

Creating a brighter future

BEREC 2015 Work Programme

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Introduction

- In addition to business as usual activities the FTTH Council believes that BEREC faces a number of atypical events in 2015
 1. A significant amount of public finance will be deployed in grey/black areas where first tenders will launch in 2015.
 2. The new Commission is committed to bring forward proposals on the digital single market within 6 months (this has been provided for in the plan).
- The FTTH Council believes BEREC has a particular role to provide advice to policy makers at EU/National level in 2015
- A number of key issues for the next Commission are addressed on our website see www.ftthcouncil.eu for the details. I will concentrate on 2 of those issues:
 1. The interpretation of technological neutrality
 2. Structural separation

Interpretation of technological neutrality

Important in the context of 3.2.3

- The FTTH Council Europe agrees that market players are best placed to make technology choices in well-functioning markets, that view is turned on its head where markets are characterised by market failure.
- Every market in Europe is classified by market failure which requires decisions about granting access and the price at which access is granted to be taken out of dominant firms' hands.
- There cannot be a 'presumption of innocence' in technology choice
- The FTTH Council believe that realistic targets must be a requirement for public finance allocations.
- Huge amount of public finance being aimed at networks. NRAs being asked for guidance.

Have a serious discussion about requirements for upload and download, latency, jitter outages etc.

Might be linked to existing work-stream on transparency

Structural separation

Important in the context of 3.2.3

- Facilitate and encourage a market structure in way that reflects the different economic and risk profiles of different assets
- Recognise that the services business is a global business whereas infrastructure is local
- Vertically integrated communication networks and services integrate a large utility component (perhaps as much as 90%) with a small minority technical component.
- The unfortunate result is that finance views the entire project as one which is technology driven and therefore seeks a higher return over a shorter period.
- A different structure in the industry could allow a vast amount of investment to be rerated.
- Facilitate a different competition model in fixed networks to the current model which is under pressure due to technology changes.

Conclusions

- Overall the FTTH Council likes the structure of the work programme but believes that section 1, competition and investment should remain the top priority.
- The FTTH Council is happy to participate in the sections suggested and additionally sees other subjects that could be the subject of study including the interpretation of technological neutrality. A public workshop on the relevant markets and geographic markets would also be welcomed.
- The study on QoS should also look at advertised versus actual speeds and consumer transparency is important in general.
- In terms of the consultative process the FTTH Council believes that BEREC has been very transparent with stakeholders and finds that public workshops are a very good complement to written consultations which allows consultation without an excessive administrative burden.

Thank you for your attention!

