

The above show that consumers make use of the mechanisms created by EETT to safeguard their interests, obtain information, compare and claim their rights, taking up a leading role in the telecommunications and postal market.

## 2.2. Telecommunications - Radiocommunications

### 2.2.1. Benefits due to the Competition

The establishment of competition in the telecommunications sector has brought various benefits to consumers with the most important being the increase in options and the reduction in the cost of services.

In fixed telephony, alternative providers strengthen their presence through the provision of various packages and services, thus increasing consumer options. According to June 2004 relating data, consumers could select among at least 9 alternative

providers. EETT promoted the consumer options through actions, such as the information campaign regarding the Number Portability and the creation of web-pages with comparative presentation of fixed and mobile telephony tariffs.

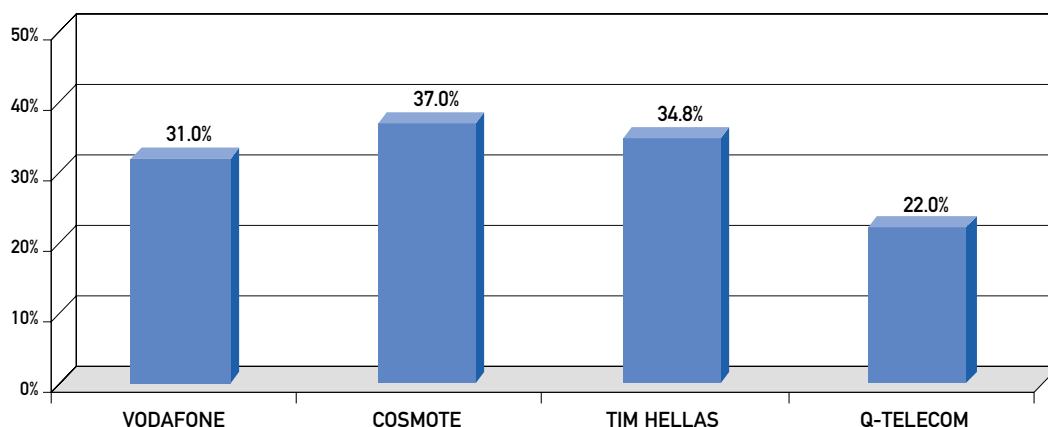
Moreover, consumers have increased options regarding broadband access to the Internet. By the end of 2004, 8 providers already were offering packages for Internet access based on ADSL or SDSL.

In parallel with the options increase, consumers benefit from reductions in telephony tariffs.

In mobile telephony, recent reductions in termination fees brought a significant financial benefit to consumers, since the corresponding reductions are reflected to the retail tariffs. Chart 48 presents the overall percentage reduction in termination fees for the period from August 2002 - October 2004. The specific fee refers to a 60-second call from a fixed to a mobile phone.

Chart 48

(%) Termination Fee Reduction, of a 60-Second Call, from a Fixed to a Mobile Phone  
Aug. 2002 - Oct. 2004



Source: EETT

In fixed telephony, the intense competition led to further reductions in tariffs. In 2004, providers changed their pricing policies, introducing charge zones and special discount packages. As a result of these changes, prices were reduced for almost all calls, especially for calls to mobile phones.

The pricing policy of all the fixed telephony providers is compared at two time-instants (December 2004 and December 2003). The cost of the various types of calls (local, long-distance, international calls and calls to mobile phones) in the peak hour is compared. The presented data refer to the basic programs of each provider. Special discount programs (fixed or free call time) were not included in this study.

Chart 49 presents the actual cost of a 3-minute and a 10-minute local call in the peak hour. Most providers charge per minute for the first two minutes of the call and per second after that period. It is also worth noting that, several providers use minute-based charges.

Respectively, the cost of a 3-minute and a 10-minute long-distance call (peak hour) is shown in Chart 50. It is noted that regarding the specific calls performed in the peak hour, all providers charge per one second.

Chart 51 presents the average weighted cost of an 1-minute call from a fixed to a mobile phone for two time-instants (December 2004 and 2003). The average weighted cost was calculated on the basis of the actual cost for an 1-minute call to all four Mobile Telephony Operators (MTO), using some weighting coefficients. The specific coefficients are the market shares in terminating calls held by each MTO. The MTOs terminating call volume was calculated based on fixed providers originating traffic for the aforementioned periods. It is noted that the cost of a call to mobile phone includes a minimum charge, which is in general 30 seconds, while the charging step beyond that threshold is usually per one second.

The resulting average weighted cost for each fixed telephony provider shows a significant change from 2003 to 2004, ranging from 3% to 20% depending upon the case.

