Francesco Nonno

NEWLY ELECTED FTTH COUNCIL EUROPE PRESIDENT SPEAKS TO BROADBAND JOURNAL

FRANCESCO NONNO JOINED OPEN FIBER S.P.A. 2017 AS HEAD OF REGULATORY AND EUROPEAN AFFAIRS. HE IS ALSO A BOARD MEMBER AND VICE PRESIDENT OF FTTH COUNCIL EUROPE. HIS FOCUS IS MAINLY ON REGULATORY AND COMPETITION ISSUES IN ITALY AND FRANCE, RESPONSIBLE FOR PROJECTS OF STRATEGIC ANALYSIS AND MARKET POSITIONING OF PRODUCTS AND SERVICES.

HOW ARE YOU FINDING YOUR NEW ROLE?

As Vice President last year, I worked closely with Roshene McCool who has just stepped down as President. This is a role where you act very much in conjunction with the other board members; it's more a collective than personal activity.

12 MONTHS IS A SHORT TERM AS PRESIDENT, SO WHAT ARE YOUR PRIORITIES ARE FOR THIS YEAR?

As President my role is not about where I want to drive the organisation that direction is provided by the board. There is continuity because the board has remained mostly the same. The role of president is one of representation, you try to facilitate agreement among board members, but you can change the president and still maintain the direction. That's why the role is only for one year. This year the Council's priorities are all about market growth.

Everyone at the Council is on board with this strategy, not least because the council is a very complex organisation comprising of 170 more companies, who produce fibre, equipment, software, services and operators. I work for an operator and a small minority within the council.

There are a lot of countries where growth, coverage and take up have been largely achieved, while there are other countries lagging behind. We need to push them all to be aligned to the best possible quality fibre networks, and to increase the amount of customers using them. This in turn means promoting network usage but also regenerating incentives to invest. There are countries where incentives to invest have decreased over time, in particular because of slow take-up.

SUBSCRIBER TAKE UP IS A BIG PROBLEM IN THE UK. HOW WILL THE FTTH INFLUENCE GROWTH IN THAT RESPECT?

There are two elements to this. First, take up issues are not specific of the UK market: in a number of European markets we're experiencing too slow take up. That's why we are in discussions with the European Commission to produce regulatory incentives towards copper switch-off. Copper switch-off is probably the most relevant measure that European Commission could spearhead to accelerate take-up and increase incentives to invest; right now there are too many networks built and not used sufficiently.

The second part of our activity is to review the strategy of the Council's approach to the market, and we have begun an evaluation process to individuate the two, maybe three directions which should complement the main objective of copper switch off. The first one is directed at non-personal usage, industrial usage, trying to increase this usage in industry. We will look at areas such as smart grids, fibre sensing, smart cities, the use of fibre for edge cloud computing, for data centres. There are a lot of areas where fibre is essential for growth and for competitiveness. A second possible stream to analyse for growth is to understand to what extent HFC networks need to upgrade towards FTTH and to what extent audiovisual services may migrate towards FTTH networks in the future.

HOW DO YOU IMPLEMENT YOUR STRATEGY AT THE FTTH COUNCIL EUROPE?

We have a board, but we also have eight committees, each working on different issues. Fibre growth is one direction and we have already developed our advocacy activities for copper switch off, consisting of analysis of impact on investment, impact on reduced energy consumption and increased sustainability, evidence of overall increased consumer welfare with the support of the Board and of the relevant Committees. The same will happen for the other streams of activity which we will deem relevant for us: we begin by elaborating internal analysis with the support of the committees and then operate in cooperation with relevant stakeholders.

IN THE UK HISTORICALLY, WITH THE EMPHASIS ON FREE ENTERPRISE THERE HAS BEEN WHAT IS DESCRIBED AS A 'WILD WEST' TYPE OF APPROACH IN ACQUIRING TERRITORY BY THESE GREAT FIBRE PIONEERS; THIS HAS RESULTED IN A LOT OF INVESTMENT AND OVERBUILD IN SOME AREAS, BUT THE TAKE-UP HASN'T REALLY HAPPENED AT THE EXPECTED RATE AND NOW INVESTMENT HAS STALLED. WHAT ARE YOUR THOUGHTS ON THIS?

