



Cable Europe

Press Release

Cable Europe applauds the European Parliament vote of confidence in infrastructure based competition

Concerns remain regarding the proposal to force access to ducts and extension of "must carry" rules to on-demand TV

Brussels - September 24, 2008: As Europe's most important infrastructure based competitor to telecom incumbents, the cable industry welcomes today's vote of the European Parliament on an array of new proposals seeking to stimulate the development of infrastructure based competition.

These new EU telecom rules will generate higher broadband penetration, more innovation and higher internet speeds.

Better services through infrastructure based competition

Europe's support for infrastructure based competition will stimulate the development of new and better networks and at the same time provoke the upgrade of existing networks.

This will also increase the number of services available, by allowing all providers to avoid using the same, incumbent-owned, copper wired telephone network. Competing via own networks opens up more possibilities to innovate and develop better broadband telecom services.

Cable competes via its own end-to-end network infrastructure that goes directly into the living room of its customers, without making any use of the incumbent telephone network. Over the past ten years, the cable industry strongly invested in building its own fibre based next generation network.

Cable networks in Europe pass more than 100 million homes of which 73 million are connected to receive digital TV, very fast internet or telephony services.

This autumn +100Mbps internet services via cable became commercially available in France (Numéricable), The Netherlands (UPC) and Finland (Welho). More countries are expected to obtain a +100Mbps service via cable before the end of the year.

The cable industry pleads for a stable regulatory regime that stimulates investments in networks. Last year the cable industry invested about 22% of its revenue (4 billion euro) in improving its networks.



Cable is worried about access to ducts proposal

Whereas the proposals of the European Parliament are, overall, supportive of infrastructure based competition, cable is disappointed by today's vote in first reading on a measure that mandates all network owners to give third parties access to their ducts. Ducts are plastic tubes laid in the ground in which cable, copper or fibre lines are rolled out.

The current proposal presents an unacceptable major shift in European regulation. It is unheard of for such intrusive regulation to be applicable to all market players, without making any difference between small and big market players.

Whereas in many EU countries the cable industry has become the strongest alternative to national telecom incumbent, the latter typically generates 10 times more revenue than the combined cable industry for that country.

Cable Europe hopes that this proposal will be amended before final adoption of the texts in the spring of next year. The operational burden on small operators generated by this regulation would be disproportionate.

Do not extend Must Carry to on-demand services

Cable operators are obliged to carry TV stations with a "must carry" status on their network. Must carry regulation is in most member states not applicable to satellite, IPTV operators or internet based video services. The extension of must carry obligations to the on-demand platform of cable operators would further disadvantage cable. It would oblige cable operators to offer the on-demand content library of any TV station with must carry status. This would hinder the development of on demand services via cable, still a relatively new and emerging part of the cable business.

Cable Europe welcomes the European Parliament's proposal to provide closer control on how must carry rules are implemented in the member states. The cable industry pleads to do such control every year or every two years.

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About Cable Europe

Cable Europe is a trade association that groups all leading broadband cable TV operators and their national associations throughout Europe. The aim of Cable Europe is to promote and defend the industry's policies and business interests at European and international level, and to foster co-operation among its members. The European cable TV industry provides broadband, digital TV, and telephony services to more than 73 million customers. The Association is active since 1955.

www.cable-europe.eu

Cable Europe Members



National Cable Associations of Romania, Bulgaria, Hungary, Poland, The Netherlands, Belgium, Germany, Denmark, Norway, Switzerland and Czech Republic