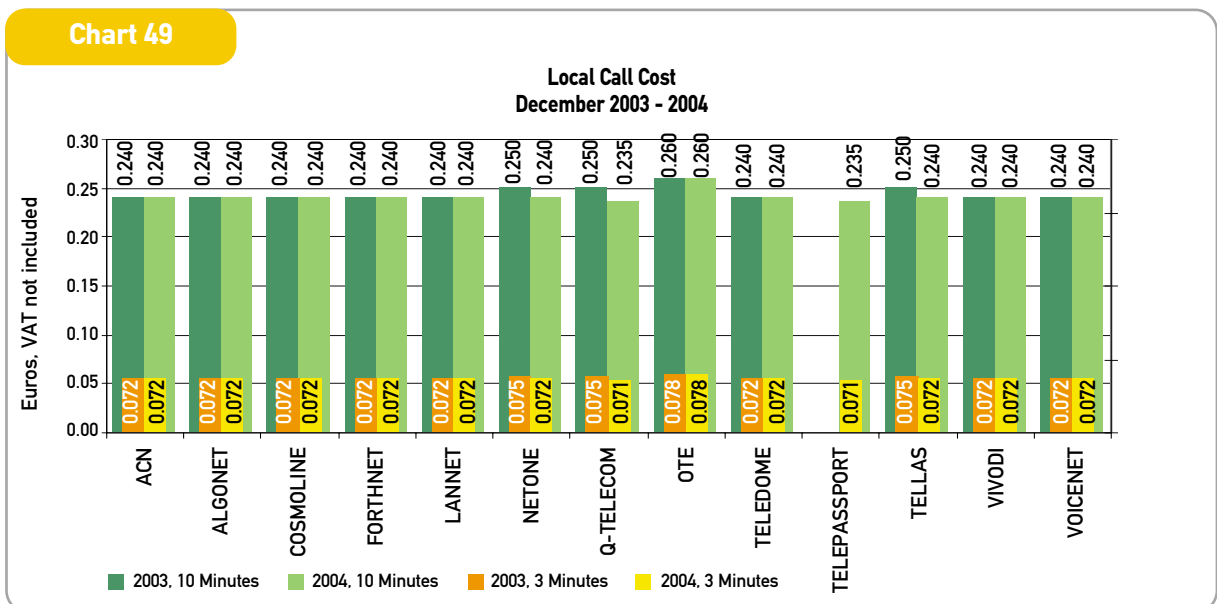
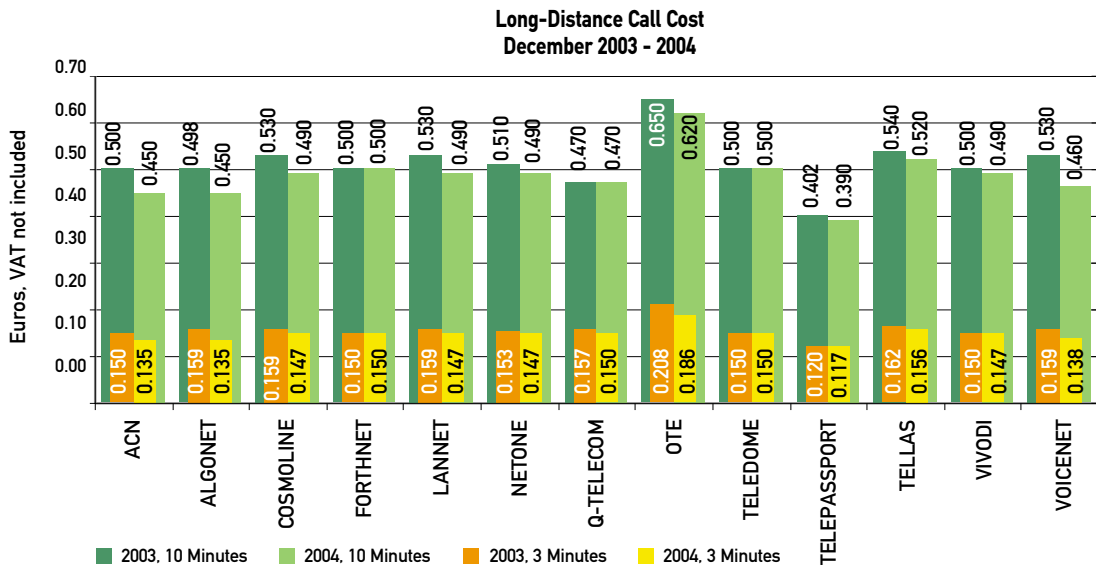
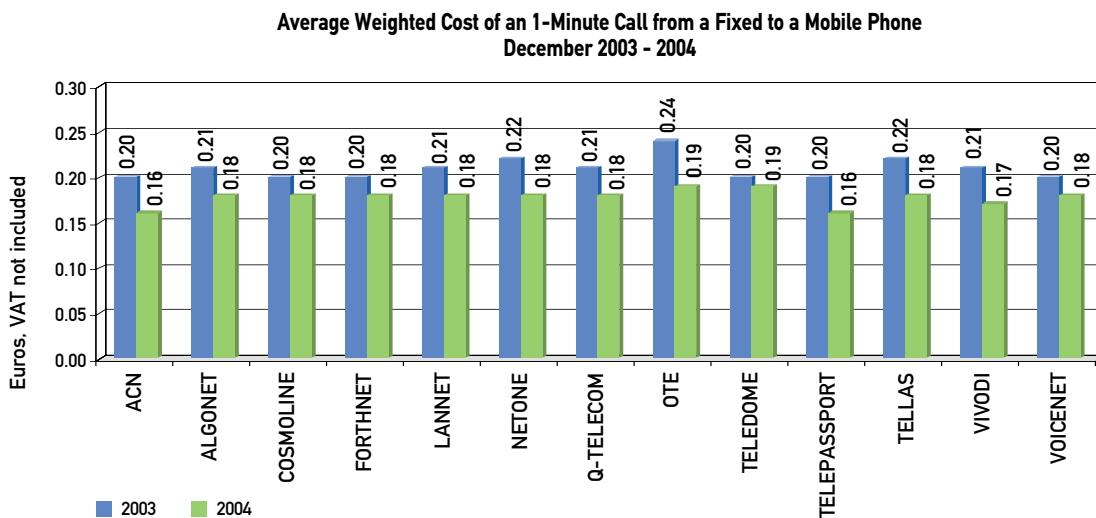


Chart 50



Source: EETT

Chart 51

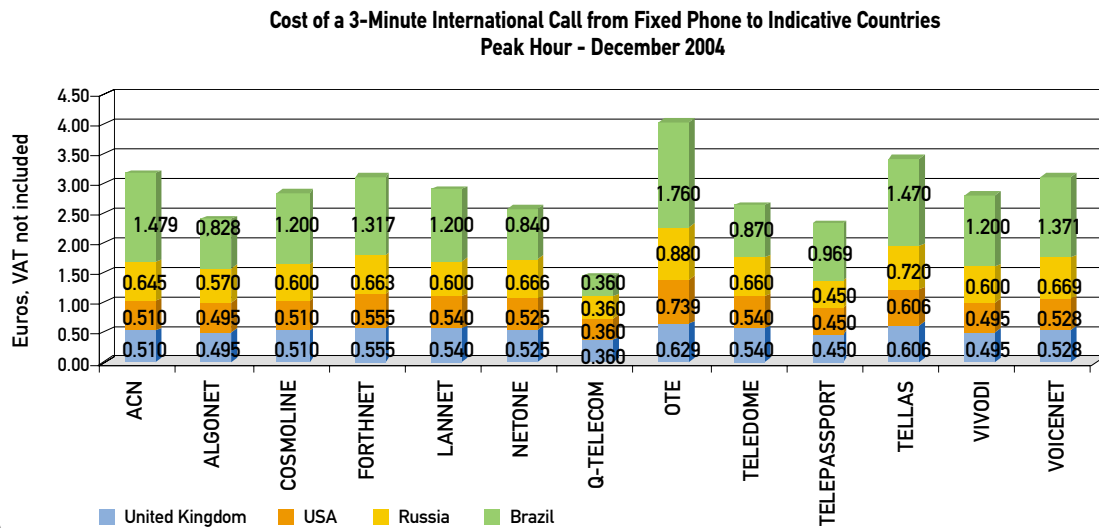


Source: EETT

Regarding the international calls, each provider uses different charge zones. However, there are not any significant differences in the countries "bunch" that compose these zones of each provider.

