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The most important spectrum challenge in Europe is not unlocking new spectrum but maximising the returns from spectrum we already have.

This especially critical in Greece:

- where levels of mobile and fixed broadband adoption remain very low (Greece is 19^{th} and 25^{th} out of the EU 27 respectively). Data revenues in Greek mobile industry have remained flat for the past 8 years whilst they have doubled in the rest of Europe. Greece cannot afford to fall further behind in broadband race

- difficulties with planning laws and permits mean it is far more difficult to construct new sites or even maintain existing ones and network expansion is therefore very inefficient and costly. This adds at least another 20% to industry costs relative to other markets

- these points are related: the low take up of broadband arises in part from the very poor 3G coverage in Greece - Cosmote, the largest network, covers only covers 55% of land mass and just over 70% of the population. In contrast, Vodafone currently averages 83% population 3G coverage across its European operations and our aim is to provide data everywhere there is voice in Europe. Refarming is critical part of this.

Refarming has been slower in Europe than we would like: Vodafone Romania completed 90% 3G population coverage by April 2010, and refarming is happening in France, Italy and UK. Germany has yet to review. It was supposed to happen by May 2010 across all Member States.

Why so slow? I think we have got ourselves into a muddle about spectrum and about competition. The opportunity to refarm existing spectrum combined with the imminent renewal of those licences was thought to present opportunity to 'reset' the competitive landscape. But:

- there were no real guidelines about how to renew existing licences – it was simply not anticipated when the licences were originally granted and there has been no substantive EC guidance on the issue since then

- there has been no clear understanding of the competitive dynamics, which are complex. For example, does refarming 900 MHz spectrum really confer any advantages over 1800 MHz spectrum if latter has already built a national grid and has more spectrum to reuse for LTE as well? The assumption that refarming 900 MHz was where all the benefits lay has proven to be too simplistic

- everyone is aware of the risks of getting it wrong. There is a massive risk of disruption for consumers and for the market if spectrum is taken away from existing users. Regulators have found it easier to delay where they can, extending licences for a few more years in the hope that something will turn up rather than resolving the fundamental questions

- there are a complex set of variables involved, and it gets more complex the longer you delay. The realisation that there would be new 800 MHz spectrum available completely changed the conclusions in the UK and Ireland

- and there is the interest of Finance Ministries, who see renewals as an opportunity to extract revenues from an industry that is dependent on its existing spectrum, even if it might resist paying for new spectrum

Whilst understandable, the muddle and prevarication that has resulted from these factors has been very costly for the European wireless industry. This is nowhere more so than UK where wireless industry has lost 5 years of its development whilst the public authorities tried to work out what to do.

So, what to do here in Greece? Here are my thoughts:

- Greece needs to move quickly for all the reasons I have already outlined

- the competitive concerns in Greece are quite different from other markets. In the Greek case, the player potentially disadvantaged by 900 refarming, Cosmote, is otherwise strongest player in market by some margin and has significant network and other advantages. So it is hard to see how allowing Vodafone and WIND to refarm presents any danger to competition in Greece: on the contrary, it is needed to improve an otherwise very unhealthy competitive environment

- there are no issues around new entrants in Greece. The collapse of mobile revenues (down 20-30% for the smaller operators in the past year, and still accelerating) and profits (down 30-40% in the past year for the smaller operators) means there is no chance of entry. The challenge is to avoid exit.

- the overriding concern of EETT should therefore be to sustain investment in Vodafone and WIND over the next 5-10 years. Competition concerns about Cosmote are insignificant compared to this challenge

How does EETT achieve this objective? I know they will announce their proposals shortly, following the consultation, but let me just recap on what we've suggested.

- First, allow Vodafone and WIND to renew existing 900 MHz spectrum for at least 15 years, giving the certainty that is needed for refarming and investment in the spectrum. I used to think that perhaps 5MHz of the 900 spectrum held by Vodafone and WIND could be available for reallocation amongst the existing players or for a new entrant. But the more I study the Greek market the less I think there is any need to do anything to address competitive concerns. In fact, I think taking any spectrum away from the existing holders will actually reduce rather than increase competition in this case

- Second, make more 1800 available for LTE for VF and WIND (and allow Cosmote to use the 900 spectrum currently held by the military).

- Third, try to maximise the funds that are available to invest in broadband networks rather than considering this as revenue raising opportunity for the Greek State. Recognise the acute financial challenges which this sector already faces – it cannot both contribute to state funds and be expected to invest in the new infrastructure which Greece needs

Finally, if concerns about competition do arise (and there are plenty of concerns, but none of them associated with allowing refarming), then address this in a few years time when 800 MHz spectrum becomes available. A great deal may have changed – hopefully will have changed - in the Greek market by then.