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HELLENIC TELECOMMUNICATIONS & POST COMMISSION

Challenges for Expanding Broadband: the Greek Perspective

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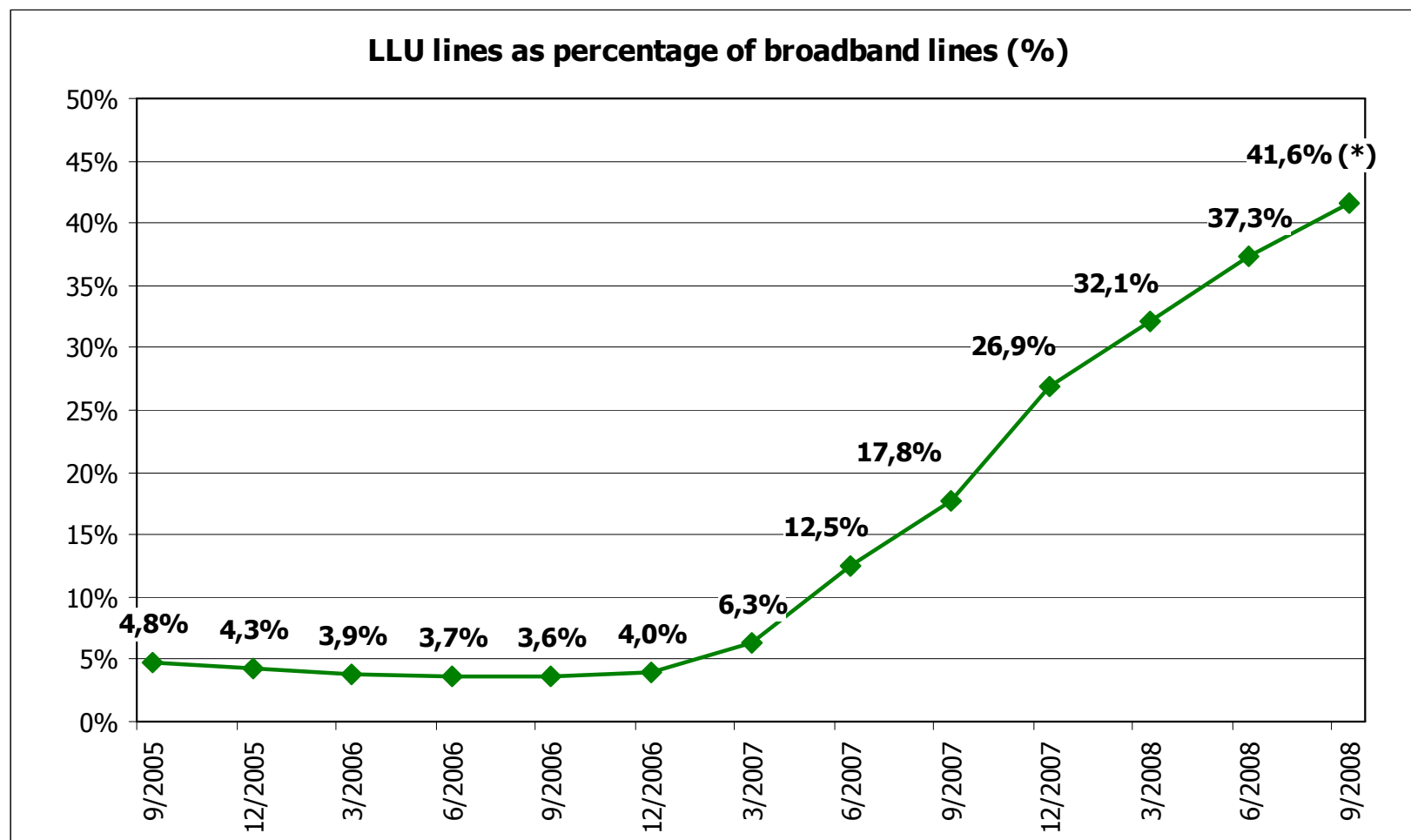
Key elements for broadband development

- 1. Regulatory framework:** A regulatory framework promoting competition, particularly infrastructure based.
- 2. NGNs/NGAs:** A national strategy for migration to next generation access networks, even through the subsidization -- whenever necessary -- of the relevant projects.
- 3. Broadband everywhere and for all:** An effective mechanism to ensure that all people have access to broadband networks and services.
- 4. Powerful regulator:** A powerful, independent, regulator, who will ensure that the development of next generation networks does not lead to new monopolies.

1) Infrastructure based competition: The Greek experience

- 2006 marked a coordinated effort by EETT to promote physical collocation and local loop unbundling.
- Results:
 - LLU penetration increased from 0.2% in mid 2006 to 10% today.
 - Nominal download speeds exhibited an explosive growth:
 - Mid 2006: 94% of broadband lines at 512Kbps and below.
 - Mid 2008: Almost 100% of broadband lines at 1Mbps and above and >35% at 2Mbps and above.
 - Retail prices decreased by as much as 80% since early 2006.
 - Broadband uptake (lines added per month) in 2007 increased by 5 times compared to 2005.
 - Today, broadband development through LLU has exceeded the one through the incumbent's ADSL lines.

LLU lines as a % of total broadband lines



(*) Estimation, based on preliminary data

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2) Next Generation Access Networks

- Deployment of FTTH network that will reach 2.000.000 households (Ministry of Transport and Communications).
- Preliminary study:
Such a project is economically mainly in dense residential areas
- Conclusion:
FTTH deployment cannot be left alone to market forces (at least for countries with the geographic and demographic characteristics of Greece).
- Intervention of the State necessary:
 - National law encouraging and facilitating FTTH deployment without compromising competition.
 - Subsidization project that will bring FTTH to a substantial proportion of Greek households.
- EETT closely monitors this project from the regulatory point of view.

3) Broadband everywhere and for all

- Broadband is a “public good”. No one should be excluded.
- Universal service character of broadband:
A minimum level of service available to all at an affordable price.
- An urgent target that must be supported by flexible subsidization schemes.
- Local communities need to include broadband development in their agendas.

4) The role of the regulator

- A powerful regulator is necessary to address emerging challenges:
 - FTTH could facilitate the development of new monopolies.
 - Subsidization could distort the “level playing field”
 - Business paradigm shifts generate new issues (e.g. net neutrality)
 - Consumer protection necessary in a complex and rapidly changing market.
- Key elements
 - Guaranteed administrative and financial independence
 - Empowered with all necessary legal instruments
 - Ample and high caliber human resources
 - Competition powers: an important asset
- The recent Greek experience fully reflects the benefits that a powerful regulator can bring in the market.

Thank You

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