Indicatively, Chart 52 shows the cost for a 3-minute international call to fixed phone terminating to UK, USA (usually in the same charge zone with UK), Russia and Brazil.

Chart 52

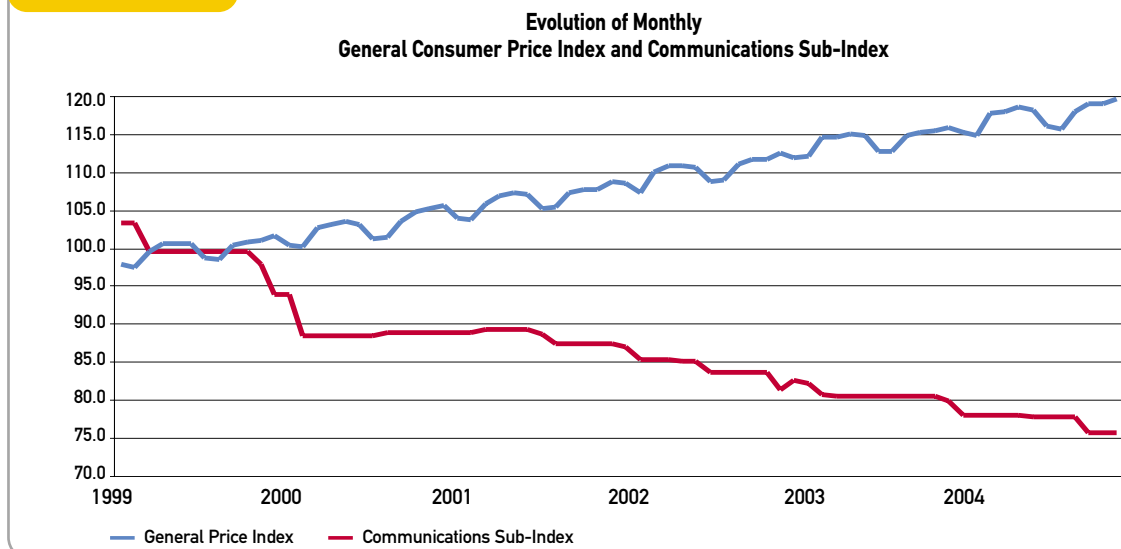


Source: EETT

These reductions and the resulting benefits for the consumers are reflected in the growth of the Consumer Price Index (CPI) over time (Charts 53, 54 and 55). The CPI, which is calculated on a monthly basis by the National Statistical Service of Greece (NSS), is used for the calculation of the general level of prices for goods and services purchased by the average household.

The CPI consists of individual indices (Sub-indices), which measure the level of prices for goods and services of certain categories. One of these is the Communications Sub-index, which is mainly (by 98%) related to the fixed and mobile telephony fees. The remaining 2% covers postal services (0.7%), telephone equipment (0.6%) and telegrams (0.7%).

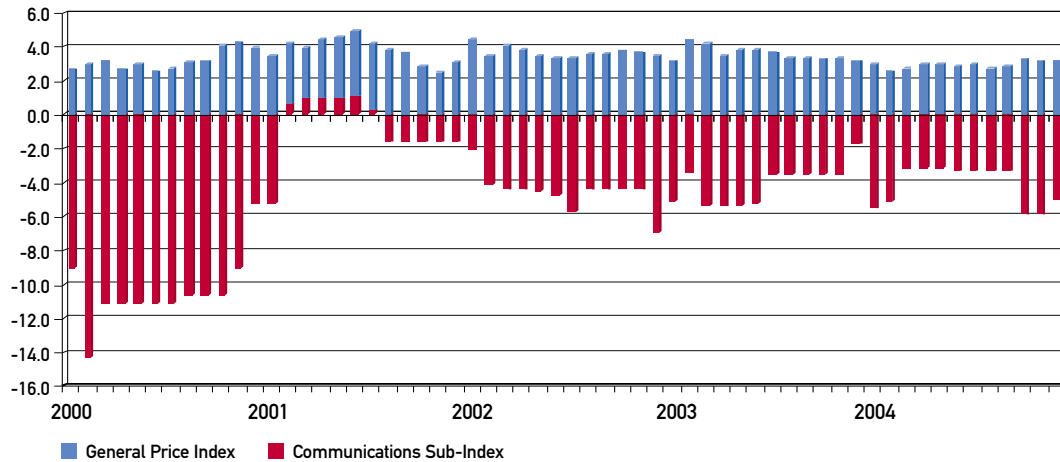
Chart 53



Source: National Statistical Service (NSS) of Greece

Chart 54

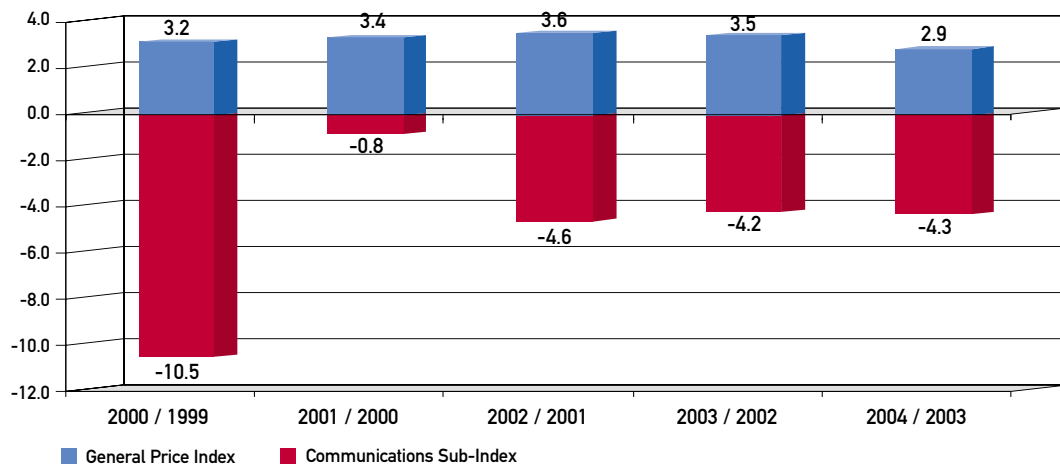
(%) Rate of the Monthly Consumer Price Index and the Communications Sub-Index Compared to that of the Previous Year



