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I do not wish to talk extensively about the importance of telecommunications in all aspects of growth – education, health, economy etc. Others have done that already.

The countries that made this sector their number one priority stood out and became amongst the most competitive, while those that did not have fallen behind.

Greece falls under the second group, the group of those that lag behind, as various people never fail to remind us by presenting comparisons and statistical data, people that include some who are responsible for this situation. This delay is not coincidental and, after 6 years in the sector, I believe I can spot the reasons.

If we do not confront the causes of our delay and do not take action against them, we will continue to lag behind, with whatever consequences this entails.

The digitisation was delayed when OTE was still a state-owned monopoly. This happened so that options of equipment's co-production under the roof of the State could be examined and later on, so that the leadership at that time could find a way to split a big project among the different candidates. That resulted in a few years delay. However, in an industry such as telecommunications, where technology evolves very fast, even a one-year delay is detrimental to the sector. So, 2004 found us without ADSL, while in the rest of Europe, not to mention in the Far East, this technology had already prevailed.

Now it is the turn of optical fibre to access networks. Three years ago, OTE presented the Government of that time with a major plan to install optical fibres throughout the country. The Government, with the full agreement of the Regulatory Authority at that time, told OTE not to proceed with the plan and actually threatened that, should OTE do it, the Government would raise obstacles regarding licenses and access. At the same time, the Government began to advertise an optical fibre state project in conjunction with anonymous private individuals, claiming that 'Greece will jump from last to first position and will surpass Sweden', and that 'they will put optical fibre in 2 million households' etc. Very expensive brochures were printed. The above claims were then followed by other, even more ambitious statements regarding 4 million households.

As we are all aware, absolutely nothing has been done. Just studies upon studies and consultants upon consultants. The only thing that everybody agrees on is that OTE should remain uninvolved, or should cooperate in ventures, in the structure of which the Organisation is not allowed to participate.

OTE is being accused of having a negative stance, because it does not fall into the trap of easy solutions. It is often forgotten that the Organisation installed over 1.5 million ADSL ports in record time, and that thanks to OTE, Greece became the country with the highest broadband growth rate. Earlier this morning, it was mentioned that broadband penetration in Greece nowadays reached 18%. No-one said though how this was achieved...

As is the case with many other issues in our country, telecommunications growth has fallen into the realm of populism, of proclamations and of plans, which are not based on reality. You might think that I am exaggerating or that I am being too harsh; but the truth is that, at a time when the number of users is increasing and higher speeds and capacities are required, we continue lagging behind and chasing illusions, instead of dealing with the matter in a practical and realistic manner. Often, interests hide behind 'populism'.

I have no intention of being unfair to those that always want the best and what is the most modern. However, as the saying goes, the '*better*' is '*good's*' worst enemy. Excellent professors, who always advise and influence those that are in power, have brilliant ideas; but as the poet wrote "between the conception and the creation lies the shadow".

OTE, a company that directly incurs the consequences of its choices, has thoroughly examined the issue and has taken a clear stance regarding new generation networks; and I believe that we have taken the right stance in order for such networks to grow in Greece.

Now, in the middle of 2010, OTE still wants and can execute an optical fibre project of national scope. The Organisation has carried out the necessary studies and can undertake it successfully.

In general, the aim of the project is to meet the country's needs for a period of 7 years approximately, after which it will be gradually replaced with more advanced technologies.

Regarding technology, OTE opinions were recorded during the public consultation by the Ministry of Infrastructure, Transport & Networks that took place several months ago. The transcript is approximately 45 pages long and analyses the issue using comparative examples of what has been or is being implemented in other European countries. I recommend that you look it up on the Internet.

OTE believes that it is to the country's benefit that the project uses hybrid technology, and I explain:

In dense population and high-income areas, as well as in areas with major and demanding users, such as industrial areas, the optical fibre must reach the user directly. For the remaining and major part of the country, it will be sufficient for the fibre to reach OTE's cabinets making use from that point onwards of the copper network. This technology costs much less, maybe even 5 times less; it can be implemented very fast with minimal groundworks and nuisance, can be replaced later on by FTTH, and provides 50 Mbps, which currently and for the next few years will be more than enough to cover the needs of the vast majority of users. In regions where it is neither possible nor cost effective to have cables, we will make use of satellite access and/or mobile broadband access.

This, in a few words, is the plan that OTE wants to implement, and now I would like to refer to the necessary requirements for its implementation.

Firstly, the State. The State, aside from being one of OTE's shareholders, should be very interested in the execution of this project, a project that would aid growth, especially now, at a time when production and employment forces are underused. The Government should adopt and embrace this project. Even though it may not place us ahead of Sweden, it might actually push us way ahead from where we are now. Unfortunately, Governments often get trapped in their own very ambitious pre election announcements that make addressing reality hard.

What are we asking from the State? We are not asking for money, but for permits, help to gain access, take faster decisions and adopt a more positive attitude in general. To cut through the red tape. Finally, we are asking the Government to take seriously its role as the principal strategy maker of national telecommunications.

As for the Regulatory Authority, EETT. A new generation network requires very serious investments and harbours risks for the investor. It produces losses for several years; the experience gained by other countries has proven this. In order for Greece to build a New Generation Access Network, EETT has to solve the dilemma,

investment/growth or market competition. When the scale tips heavily on the side of market competition, politicians and consumers cheer and the Regulator becomes popular. But only for a short while. Investments are sacrificed, funds are allocated to advertising or price cuts, the country is left behind and eventually the same consumers and growth are, once again, left to 'pay the bill'.

In order for investment to be carried out, there have to be motives, and in our case these motives are split into two groups. One concerns regulatory certainty. The certainty that the rules of the game will remain the same long enough, in order for the investment to pay off and with a reasonable return. Given the sector's risks, in which technologies become constantly outdated and replaced with new ones, the motives must be strong. The other group of motives concerns the pricing of products competitive to the new generation networks. If these products, for example LLUs, are very cheap, then there is no motive to upgrade. This is what is happening now.

The Regulator's role is tough, but also important for growth. For the time being, EETT tries to curry favour with the consumer, although even this is debatable given that it forces OTE to sell its products in process 40% higher than those of its competitors. Yet, despite the Regulator's attempts to support a non sustainable model, the sector suffers. All companies, except OTE, are recording losses and with OTE's landline telephony heading toward the same direction. However, OTE is the only growth engine currently in the sector, capable of making serious investments. But for how long?

Finally, a few words on the role of local authorities. There are enlightened local governors, who have understood the importance of optical fibres and new generation networks, and have opened the door of their cities or neighbourhoods despite the nuisance of the groundworks. There are others more short-sighted, who see the ground works as a hassle and the optical fibre as a means to attain sponsorships from OTE, thus punishing their citizens and condemning them to receive tomorrow, what they can receive today.

If these three bodies –Government, Regulatory Authority and Local Government – take a realistic view, then within the next two years the country might have a good next generation network. OTE is ready for it.