



## Retail Leased Lines Market - Market 7 of the European Commission Recommendation

Leased lines are a series of products and services necessary both for entities wishing to provide retail Public Electronic Communication Services (wholesale level) and end users (retail level).

Leased Lines are products and services that provide point-to-point connectivity between network termination points through dedicated and transparent capacity.

Based on the experience gained in the Greek market, EETT has reached the conclusion that there is a distinct relevant market for retail Leased Lines of bandwidth up to and including 2 Mb/s. The relevant geographic market is national in scope. EETT based its analysis regarding the existence of Significant Market Power (SMP) in the said market on the following factors:

- The relative market shares of OTE in relation with other parties active in the market and in light of the market development.

- The likelihood of potential competition being able to exert competitive pressure on OTE, especially in light of barriers to entry and expansion.
- The absence of countervailing buyer power from retail customers.
- Lessons from other jurisdictions and from the Greek market in connection with the likely impact of market structure on the development of competitive alternatives to OTE in the relevant market.

Following the relevant analysis of the level of competition, EETT has reached the conclusions that the relevant market is lacking effective competition and that OTE holds SMP in the market.

In order to overcome the lack of effective competition in the relevant market, EETT proposes that OTE be subject to

a series of regulatory obligations in connection with the provision of retail Leased Lines up to and including 2 Mb/s. These include:

- Non-discrimination.
- Transparency, namely OTE is required to notify and publish in advance all technical characteristics, tariffs and terms and conditions applicable on the services provided.
- Accounting separation for the activities related to the retail provision of Leased Lines.
- Price and cost control obligation based on the Fully Distributed Cost (FDC) methodology, and based on the Current Cost Accounting (FDC-CCA).

## Wholesale Leased Lines Markets - Markets 13 & 14 of the European Commission Recommendation

With regard to the wholesale Leased Lines markets, and based on the conditions prevailing in the Greek market, EETT has reached the conclusion that there are the following three relevant national markets:

- Wholesale Terminating Segments of Leased Lines of bandwidth up to and including 2 Mbps.
- Wholesale Terminating Segments of Leased Lines of bandwidth above 2 Mbps.
- Wholesale Trunk Segments of Leased Lines.

EETT also takes the view that the provision of Part Circuits by OTE does not impact its analysis pertaining to the above-mentioned wholesale markets.

Following the evaluation of the level of competition in the aforementioned relevant markets, EETT reached the conclusion that they are lacking effective competition and that OTE hold SMP. More specifically, EETT based its analysis regarding the existence of SMP

in the said market, on the following factors:

- The relative market shares of OTE in relation with other parties active in the market and in light of the market development.
- The likelihood of potential competition being able to exert competitive pressure on OTE, especially in light of barriers to entry and expansion.
- The absence of countervailing buyer power from wholesale customers.
- Lessons from other jurisdictions and from the Greek market in connection with the likely impact of market structure on the development of competitive alternatives to OTE in the relevant market.

In order to overcome the lack of effective competition in the relevant market, EETT proposes that OTE should be subject to a series of regulatory obligations, the most important of them being the following:

- Specific obligations relating to the provision of access to, and the use

of, specific network facilities, which will expand the range of options available to OTE competitors.

- Non-discrimination obligation.
- A number of transparency obligations, including the obligation to publish a Reference Offer for the Wholesale Provision of Terminating and Trunk Segments of Leased Lines and Part Circuits, and the use of Key Performance Indicators (KPIs), in order to ensure non-discrimination.
- Accounting separation for OTE activities related to the wholesale provision of Leased Lines.
- Price and cost control obligation for the wholesale terminating segments of Leased Lines of bandwidth up to 2 Mbps, wholesale terminating segments of leased lines of bandwidth over 2 Mbps and trunk terminating segments of leased lines of bandwidth of up to 155 Mbps. The calculation of cost-oriented prices shall be based on top-down LRAIC model.