Source: NSS

Chart 55

Annual Rate of Average Consumer Price Index (%) Compared to that of the Previous Year



Source: Based on figures of the NSS

### 2.2.2. Carrier Pre-Selection

Carrier Pre-Selection (CPS) was launched in Greece in the first semester of the year 2003 towards contributing to consumer facilitation. The specific service enables the consumers to select an alternative provider to permanently process one or more categories of calls (international, local, long-distance and calls to mobile phones).

More specifically, the options available to consumers are:

- Option 1<sup>1</sup>: International calls.
- Option 2<sup>1</sup>: Long-distance calls and calls to mobile phones.
- Option 1&2: International, long-distance and calls to mobile phones.
- Option 3: All call types.

<sup>1</sup> It should be clarified that consumers can select at the same time Option 1 and Option 2 by different providers.

It should be reminded that when using CPS no dialing of a special code before each call is required (as in the case of Carrier Selection).

The penetration of the above service is shown in Chart 56. The total number of carrier preselection lines exceeded 540,000 within less than 18 months from its launch.

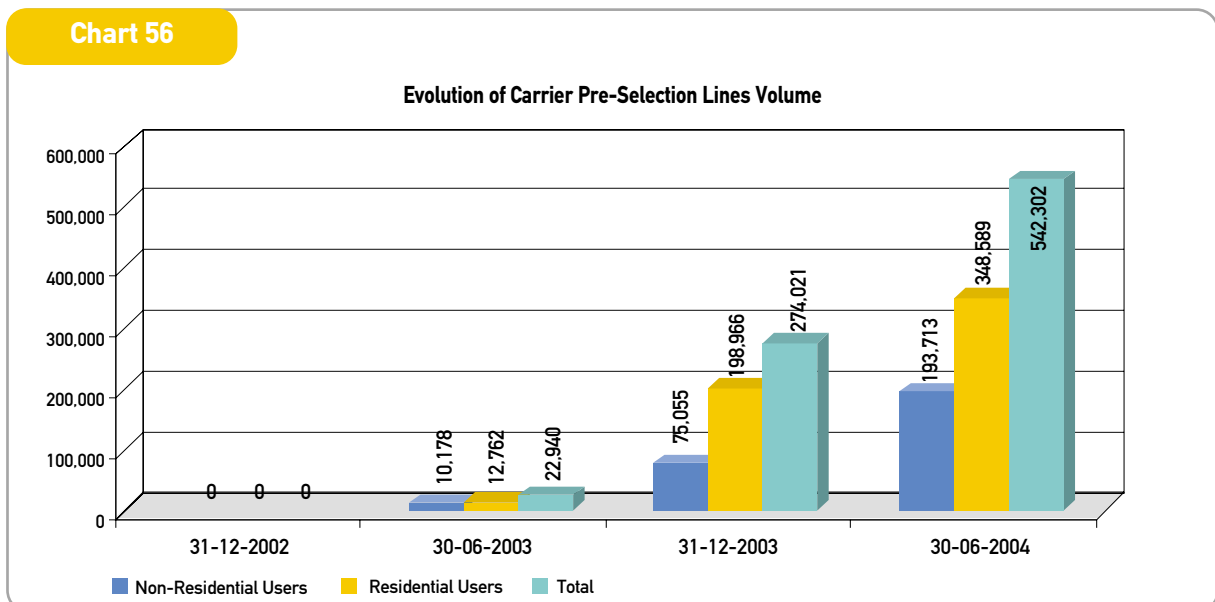
Aiming at further enhancing CPS, EETT, made a modification of the relevant Regulation in December 2004 (subsection 4.1.3.). According to this Regulation, CPS applications submission procedure is simplified. Moreover, it enables electronic or phone submission of the applications. It is noted that according to the new Regulation, all types of applications related to CPS (activation/ cancellation/ change of provider or pre-selected call categories) have to be submitted to the specific provider that the consumer wishes to pre-select.

In parallel, significant measures towards protecting consumers from unethical practices have been taken. Providers are obliged to jointly prepare an Ethics Code, which should also cover issues regarding their resellers' policy.

### 2.2.3. Number Portability

Number Portability is an option available to consumers. According to this option consumers may keep their number while changing their provider. NP for mobile customers was launched on 1<sup>st</sup> March 2004 signaling the commencement of a new period in the telecommunication market. The specific service is supported by a special database (National Reference Database on Number Portability-NRDNP), which facilitates the NP implementation by the providers. The commencement of the NRDNP use for the fixed telephony numbers performed on 1<sup>st</sup> June 2004 acting as a catalyst for the growth of the specific market. It is noted that the obligation for NP in fixed telephony market existed since the beginning of 2003.

Chart 56



Source: EETT, based on published balance sheets

Prior the NP launch, telephone numbers were bundled to the telecommunications provider's network. This constituted an important limitation to the development of competition, since consumers who wished to change provider also had to change their numbers. Portability resolves this limitation and phone numbers are assigned to the subscribers.

From this new option, there are multiple resulting benefits for the consumers:

- The ten-digit number is owned by the consumer, who can now freely select the provider according to his/her preference. The consumer is not subject to any additional burdening to notify everybody who calls him/her, in the hypothetical case of number change.
- Strengthening of the consumers' position, since the consumers may select among the most advantageous services according to their personal needs.
- In order to attract new subscribers and retain existing ones, providers improve the variety, quality and prices of offered services.

All fixed and mobile telephony subscribers may request NP (including those having prepaid subscription) whenever they wish, unless they have been subject to suspension due to unpaid debts.

