

**FTTx and Next Generation Access
London, 8 June**

**Intervention by Michael Bartholomew
ETNO Director**

ETNO is the voice of Europe's leading telecoms operators representing the main investors in tomorrow's services and infrastructures.

Everybody recognises that the deployment of Next Generation Access Networks will be an essential driver of the Europe's economic recovery. The Digital Agenda for Europe recently unveiled by Commissioner Kroes sets out clear targets for NGA roll out. By 2020, all European households should have access to at least **30 mbps** and 50% should have access to 100 mbps.

NGA roll out represents an overall investment estimated at 300 billion € which will have to be mainly supported by the private sector and entails a high risk. Infrastructure-sharing and co-investment are key instruments to meet the challenge.

So far infrastructure sharing is a concept mostly used in the mobile sector. The fixed sector is on the contrary mainly dominated by mandatory and cost-based access to networks owned by incumbent operators. The transition towards Next

Generation Access Networks might however lead to a more frequent use of this concept in the fixed sector too.

ETNO's member companies are actively exploring opportunities to improve the business case and return on investment for NGA – whether in independent investment or in joint ventures with partners.

Co-investment can reduce both the costs and the risk incurred by an investing undertaking and thus lead to more extensive deployment. Such cooperation models might be particularly appropriate in high cost rural or less populated areas.

The regulatory approach to NGA should encourage commercial infrastructure sharing or co-investment agreements wherever possible. However, these arrangements should be driven by market needs. Regulators should not impose one model. Incentives for partners to enter such agreements should not be deterred by disproportionate regulatory obligations.

A clear signal to encourage risky investment, through individual or joint investment projects, is expected from the European Commission through its long awaited NGA Recommendation.