

Introduction of Part Circuits in the Greek Market

THE HELLENIC TELECOMMUNICATIONS & POST COMMISSION (EETT)

Having regard to:

- a. the provisions of Law No. 2867/2000 "Organization and Operation of Telecommunications and Other Provisions" (Government Gazette 273/A/2000), *inter alia* article 3, par. 14 and 15, article 8, par. 2 and article 12 of same;
- b. Presidential Decree No. 165/1999 on adapting Greek law to Directive 97/33/EC of the European Parliament and of the Council with regard to the Interconnection in the telecommunications sector in order to ensure universal service and interoperability, by the application of the principles of open network (Government Gazette 159/A/4.8.1999);
- c. Presidential Decree No. 40/1996 "On the Provision of Open Network to Leased Lines, in accordance to Directive 92/44/EEC, as amended by Decision 94/439/EC" (Government Gazette 27/A/1996);
- d. Presidential Decree No. 156/1999 "On adapting Law No. 2246/1994 and Presidential Decree No. 40/1996 in compliance with Directive 97/51/EC of the European Parliament and of the Council with regard to the amendment of Directives 90/387/EEC and 92/44/EEC of the Council, aimed at adapting the Telecommunications Sector to the Competitive Environment" (Government Gazette 153/A/1999);
- e. Directive 97/33/EC of the European Parliament and of the Council dated 30 June 1997 (Directive on Interconnection);
- f. Recommendation of the European Commission "Commission Recommendation on Leased Lines interconnection pricing in a liberalized telecommunications market, C (1999) 3863, 24.11.1999;
- g. the 8th Report of the European Commission "8th Report on the implementation of the telecommunications regulatory package", COM (2002) 695 final, 3.12.2002;
- h. EETT decision No. 211/3/16.3.2001 "Regulation with regard to the Principles Pertaining to Cost Accounting and Tariffs" (Government Gazette 466/B/2001);
- i. EETT decision No. 251/77/22.4.2002 "Determination of Telecommunications Organizations Having Significant Market Power in the

Leased Lines Market" (Government Gazette 527/B/29.4.2002), in which EETT appointed OTE as a telecommunications organization having significant market power for the provision of leased lines. Thus, OTE shall have to fulfill all relevant obligations provided for in domestic and European law, including the obligation to provide non-discriminatory services, as well as the obligation to determine the tariffs for leased lines based on the principle of cost-orientation and the rules of transparency.

- j. EETT decision No. 241/47/9.1.2002 in which EETT imposed on OTE the obligation to proceed immediately to the determination of cost-oriented tariffs for the wholesale provision of leased lines (tariffs for Organizations providing telecommunications services to third parties), as well as to provide, until 30-06-2002, all necessary information justifying the cost-orientation of the individual prices proposed.
- k. EETT decision no 255/84/14.06.2002, in particular article 3 ("Obligations of Organizations Having Significant Market Power in the Leased Lines Market"), which stipulates that the provision of Leased Lines pertains both to the provision of Wholesale Leased Lines Services and Retail Leased Lines Services.
- l. the fact that non-compliance on the part of OTE with its obligation to provide leased lines based on the principle of cost-orientation restricts the development of emerging markets and new services, such as Internet broadband access, and hinders the development of competition in existing, closely associated markets. Apart from that, the lack of cost-oriented tariffs for the wholesale provision of leased lines may have a negative impact on telecommunications markets directly associated with the provision of leased lines, such as Interconnection and Local Loop Unbundling (LLU).
- m. the lack of sufficient competition in the leased lines provision market due to the fact that OTE occupies a dominant position in the transmission capacity sales market (CASE JV 2565/WIND-DEH).
- n. that, for the time being, leased lines are a necessary prerequisite for alternative providers to be able to compete OTE on a national scale and access all end users, it decides:
 - 1. The introduction of part circuits in the Greek market:
 - a "part circuit" means a leased line whose one termination point is located at the end user's premises and the other one at the Beneficiary's premises (as the latter is defined hereunder), whereby the length of the line does not exceed 5 kilometers;
 - "part circuit length" means the length of the radial distance between the two terminal points of the part circuit;
 - an "end user" means any natural or legal person, excluding legally licensed telecommunications organizations.

2. All telecommunications organizations having significant market power in the leased lines market are required to provide part circuits services.
3. All legally licensed telecommunications organizations having obtained a special license (Beneficiaries) are entitled to file an application for the provision of part circuits from telecommunications organizations having significant market power in the leased lines market.
4. The obligation of the bodies required to provide part circuits, to introduce part circuits as a product in their cost accounting system.
5. The adoption of the Recommendation of the European Commission "Commission Recommendation on Leased Lines interconnection pricing in a liberalized telecommunications market", C (1999) 3863.
6. The adoption of the prices referred to in the 8th Report of the European Commission "8th Report on the implementation of the telecommunications regulatory package", COM (2002) 695 final, 3.12.2002;
7. In particular, it is recommended that the provision of part circuits in the Greek market be followed, apart from the above, by the following adjustments:

- the time schedules and procedures followed with regard to ordering, delivering and repairing part circuits shall not be different from the ones determined for the corresponding types of leased lines, in the current offer of the telecommunications organization having significant market power for the provision of leased lines;
- that the penalties imposed for delaying in the delivery or repair of part circuits shall be the ones determined for the corresponding types of leased lines, in the applicable offer of the telecommunications organization having significant market power for the provision of leased lines
- the fees paid for part circuits shall be divided into lump sum fees and monthly fees, whereby the lump sum fees shall include the part circuits set up fees (they may include the equipment purchasing cost, the set up cost expressed in manhours, the amortization of capital, etc.). The set up fees shall be equal to the fees applicable in relevant tariffs for leased lines.
- for as long as the obligated body's cost accounting system does not include the part circuits product, thus resulting in a failure to determine the part circuits fees in the obligated body's cost accounting system, the set up fees for part circuits shall be equal to the fees applicable to relevant tariffs for leased lines, whereas the monthly fees (excluding VAT) for part circuits shall be determined based on the average prices for part circuits that arise from the data included in the 8th Report of the European Commission. The said fees shall be as follows:

Type of part circuit	Distance	Monthly fee
64 Kbps	Up to 5 km	111.00 €
2 Kbps	Up to 5 km	392.00 €

34 Kbps	Up to 2 km	1,619.00 €
34 Kbps	Up to 5 km	2,322.00 €

- in the case where a telecommunications organization having significant market power for the provision of leased lines provides a Beneficiary with leased lines that are included in the definition of part circuits, and the Beneficiary wishes to make the said leased lines subject to the status of part circuits, the said change shall be effected without any cost for the Beneficiary.

This present Regulation shall enter into force on the day of its publication in the Government Gazette.

This present Regulation shall be published in the Government Gazette.

Marousi, 25 November 2002
The Chairman
EMM. A. GIAKOUMAKIS