Subscribers that wish to use the specific service, have to contact the new provider (recipient provider). They submit an NP application and conform to the appropriate procedure in order to be connected to the new provider (contract signing etc.). The new provider is responsible to forward the application, to notify the old provider (sender provider) about NP as well as and the connection interruption and finally to take the necessary actions for NP. The old provider checks the

subscriber's identity verifying the agreement of information on the application. Processing of a fixed telephony NP application should be completed no later than 10 days from submission. In the case of mobile telephony the specific period cannot exceed 15 working days.

In the case of MTOs, the procedure for submission of Portability applications is activated with a free call from a mobile phone to a special 5-digit number:

- COSMOTE: 13897
- Q-TELECOM<sup>2</sup>: 13822
- TIM HELLAS: 13846
- VODAFONE: 13894

It is noted that relevant Hearings were held in September 2004 by EETT, regarding compliance of the four MTOs with the NP Regulatory Framework. The results of the specific Hearings are expected by the beginning of the next year (subsection 4.1.4.).

The NP fees that have to be paid by the subscriber depends on the commercial policy of each provider. Therefore, there are providers who do not charge subscribers in order to facilitate the NP. Moreover, providers may readjust this fee. In the case of mobile telephony, upon introduction of NP, the retail fees specified by the three largest MTOs were at 30 euros (VAT included), while in December 2004, (i.e. 10 months after the NP launch based on the NRDNP), the fee was reduced, though differentiated among the providers, with the maximum being 21 euros (VAT included). In the case of fixed telephony, the majority of providers does not charge consumers.

The evolution of the NP application and activation volumes is shown in Charts 57 and 58, for mobile and fixed telephony respectively. Moreover, the Chart 59 presents the volume of NP activations per month. In

<sup>2</sup> Additionally, Q-TELECOM implements the NP application submission procedure through its retail network (authorized representatives).

the case of mobile telephony since NP launch until end of 2004, 30,637 applications have been submitted and 16,123 numbers have taken advantage of the NP. In the case of fixed telephony 2,498 applications have been submitted and 1,156 NP activations have been performed. According to information from providers,

the observed differences are mainly due to inconsistency or lack of information between the old and the new provider regarding the applicant subscriber, which resulted to application rejection. EETT reviews the specific problem in the context of the aforementioned MTOs Hearings.

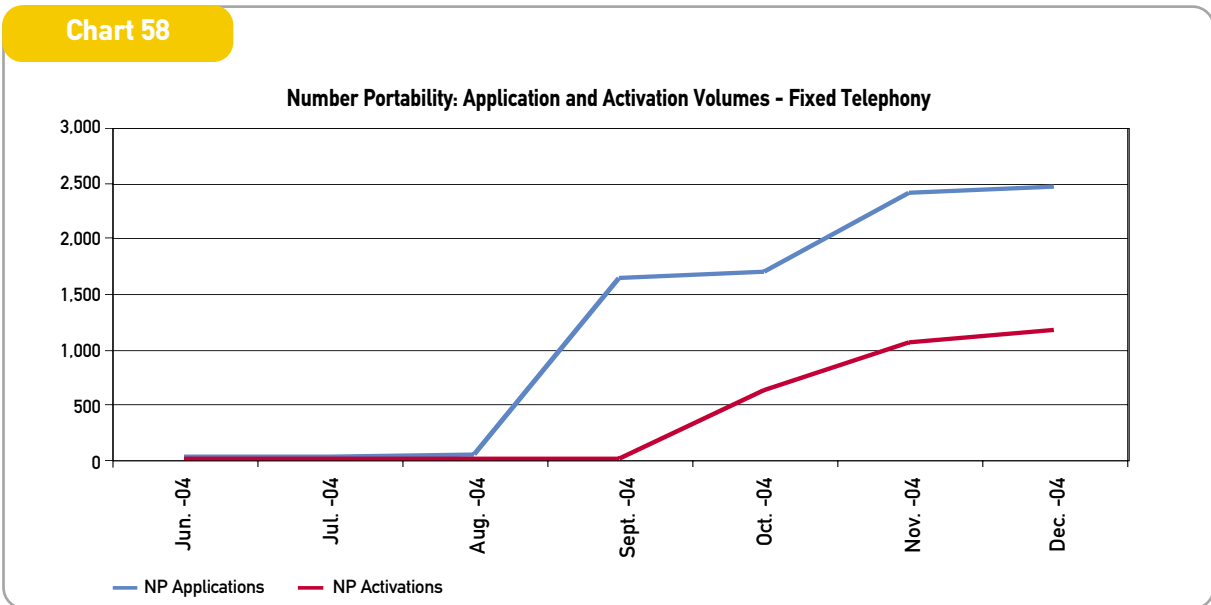
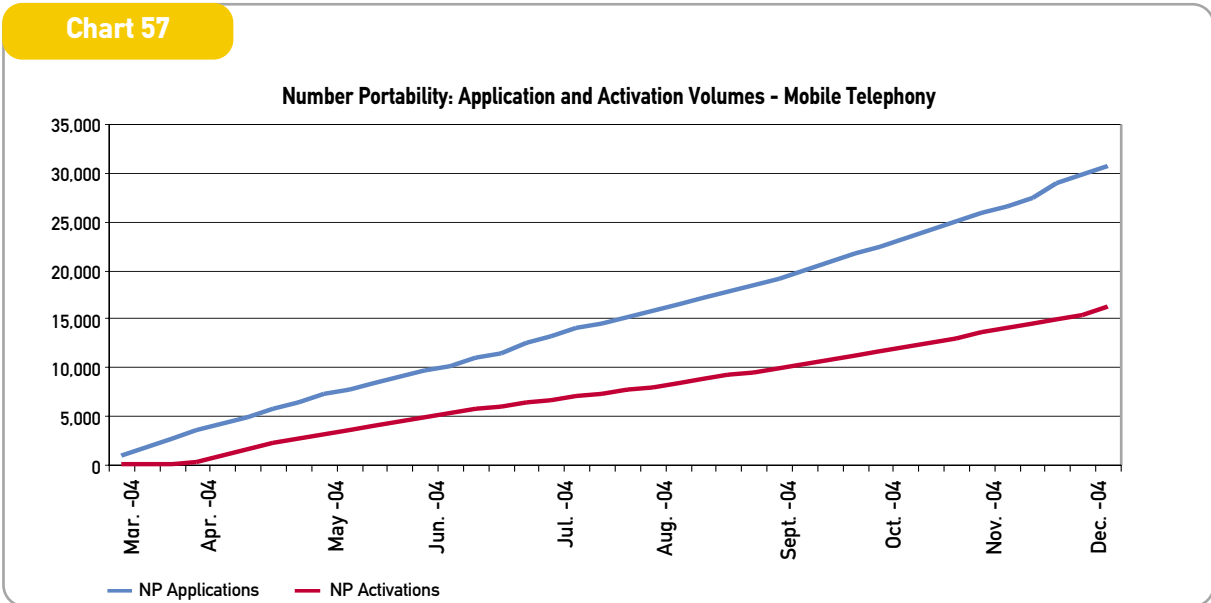
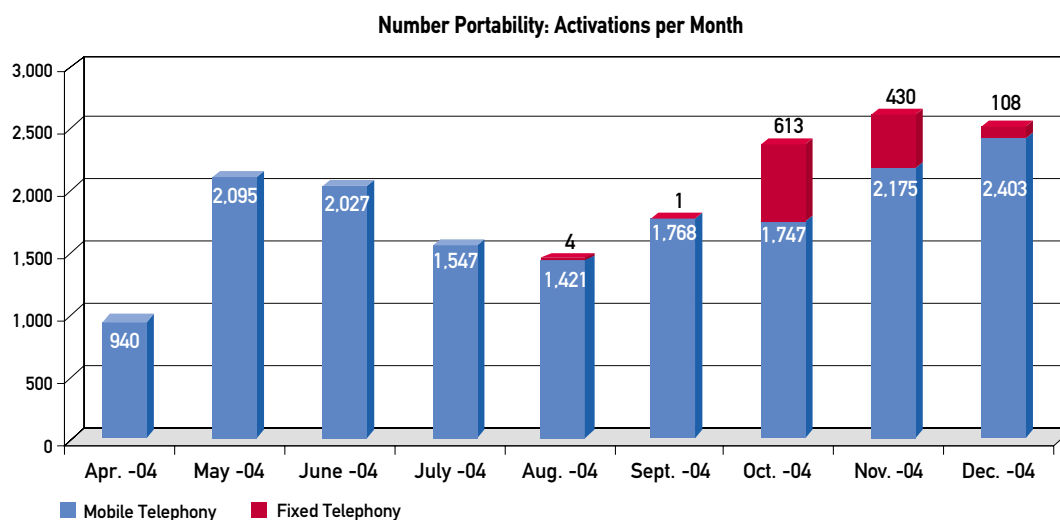


