Professor Nikitas Alexandridis, President of EETT, gave the following report regarding the International conference organized by EETT:

EETT recently took the initiative and organized a three day International Conference in Athens, titled "The Prospects of Broadband in the Mediterranean", on May 2nd – 4th , 2006.

The goal of the event was to underline the **importance of broadband** for the economic development of the entire Mediterranean region, the potential **attraction of new investments** and the participation of all citizens in reaping the benefits of today's as well as tomorrow's Information Society.

Each day of the conference was devoted to a different issue and area of interest and panels of related, distinguished speakers were invited to participate in offering their input, know-how and opinion on each subject.

The first day addressed issues relating to the necessary **international cooperation** which has to exist in order to promote Broadband networks and services. It was stressed that the promotion of Broadband in every prosperous society consists of a **visionary target** for the future. Greece has embraced this target through the Ministries of Transportation and Communications and of the National Economy as well as through EETT which plays a capital role especially after being empowered by the recently voted legislation regarding Electronic Communications.

From a European perspective, it was pointed out that in many European countries, operators already offer triple-play services (a bundle of fixed voice, internet and video services). Today, in France, consumers can subscribe to triple-play services for 20€ a month. In some countries, like Finland, Germany, UK, Netherlands, Sweden, multi-play offers also include mobile services. Several operators, like France Telecom, Deutsche Telekom, Telecom Italia, are integrating fixed and mobile activities. Despite, however, the fast progress in broadband take-up, Europe is still lagging behind Asian tigers like Korea and Japan. There were almost 60 million broadband lines in Europe in January 2006. The EU penetration rate has reached 13% of the population, roughly corresponding to 25% of households. Growth has, however, been uneven among

European countries. Moreover, well-performing countries are growing faster than those lagging behind. One of the main factors driving broadband take-up is competition. Lack of competition constitutes one main source of setback. The NRAs have to act and make sure that implementation of the regulatory framework is correct and effective. This is the only way to force down prices, stimulate new entries, encourage the incumbent to be innovative and benefit consumers. In the Mediterranean as well as the Southeast Europe there is a need to increase cooperation and networking in order to promote the information society to the countries of this geographical region.

As far as the current situation in Greece is concerned, OTE (the Greek incumbent) presented that at the end of year 2004 there had been 90.000 installed ADSL ports of which 45.000 were in use. This translated to a 0.5% of the total population of Greece. During the first months of 2006 these numbers had become 320.000 and 250.000 respectively (i.e. 1.5% in use from the total population in Greece). The target for OTE is to have double these numbers by the end of 2006. This would require large investments on the one hand, as well as changes in systems, internal procedures and the general attitude on the part of OTE's employees.

Italy's NRA's president reported that content is constantly being offered on digital platforms. Especially in the case of DTV, there is an up to 60-70% coverage of the country's geographical region and 10 million set top boxes have already been sold. In the "mobile world" live video streaming services have already started being offered.

Moving (geographically) further southeast, the Bahrain NRA presented an interesting model he called the "5C Model", in order to promote and assist broadband penetration in the countries of the Mediterranean region. The 5 "C"s were:
- Convince: Users have to be convinced of the benefits of Broadband
- Content: Broadband content has to be developed to be offered over Broadband infrastructure
- Convenience: Bureaucracy and accessibility to the Broadband networks and services issues have to be resolved
- Confidence: Increase confidence through the increase in security of networks and applications
- Cost: Finally constant efforts have to be made to bring costs down

With regards to the necessary legislation to help foster competition between companies and a country's incumbent, the main focus was on stressing the need for proper designing, imposing and monitoring / auditing of an LLU strategy, as well as a proper RIO and RUO. At the same time, the EU has to play its role and assist the cooperation of neighboring countries which potentially are in need of help to construct their own proper legislation frameworks. Besides the proper legislation framework, the countries themselves can further assist the broadband penetration by taking measures and initiatives such as to offer broadband access to schools, tax benefits for PC purchases, construction of public areas that provide free internet access, as well as e-government initiatives.

The second day of the Conference focused on **Broadband technologies and related Markets.** A large number of the major telecommunication companies in Greece had the opportunity to present initiatives and actions they had taken or were planning to take in investing and developing networks and services.

In the area of mobile communications, the companies expressed their certainty that the broadband technology already exists (e.g. 3G, HSDPA) and their will for immediate investments. What they pointed out however a hurdle to their plans for quick network expansion and development, were obstacles created by the state bureaucracy as well as framework restrictions for antennas that the legislation framework was setting.

OTE (the Greek telecom incumbent) presented its future business plans emphasizing more on DSL without though excluding other technologies (such as WiMax).

A large number of Greek telecom providers are expressing great interest for the upcoming auction of the remaining license for fixed wireless access (at the 3.5GHz band). The majority of them expressed their will to use the WiMax technology and in particular Q-Telecom (which already holds one such fixed wireless access license) is currently preparing a 50-70M€ business plan for offering commercial services in 2007. At the same, however, business risks were pointed out mainly due to the immaturity of the technology, restrictions from the antennae legislation and hurdles created by the local authorities. Attica Telecommunications, which has developed an extensive optical fiber network, believes that true broadband services (triple play) require at least 5-10Mbps and a guaranteed QoS (Quality of Service).

Ericsson had a chance to present examples from Sweden and Scandinavia (such as the arctic village of Arjeplog) in general where broadband networks and services are in full operation and have helped improve the quality of life in these local communities.

SATPE (representing the Greek OLOs – Other Local Operators) expressed the opinion that the major pre-requisite for Broadband development is the fostering of competition in building infrastructure through OTE's existing network, since this will constitute the best solution both from a cost as well as time point of view. According to SATPE, the major problems that OLOs are facing are digging issues, a problematic RUO, as well as problems in collocation.

Analyzing investment opportunities in Greece from a foreign investor perspective, Tellas recognized 3 main factors: the country, the regulatory framework and the market. All these three factors have to co-exist in a positive way in order for the investment opportunity to make sense. Another company, Forthnet, added the need for a clear model of broadband expansion (e.g. reselling based, LLU based, etc).

At the end of the second day of the conference, ETNO recognized 5 critical requirements that have to co-exist in the regulatory and economic environment in order to attract Broadband investments:
1. Guaranteed ROI (Return On Investment)
2. Alignment of the regulatory environment with the market needs
3. Bridging of the digital gap
4. Providing legal content widely
5. Existence of a predictable and stable regulatory framework which will function as a way for promoting new services in a pan-European as well as global level

Finally the **<u>entire third day</u>** was devoted to **consumers and users** of the telecommunications networks and services and the civil society in general.

All organizations stressed out the need as well as the benefits that society can receive from the development of Broadband networks and services. At the same time they pointed out the need to further educate people on what Broadband is and how citizens can benefit from it (as well as how to use it). Specific mention was also given to the security and the protection of personal data concerns that have to be addressed for all broadband Internet networks and services.

Finally, the N.G.O.s (Non-Governmental Organizations) presented a number of very interesting propositions such as:

1. Making Fast Internet part of the Universal Service requirement
2. Achieve active participation of the N.G.O.s in the education of citizens regarding the benefits of Broadband and the
3. Immediate implementation of e-governance (e.g. electronic invoice issuance through the internet)