Introduction to the European Cable Industry

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Our members
Welcome to Cable Europe

Few sectors change as rapidly, nor capture hearts and minds as quickly, as digital media, telecommunications and the information society. It’s no surprise – we’re an industry driven by innovation with a presence in the life of every European citizen. We’ve put together this brochure to highlight the key numbers and summarise the hottest policy issues, giving you a top-line introduction to the European cable industry. We’ve also included data on the important role that fibre-powered cable is playing in achieving the objectives of the Digital Agenda for Europe. We’re a key stakeholder in the European Digital Single Market Strategy, and in the coming months we will be highly engaged in this important dialogue with the European Institutions.

Our Brussels-based team is on hand to answer your questions and tell you more. Please don’t hesitate to contact Caroline van Weede, Managing Director of Cable Europe, for more information.
Our membership footprint

Part of the Liberty Global group. Darker colors refer to higher market penetration.
About us

Cable Europe is the trade association connecting leading broadband cable TV operators and their national trade associations, throughout the European Union.

We are a not-for-profit, non-commercial professional membership organisation welcoming broadband cable TV operators and national cable associations within the EU.

The European cable TV industry provides high-speed broadband internet, digital TV services and telephony to more than 76 million customers.

Our industry's tight focus on investment-driven innovation means that our members lead the field in the rapidly evolving landscape of broadband and media, both in the home and beyond.
What is cable?

You probably know more about us than you think, as our products and services touch the lives of 76 million EU citizens on a daily basis. Perhaps you, your friends and family already watch TV, connect to the internet and make fixed or mobile phone calls via our high-speed networks. And if you’re not already a cable customer, you’re sure to have heard of some of our members such as Virgin Media, UPC, NOS and Ono – household names known and trusted by EU consumers from London to Ljubljana and beyond.

Cable has come a long way since its beginnings as a smart way to deliver TV to urban dwellings. Today’s European cable TV industry provides high-speed broadband internet, digital TV services, and both fixed and mobile telephony. We’re also at the forefront of investing and innovating for tomorrow, continuously building out faster and better future-proofed networks and leading the way in achieving the targets set out in the Digital Agenda for Europe. We drive competition, proudly investing in state-of-the-art technology to create Europe’s connected future, and we’re a key enabler in making Europe’s Digital Single Market Strategy a reality.
Key policy areas

Investment

How do we ensure investment in networks?

Investment in high-speed data networks is vital to stimulate growth and support a thriving economy. In the EU, the cable industry has invested massively over the last decade to offer EU citizens and businesses excellent broadband, TV and telephony services. This investment continues in line with the growing demand for digital TV and bandwidth-hungry internet applications.

In 2012, 110 million European households were ‘NGA-enabled’; and 74 per cent of these were delivered by cable. By 2020, 55 per cent of all EU households will have access to a cable service offering 30 Mbps and higher. These statistics show the role played by technology in driving the modernisation of European broadband networks. The investments made by cable are directly stimulating further upgrades of the telecommunication networks in a virtuous cycle.

Modern networks are essential for the overall economy; an investment-friendly regulatory environment will help to enable and encourage further private investments by cable, and by the telecommunication sector as a whole.

1 NGA: next generation networks offering at least 30 Mbps internet speed
2 European Commission, Digital Agenda Scoreboard
3 Solon (2011), Broadband on Demand
Competition

How can we encourage competition?

The liberalisation of the telecommunication sector, which began at the end of the 1990s, has been a notable success. In addition to having a choice of operators, citizens can also choose between various technologies, whether fixed or mobile, to make calls, access the internet and watch TV. This is in sharp contrast to the days of the telco monopolies, when service prices were high and devices were only available from an incumbent telco outlet.

Today’s new market entrants are supported by a regulatory environment that allows them to rent the ex-monopoly infrastructure in order to offer their own services to customers. Other industry players, such as cable and mobile, have rolled out and upgraded a truly independent infrastructure. They have invested in innovation and quality of service, thus stimulating other market players to react.

In such an open and highly competitive environment, future regulation could and should be limited to a de minimis approach.
Open internet

How can we keep the open internet...open?

There are many divergent views on what the open internet means and how it can be achieved. What is certain is that allowing consumers to access the websites and applications of their choice is crucial for the development of the digital economy and for a healthy democratic society. At the same time, some premium content, such as high-definition feature films, needs increasingly robust networks to be distributed. New business models on the internet are being explored and tested, and healthy competition between applications, devices, websites and internet access providers is key.

Since 2009, European national regulatory authorities (NRAs) have had the power to intervene and set minimum levels of quality for internet access providers. In the event of market failure, the NRA’s powers can easily be exercised. In addition, internet service providers (ISPs) are required to inform their customers in a transparent manner about their traffic management practices.

These net neutrality rules exist to discipline market players and provide consumers with necessary safeguards against market failure.
Public funds

What role should public money play?