Chart 59



Source: EETT

Consumer briefing regarding the NP functionality, available options and the resulting benefits comprises the most important factor towards NP development. In December 2004, EETT held an information campaign all over Greece through radio commercials towards informing the consumers with respect to their ability to keep their numbers when changing providers. It also created a special web-page ([www.mynumber.gr](http://www.mynumber.gr)) where detailed information about the above issues is provided. The first indications show that the campaign contributed significantly to the increase of NP applications.

#### 2.2.4. Universal Service

The term Universal Service (US) means the provision of a set of predetermined, basic telecommunications services at affordable prices to all citizens in Greece, regardless of their geographic location.

In the context of its responsibilities, EETT had already specified<sup>3</sup> since 2002 those services that at least have

to be provided in the framework of the US to the citizens. In the same specification the technical characteristics of the quality of those services are included. More specifically, these services are:

- Connection to the fixed public telephone network<sup>4</sup> and access to fixed telephony services, so that users can perform and receive local, national and international calls and make use of fax and data services.
- Access to a directory service on a 24-hour basis and release of a directory (Comprehensive Directory) in printed and/ or electronic form, including all registered fixed and mobile telephony numbers.
- Public phones, which can meet the reasonable needs of users, in terms of their volume and geographic coverage.
- Subscriber service.
- Free access to emergency services, using the code 112 or other emergency codes.
- Special arrangements for disabled people or special social groups by means of free time, discounts, free calls, etc.

<sup>3</sup> Decision 255/83/2002, GG Issue 874/B/12-07-2002.

<sup>4</sup> Except for Integrated Services Digital Networks (ISDN) and broadband access.

Furthermore, the Universal Service Provider (USP) commits itself to retain specific quality indicators in terms of time of initial connection installation, frequency of faults and time of restoration, failed calls rate and time of restoration, response time regarding directory services, complaints in case of possible errors in bills and the percentage of public phones in operation. Moreover, the USP must provide, among others, the options of selective call barring for outgoing calls, calling line identification and call diverting.

It should be noted that until December 31<sup>st</sup> 2005, OTE<sup>5</sup> has been assigned the competent USP.

The USP must submit an annual report to EETT regarding US provision. According to the 2004 report for, the situation by the end of the year was:

- 2,133 pending applications for connection to the fixed public telephony network due to lack or need for network upgrading.
- 617 subscribers were connected to analog switching centers and therefore could not have all of the network facilities.
- 64,609 subscribers could not use data services at speeds over 9.6 Kbps. The majority of those subscribers was connected to PSTN through PCM-4 systems. These systems are replaced gradually by the USP.
- 64,105 public phones had been installed by the USP, corresponding to 0.58 common use phones per 100 residents.

Table 15 shows the evolution of the aforementioned figures during the last two years.

**Table 15**

**Universal Service Figures**

	31-12-2003	31-12-2004
Pending applications for connection to the fixed public telephony network due to lack or need for network upgrading.	1,541	2,133
Subscribers volume connected to analog switching centers and therefore could not have all of the network facilities.	18,093	617
Subscribers volume who cannot have data services at speeds over 9.6 Kbps.	227,190	64,609
Volume of public telephones installed by the USP.	64,493	64,105

According to these data, there is progress in accomplishment of the relevant obligations by the USP. The main drawback is related to service provision and release of the Comprehensive Directory Effort is paid towards resolution of this drawback (subsection 4.5.3.).

In the context of its responsibilities, during 2005, EETT will continue its efforts to ensure effective provision of high quality telecommunications services at affordable prices for all subscribers in the country, thus contributing, to the social cohesion strengthening.