That's why we need market acceleration, because investors look at a range of possible investments and choose the one with the best return. If the rate of return of fibre is low, they won't choose it. That's the discussion we are having with the European Commission. A few years ago, the programme of the Commission pushed a lot of investors to put money in the fibre market. All over Europe companies emerged for the first time as a result. Case in point – the company I work for, OpenFiber was founded in 2016. We didn't exist before. We entered the market and built our network.

But we are at a crunch point now. If we really want to achieve the digital agenda targets - all our countries covered 100% by the end of 2030 - you have to recreate incentives because incentives have gone down. Costs have risen because of inflation. Where there is low take up, there is not enough revenue supporting the business case. It's in the interests of the European Commission to make this work because the digital agenda relies on the availability of resilient, high-capacity networks.

ROSHENE MCCOOL WAS PASSIONATE ABOUT PROMOTING DE&I IN THE WORKPLACE AND MADE IT A KEY PLEDGE DURING HER TENURE AS PRESIDENT. HOW WILL THAT CONTINUE DURING YOUR TIME IN THIS ROLE?

We are continuing with this initiative. We have a committee in charge of diversity, equity and inclusion activities, directed by Barbara Tonarelli, the committee Chair. We are not changing direction, but this year's focus is more on growth than on DE&I.

WITH YOUR BACKGROUND, EFFECTING REGULATORY CHANGE IS CERTAINLY AN ACHIEVABLE AIM.

I've worked in this area for a very long time. I was among the first employees of the Italian Regulatory Agency. I worked closely with Roberto Viola, Director General of DG Connect at the European Commission. Roberto has always focused on market growth, more than on generally regulatory issues, which is more my area. Regulation works when it creates the right incentives for the market.

AT THE END OF YOUR 12 MONTHS, WHAT ARE YOU HOPING TO HAVE ACHIEVED?

This year my main objective is to try to have a copper switch off in the new regulatory framework, in the Digital Networks Act, which is being drafted now. That's the main objective because having a clear direction towards copper switch-off and a set date in mind is important for the entire market.

Secondly, by the end of the mandate I'd like to have completed the analysis on the relevance of audiovisual services for fibre take up. A few cable operators are using FTTH networks as upgrades, but this should now be the direction of travel for all cable operators. Free to air television will move away from terrestrial frequencies as a consequence of WRC decision and we have to understand if transmission over FTTH may become a viable alternative for broadcasters.

WHAT DO YOU THINK NEEDS TO HAPPEN ACROSS THE SUPPLY CHAIN TO ENSURE QUALITY IS MAINTAINED WHILE ALL THIS TAKES PLACE?

You need quality guarantees with audiovisual. FTTH access networks are excellent, plenty of bandwidth, but we need much more resilience at the transport, cloud and data centres end of the network which supports the transmission and access to services. As a council, we should support whatever grants quality and resilience at that level, because there are services you want continuously provided without interruption problems. It's a critical piece of the jigsaw.

IT'S NOT JUST ABOUT GROWTH IS IT. THERE IS AN AWFUL LOT TO DO OVER THE NEXT 12 MONTHS.

That's why it's a board activity, not a single-person activity. If next year I remain as president or someone else succeeds me, the programme must remain the same. It's a multi-year programme. Year one - we build the foundation of an activity and over the next two, three years we develop it.

IS THERE ANYTHING YOU'D LIKE TO TELL THE READERS OF THE BROADBAND JOURNAL?

Let's say that the Council activity has brought a lot of support to fibre development and diffusion. Today we are a credible stakeholder, which takes into consideration the interests of the whole industry, aiming at increasing both the market value of fibre and the overall competitiveness of our economies. To be even more successful we are ready to welcome new members interested in joining forces to develop vertical markets and to put fibre at the centre of the economic cycle.

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