



Brussels, 4 October 2016

ETNO comment note on Ofcom's Digital Communications Review consultation

ETNO, the Association representing Europe's leading telecom companies, is engaged in the pan-European debate on how to ensure that all citizens have access to very high capacity networks. This is a high political priority and a shared objective across Europe, to which ETNO and its companies are fully committed. We share the vision of creating a gigabit Europe and our members are already intensively investing in high-speed and ultrafast fixed and mobile networks across the Continent.

For this reason, ETNO and its companies have recently stressed (see Joint Statement [here](#)) that inclusive incentives to network investment and market-led technological choices are key to achieving a fully connected Europe.

If we are to ensure that the benefits include as many citizens and territories as possible, we need European and national policies to incentivise all types of network investments and we should promote market-led technological choices.

It is in this context, ETNO would like to offer some views on the proposals set out by Ofcom in their Digital Communications Review consultation (July 2016).

Carefully considering impacts of separation on investments

In terms of Ofcom's separation proposals, while we do not comment on the detail of the UK market situation, we believe that Ofcom should take into account the following when making its assessment:

- Ofcom's proposals for providing Openreach with strategic and operational independence send a negative signal to investors and shareholders at a time when investment is considered a primary political priority across Europe. Its proposal to bring separation even further than the already existing level risks to set the investment focus on internal elements rather than on much needed network investments;
- All the evidence suggests that investor confidence and consumer demand are key factors in stimulating commercial broadband deployment. Ensuring that separation remains a proportional response to established competition concerns should help to avoid pushing the electronic communications industry into a long period of instability and uncertainty, especially at a time when investment is a primary priority.

Promoting inclusion by adapting to local conditions

For Europe to achieve its connectivity objectives in an inclusive way, we also need to make sure that technological and regulatory tools are adapted to local conditions and to specific customer and market needs. If we are to be as inclusive as possible in achieving the gigabit vision, we need to take into account all relevant factors such as different demographics,



available finance, state of the legacy copper network, evidence of operational performance, presence of cable or willingness to pay.

In its review, Ofcom is drawing conclusions from success stories in other markets and contemplates to replicate elements of them in the UK market. In this regard, we urge to consider them carefully to ensure that, taking stock of all local conditions, they are the right choices to fully contribute to an inclusive broadband policy and society.

For ETNO

Steven Tas, Executive Board Chairman

A handwritten signature in black ink, appearing to be "S. Tas", written over a horizontal line.

Lise Fuhr, Director General

A handwritten signature in black ink, appearing to be "Lise Fuhr", written in a cursive style.