<sup>5</sup> EETT Decision 264/140/2002, GG Issue 1368/B/24-10-2002.

## 2.2.5. Domain Names

In April 2004 a new method assigning the Domain Names holding the [.gr] suffix was launched. The specific method is based on the operation of the "Registrants-Registrars-Registry" scheme, according to the relevant EETT Regulation<sup>6</sup>. The new procedure is faster and more flexible. Moreover, the deadlines are shorter and less documents are required. The document forwarding can be performed electronically.

Through this new scheme, every interested party can now register, renew or transfer<sup>7</sup> a Domain Name, addressing the Registrar of its preference. Applications are submitted in real time and forwarded for approval to EETT immediately through an online connection.

It is noted that Registrars are the Internet Service Providers (ISPs) or other bodies undertaking the assignment of Names. The list of Registrars has been published on EETT's website<sup>8</sup>. Furthermore, the Registry is the responsible agent for the management and operation of the domain [.gr]. Its responsibilities include, among others, the maintenance of databases with information about Name registration and assignment.

The assignment procedure is the following:

- The Registrant submits the assignment application to the Registrar of his/her choice. A reference application is available at EETT website<sup>9</sup>.

- The Registrar diverts the specific application to the Registry, which assigns a record number to it.
- Within 15 days from application dispatch, the application for Name assignment is approved or rejected by EETT.

According to an EETT Decision<sup>10</sup>, the fees paid by the Registrant should not exceed the following amounts:

- 44 euros for name assignment and transfer, plus VAT.
- 29.30 euros for Name renewal, plus VAT.

The above amounts include the fees paid by the Registrar for the Registry operating cost (11.8 euros).

The new assignment scheme respects completely:

- Consumers' rights.
- Registrants' Personal Data, given that publication of any personal information is not allowed without their consent.
- Third party rights, such as rights on brands, trade names, etc. Each affected party may intervene prior to or after the assignment of the Name, asking for its rejection or deletion, respectively. In 2004, EETT reviewed some cases of relevant complaints in the context of Hearings.

Chart 60 presents the evolution of the volume of the requested and assigned Domain Names. Accordingly, Chart 61 shows the evolution of percentage assignment over the applications submitted.

<sup>6</sup> "Regulation on the Management and Assignment of Domain Names holding the .gr suffix" EETT Decision Ref. No. 268/73/2002, GG Issue 1617/B/31-12-2002, as modified by means of EETT Decision 310/16/2004, GG Issue 558/B/02-04-2004.

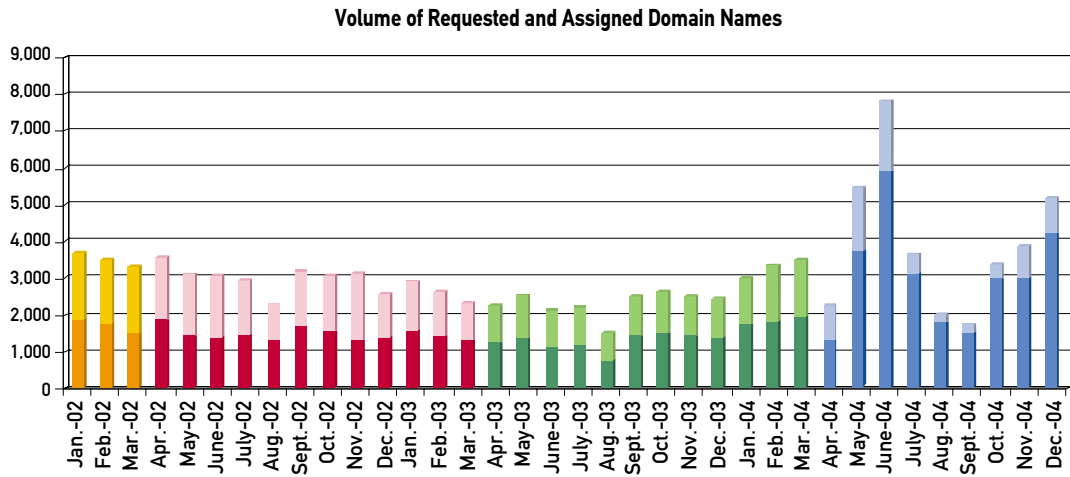
<sup>7</sup> It is noted that the transfer of Names requires the submission of relevant statements of the old and new Registrar to the Registrant as well as the subsequent Decision of EETT, within 10 days from the date of submission. In the case of a Registrar change, a Registrar application must be submitted to the new Registrant, together with the approval of the previous Registrant and exchange of documents and data between Registrants.

<sup>8</sup> [www.eett.gr](http://www.eett.gr). (available only in Greek).

<sup>9</sup> [www.eett.gr](http://www.eett.gr), Section Telecommunications/ Domain Names.

<sup>10</sup> EETT Decision 309/48/2004, GG Issue 525/B/23-03-2004.

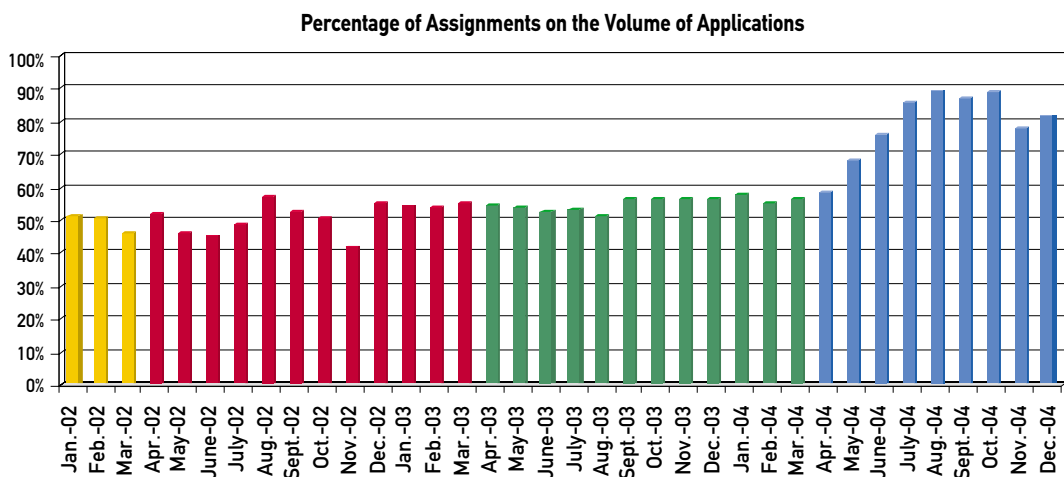
Chart 60



Source: Institute of Computer Science of the Foundation for Research and Technology Hellas (FORTH-ICS)

Note: The Chart uses different colors to present the various years starting from April (new scheme launch). Lighter colors present applications volume, while darker ones present Names volume.