Half of all European households can obtain very high internet speed and quality connectivity through a cable subscription. This speed advantage stimulates other companies to upgrade their networks, particularly where cable is present. Both fixed technologies (xDsl and FTTx) and wireless technologies (4G, LTE and satellite) have the potential to give consumers the broadband access they need.

Public money should not be spent in areas where competition and commercial resources have the potential to deliver the desired results.

Public funds should only support network rollout and upgrade in remote and rural areas, which would most probably remain underserved by market forces alone.

4 xDsl: digital subscriber lines
5 FTTx: fibre to the home, premises, building or curb
6 4G: 4th cellular generation
7 LTE: long-term evolution
Consolidation

*What’s the impact of consolidation?*

**Consolidation of the cable sector is essential.** This means *better competition*, not less. The cable sector is still very fragmented with many regional players; 6,000 operators within the EU, compared to the 28 incumbent telecommunication operators and 52 operators of satellite pay-TV services that have a national footprint. At the same time, the sector is undergoing tremendous changes, both in terms of the speed of technological development and new market entrants. Over-the-Top (OTT) players delivering services through the internet with brands such as Skype and Netflix are reinventing the business models and shaking up the traditional competitive scene. Consumers, on the other hand, expect affordable prices, good quality service and great content.

The current trend of consolidation in the cable sector is a positive development for stimulating competitive pressure and preparing the industry for increased competition from diverse entrants such as OTT players.
Innovation

What can future innovation deliver?

Thanks to several waves of innovation, cable technology today offers an enhanced TV experience and state-of-the-art broadband access. In broadband, the up and download capacities will be even further enhanced with the launch of DOCSIS 3.1, a technology that has an exciting future and can gradually offer consumers the broadband speeds they require.

With this enhanced technology, cable providers will be able to deliver up to 10 Gbit/s speeds in the downstream and 1 to 2 Gbit/s in the upstream. This is comparable to technologies such as fibre to the home (FTTH), which are too often portrayed as the only future-proof broadband technologies. This capability easily embraces predicted future speed demands, as shown by a recent independent study, which set average demands at 165 Mbps download and 20Mbps upload by 2020.

Cable technology is a cost-effective, future-proof way to offer a superb user experience to European consumers.

8 Technische Universiteit Eindhoven/Dialogic (2014), Fast Forward: How the speed of the internet will develop between now and 2020
Audiovisual and media

Is there a level playing field yet?

TV is going through a formidable change, characterised by technological innovations, new players and new ways of consuming content. Traditional TV distribution platforms (cable, satellite and terrestrial TV) have gone through far-reaching modernisation to embrace the digital world and new players such as telecommunication operators and OTT players are successfully building viewing share. As a result, TV channels can be accessed over a range of competing platforms with consumers increasingly opting to watch their favourite show at any time, anywhere and over any device.

This rapidly changing environment requires some adjustments to the regulatory framework regarding TV platforms. EU decision makers must ensure that dynamic competition between TV and video distributors (network based or OTT) is fair, and does not create imbalances with respect to the applicable rules of audiovisual media services.
Copyright

How can we offer content any time, anywhere?

Consumers want to access the content distributed by their cable operator on multiple devices at any time, and regardless of their location. They expect TV channels and other content such as video-on-demand services to be ‘portable’ in and outside the home, throughout Europe and beyond. Cable operators have launched new services to meet this demand, enabling cable subscribers to watch their content on computers, tablets or smart phones.

However, it is difficult to obtain the necessary rights to fulfil this consumer demand. In particular, cable operators are facing significant barriers in obtaining the ‘out-of-home’ rights needed to enable portability of content, be it in the country of origin or abroad. These difficulties range from refusals to grant the necessary rights through to abuses of dominant positions by collective management organisations (CMOs). This is in addition to the burden created by the fragmentation of rights across national boundaries and onerous requests for remuneration for each additional type of device or location.

Amendments to the current legal framework are needed to address these issues, in order to promote an innovative and efficient market for content services within and across national borders.
Facts and figures

Cable TV subscribers

customers (million)

Data is as of year end 2014 and provided by IHS
Data is as of year end 2014 and provided by IHS
Cable telephony subscribers

Data is as of year end 2014 and provided by IHS
EU overview

2014 Revenues amount to €21.51 billion
Split as follows:

- **Telephony**: 19%
  - 55.8 million customers

- **Television**: 51%
  - 31.5 million customers

- **Internet**: 30%
  - 25.1 million customers

Data is as of year end 2014 and provided by IHS
The Digital Agenda for Europe is a Europe 2020 initiative which aims to help Europe’s citizens and businesses to get the most out of digital technologies.

The Digital Agenda sets a goal of 30Mbps broadband coverage for all EU citizens by 2020. Cable alone has already reached more than 50% of this target; moreover, our customers can subscribe to speeds well above 30Mbps in many areas as our NGA networks roll out.

Source: Solon-Cable Europe
Contact us

Our Brussels based team is on hand to answer your questions and tell you more.

Please don’t hesitate to contact us for more information.

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