

President's Message

2007, which was nominated as Broadband Year by the Greek Prime Minister, was unquestionably a significant year for the Electronic Communications market in Greece. Broadband was one of EETT's main priorities as well, taking into consideration the emphasis that the Greek State laid upon the development of broadband. Furthermore, ensuring fair competition and protecting consumer's rights were two major courses of actions for EETT.

More specifically, on the part of the National Regulator, 2007 was the "implementation year" of the regulatory framework, leading to a change in the market model from reselling services to competition through investments in infrastructures, bringing about a growth "avalanche" which is further corroborated, inter alia, by the following facts:

- Greece is one of the fastest developing markets in the European Union (EU).
- The threshold of 1,000,000 broadband lines has been exceeded.
- Local Loop Unbundling (LLU) lines have increased more than tenfold.

The milestone for 2007 was the actual Unbundling of the Local Loop. The new Reference Unbundling Offer (RUO) together with the Reference Broadband Offer (RBO) contributed to the strengthening of the competition in the Electronic Communications. The RUO, in particular, has shaped the conditions so that the alternative providers can develop and provide, new and innovative for the Greek standards, double-play and triple-play products, offering to the consumer a number of choices in competitive prices. The rapid growth of the LLU is mentioned in the 13th Report of the European Commission, where the work of EETT is characterized as successful and special reference is made to the promotion of Physical Collocation and the fast growth of the Greek broadband market.

During 2007, EETT, aiming at the promotion and smooth operation of competition in the Electronic Communications' networks and services, undertook actions related to Interconnection, the completion of OTE's cost audit and the tariff policy of the operators. Under the same scope, it imposed fines on the Electronic Communications' operators for infringing the legislation in force and not abiding by the competition rules on LLU and Carrier Pre-selection issues. With reference to its regulatory role, EETT completed the competition analysis of the individual markets of Electronic Communications, as

well as the majority of the actions required for the incorporation of the secondary legislation into the new regulatory framework.

At the same time, having placed the consumer at the centre of its work, EETT gave high priority to issues concerning the protection and information of the consumers. In this context, it approved the Code of Practice for Carrier Pre-selection, completed the necessary actions for issuing, in 2008, the Regulation for the Quality Indicators of Electronic Communications, determined the conditions for providing Internet services and took measures for the protection of consumers from dialers. Furthermore, the actions of EETT resulted in significant benefits for consumers, such as the reduction of fixed and mobile termination rates and of International Roaming tariffs.

In addition, under the scope of the proper market operation and the protection of consumer rights, EETT assessed the complaints filed by them, in order to detect issues which called for its regulatory and supervisory intervention. Hence, it conducted audits of the sector operators in order to ensure the observance of the legislation and their obligations towards consumers. Lastly, it implemented a significant number of actions aimed at informing consumers adequately about issues of immediate interest.

In the radiofrequency sector, EETT proceeded in 2007 with the issue of new Regulations, as specified by Law 3431/2006, regarding the regulation of issues related to radiofrequencies. Furthermore, it submitted to the Ministry of Transport and Communications (MTC) Recommendations for the issue of the respective Ministerial Decisions (MD). With the objective of making more effective the overall licensing procedure for antenna construction, EETT has elaborated Proposals to the MTC regarding the definition of a special licensing procedure and the licensing exception of special types of antenna constructions, that are characterized by low levels of electromagnetic energy transmission.

Furthermore, due to the new responsibilities it was assigned regarding the installation and operation conditions for TV stations, pursuant to Law 3548/2007, EETT proceeded with the issue of the necessary Decisions. As far as spectrum management and monitoring is concerned, EETT carried on recording the operating private stations and imprinting their installations in Broadcasting Centres whereas, in co-operation with co-responsible Authorities, it conducted operations

for the closure of illegal stations and the prevention of interferences.

In the Postal Services sector, EETT conducted a comparative study of the characteristics of the Greek market and the developed markets of the EU, aiming at utilizing the results for the review of the regulatory framework in the Postal Services sector, which will take place in 2008. With regard to the Universal Service (US), EETT worked with the Universal Service Provider (USP) for the implementation of a new cost accounting system, which will contribute to the creation of a more transparent and reliable cost accounting framework.

Additionally, it laid emphasis upon its supervisory work, conducting scheduled and unscheduled investigations (autopsies) of Postal Services providers, in order to ensure the quality of the provided services and the smooth operation of the market. The information seminars that EETT conducted in Athens, Thessalonica and Patras were very important in order to inform adequately all market participants about the proper implementation of the regulatory framework and the crucial issues of the sector.

Taking into account that, as mentioned before, 2007 was nominated as broadband year and was marked by significant successes and positive developments in the Electronic Communications sector, I would like to conclude this brief introduction by presenting EETT's regulatory strategy for the following years. Our vision is "the creation of a completely liberalized and competitive Electronic Communications market, based on a stable and predictable regulatory environment, so as to attract investments in broadband network infrastructures, which will improve citizens' quality of life and facilitate the development of innovative and exportable services provided through the Internet".

Starting in 2008 and with a time horizon until 2011, we will pursue the realization of our vision based on 5 basic strategic objectives:

1. The encouragement of competition at the level of Services.
2. The development of full competition in Infrastructures, permitting Equality of Access and encouraging the development of advanced technologies.
3. The improvement of spectrum availability and the creation of advanced infrastructure in wireless

networks, in order to promote efficient use, foster competition and develop innovation.

4. The safeguarding of the availability of innovative services to consumers, such as triple-play products, IPTV and Video on Demand, as well as the wireless and mobile broadband Internet.
5. The safeguarding of the benefits to consumers in terms of quality of service, availability of networks and transparency of information.

These specific strategic objectives are framed by short-term and medium-term goals and supported by numerous actions, which are part of EETT's Operational Plan. The most immediate actions relate to the new market analysis, the accounting separation of OTE, the reduction of termination rates, the Leased Lines Regulation, the assessment of a potential separation of OTE's network and services, the expansion of the use of GSM band for 3rd Generation networks and services, the evaluation of the spectrum use, the expansion of spectrum monitoring in the regional areas of Greece etc.

In 2007, we witnessed an impressive development of broadband, acknowledging, however, that we still lag far behind the advanced EU countries, in terms of broadband. Convergence is not an unrealistic goal; however it requires that all involved parties intensify and co-ordinate their efforts: us, the Greek State, the providers, the local communities and the social organizations. Towards this common objective, the role of EETT as the National Regulator of the Electronic Communications is crucial. And it will be more decisive, provided that it is bolstered by the necessary institutional tools from the Greek State, which will allow EETT to perform more effectively its regulatory and supervisory work for the benefit of the consumers, the market and the national economy.

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