Chart 61



Source: FORTH-ICS

A reduction in applications was noted during the period April 2003 to March 2004. This may be attributed to possible market uncertainty regarding the new assignment framework that was launched in December 2002. Nevertheless, the situation changed radically since May 2004 (a while after the commencement of operation of the new scheme) when an increase of the applications volume was displayed. Accordingly, the percentage of assignments started increasing gradually, reflecting the improvement brought by the new scheme of the Domain Name assignment procedure.

The effective operation of the new scheme will contribute to the further increase of the Names volume, the invigoration of the Greek Internet market and the maximization of the benefits offered to the users.

#### **2.2.6. Presentation of Fixed and Mobile Telephony Tariffs on EETT's Website**

The deregulation of the telecommunication market created plenty of options, both in fixed and mobile telephony. As a consequence the consumers often need to compare various programs and the respective tariffs offered. Taking into account that informing consumers in the best way is one of EETT's main objectives, EETT responded to the above consumer need by creating a new useful tool on its website (available only in Greek in the Section Consumers/Tariffs Presentation), where fixed and mobile telephony programs are presented.

In the mobile telephony Section, visitors can select among various programs and obtain general information, such as monthly fee, privileged monthly fee (applied after the first year), free air-time and SMS cost (national/international). In parallel, through the sited hyperlinks, visitors can obtain information about

charges applied to various call categories, and in particular about calls to fixed and mobile phones (depending on the terminating network) and international calls (depending on the terminating country)<sup>11</sup>.

The fixed telephony Section provides general information such as monthly fee, privileged fixed fee, free call-time and other information (reduced tariffs during certain days or hours or even calls to selected numbers, etc.). Moreover, visitors can obtain information about charges regarding various categories of calls and in particular local and national calls, calls to mobile phones (depending on the terminating network) and international calls (depending on the terminating country). In all cases, minimum call duration, charge rate, fixed call fee (if any) and charge per call-minute are presented. The latter may vary depending on call duration, as applied based on the time of call. The specific charges correspond to calls made during the peak hours (Peak hour is defined in an individual way by each provider).

Moreover, visitors may search for more information through hyperlinks to the web-pages of the fixed and mobile telephony providers and specifically to the web-pages of the specific packages.

This application is a useful tool aiming at providing an overall and brief picture of the market, and facilitating consumers in identifying those packages and providers meeting their needs. One of EETT priorities is to enrich the presentation method as well as to improve the web-pages' updating procedure.

Furthermore, acknowledging that price and service quality are predominant, EETT has initiated an important project. The specific project refers to the identification, calculation and publication of quality indicators for telecommunications networks and services.

<sup>11</sup> It is noted that this Section does not provide information about roaming calls or data transfer and added value services or 3<sup>rd</sup> Generation services (video-calls, etc.).

### 2.2.7. Mobile Telephony Antenna Mast Constructions

The Antenna Mast Constructions volume required all over the Greek territory is directly related to mainly two parameters. First, the (increasing) penetration of the mobile telephony and second the launch of new telecommunications applications based on wireless networks.

In accordance to a Joint Ministerial Decision (JMD)<sup>12</sup>, clear requirements have been set for taking all the necessary measures in order to protect the public. The specific measures are taken before releasing any Licence for Constructing an Antenna Mast. EETT is responsible for the granting of Antenna Mast Construction Licences. Each Licence granting requires the previous consent of the Hellenic Atomic Energy Commission (HAEC), which is in charge for protecting the public by the emitted radiation. For this reason, it performs on site inspections and measurements and also provides information to the public. It is noted that the larger the number of antennas of a provider in a certain area, the smaller the electromagnetic radiation emitted by each antenna.

During 2004 EETT received about 1,000 requests/complaints from citizens and other bodies regarding mobile telephony Antenna Mast Constructions. The complaint volume is significantly increased compared to 2003 due to the strong concerns of the public about the appropriate radiation level thresholds and the conformance of the MTOs to the specific thresholds. Following a detailed review of these complaints, it was found that the majority of cases (820) concerned licensed antenna sites.

Regarding illegal Antenna Mast Constructions EETT intervened through performing the necessary

inspections/ examinations, in order to identify their owners and impose the administrative sanctions according to the law. Following that, EETT informed the responsible Town Planning Authorities and the competent Public Prosecutor of the Court of Misdemeanors to ensure removal of any illegal site and impose the necessary<sup>13</sup> penal sanctions. The complaints and administrative sanctions related to mobile telephony antennas are detailed in subsection 5.2.1.

### 2.3. Regulation of the Postal Market

The new Regulatory Framework which was implemented under Law 3185/ 2003 by the Regulations on General Authorizations and Individual Licences<sup>14</sup>, ensures quality for the provision of the US and Courier services to the benefit of consumers.

It is noted that the US is a set of basic postal services provided permanently, at affordable prices and set quality, to all residents of the country, without discrimination, regardless of their location in the Greek territory. In Greece, the assigned USP is ELTA.

Courier services relate to the special express conveyance of postal items and, as opposed to the US, constitute an individualized service, which requires a minimum level of organizational specifications in postal undertakings, aiming at ensuring the quality of provided services. The new Regulatory Framework provides for the dispatch of Courier items with a special Express Delivery Voucher (EDV) which states their necessary identification details as well as their tracing by a Special Postal Items-Track and Trace-System (SPITTS), that undertakings need to have.

Courier undertakings operate in the framework of the Charter of Obligations towards Consumers (COC), which

<sup>12</sup> JMD 53571/3839/2000, GG Issue 1105/B/06-09-2000.

<sup>13</sup> Law 2801/2000.

<sup>14</sup> GG Issue 1682/B/14-11-2003 and 1906/B/22-12-2003 respectively.