers to support this approach.

Regulation should be tailor made so that it would encourage new networks investments including new business models such as wholesale only and co-investment and not deter them by the threat of heavy regulation. Europe needs a step-change in investments and can only achieve that by unleashing the power of competitive free markets.

**A clear focus on setting ambitious Very High Capacity Connectivity targets and incentivising competition for investment both by established and new network investors can help Europe to achieve the necessary investments and deliver a globally competitive digital economy and society.**

I and my team are at your disposal to provide any further inputs that might be necessary in the future.

Yours sincerely,

Ronan Kelly

FTTH Council Europe President