



## European local operators demand: Telecoms rules should set the right incentives for fibre deployment in Europe

*Frankfurt, 14 March 2018* – Fibre networks form the indispensable foundation for the development of our digital economy and society. They enable both innovations in technology, such as the next mobile standard 5G, and services, such as future solutions in health, industry or mobility, to the benefit of Europe's businesses and citizens alike. Against the backdrop of the ongoing negotiations on the overhaul of the European telecommunications legislative framework (Telecoms Code) and the question of how to regulate fibre markets in the future, ELFA calls upon decision-makers to promote the roll-out of high-speed fibre networks to the premises (FTTP) while ensuring sustainable competition in the market.

In order to realise the full potential of this future-proof infrastructure, we encourage a smart market design, which allows for all market players to deploy FTTP in a competitive environment. However, we note with great concern that the current policy and regulatory discussion tends to move between two extreme poles: Unconditional full deregulation of former monopolistic players (incumbents) on the one side and an extension of regulation to all market participants, independent of market power (symmetric regulation), on the other. ELFA members are convinced that neither of these options will lead to a comprehensive fibre roll-out nor will they promote a competitive market structure – even less if both extremes are introduced next to each other for the sake of political compromise.

We believe that full deregulation of the incumbents' fibre networks in the form of 'regulatory holidays' linked to insufficient, unclear or no conditions risks to not only prevent competition in the future but also roll back the level of competition already achieved. Such a scenario would likely re-establish monopolistic structures in the market. A simultaneous introduction of symmetrical access obligations to be extended to all market participants independent of market dominance constitutes a punishment for those who deploy fibre to the premises in semi-urban and rural areas – often at the margins of profitability.

Faced with these radical options, ELFA therefore proposes a more balanced approach for fibre markets:

- We seek to give preference to open access models over traditional ex ante regulation, given that the cooperation agreements are negotiated on fair, reasonable and non-discriminatory terms, and are accepted by a broad majority of the market.
- Should commercial negotiations be denied or even fail, we support the possibility for the national regulator to intervene and act as a referee to settle disputes.
- These rules should not be applied in a rigid one-size-fits-all approach but adapted to the respective national environments.

Under such conditions, ELFA's members remain committed to achieving comprehensive FTTP coverage in order to bring about a European Gigabit Society that is able to compete with other regions of the world.

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**The EUROPEAN LOCAL FIBRE ALLIANCE (ELFA)** is the shared voice from alternative public and private local fibre operators calling for an ambitious European Digital agenda including the acceleration of fibre deployment in Europe to power very high capacity (VHC) networks to citizens and businesses.



ELFA finds that competition is a key driver of higher investments in fibre networks in Europe and provides the greatest benefits for European citizens and businesses.

About ELFA:

- Our vision is to create sustainable fibre based infrastructures for all fixed line and mobile access networks in both urban and rural areas across Europe
- Members are committed to the use of these infrastructures for the economic and social development of communities for the benefit of European citizens and businesses

Members of ELFA take part in many of more than 300 fibre projects in Europe covering over 50 million households and 20 million connections (IDATE, 2016).

