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Subject: Response of the Greek regulator (EETT) to the public
consultation on Next Generation Access Networks (NGA)

Dear Madam/Sir,

EETT is in general agreeing with the general context and goals of the new draft recommendation for NGA and mainly regarding: (a) there has to be relative harmonization on policies of the various member states and (b) that the regulatory policy for NGA has to be communicated to candidate investors in advance

However, EETT is supporting and agreeing to comments of ERG and assumes that the new draft recommendation can be further improved and perhaps after interaction and work with ERG. More specifically:

1. The sections of the documents that refer to specific cost accounting and pricing principles seem to be prescriptive and oppose the generally excessively prescriptive nature of the recommendation (e.g. when re-quiring NRAs to impose the development of a reference offer in all cases).
2. The proposed approach especially for cost accounting and pricing principles in some points do not align to best regulatory practices that are already being followed for various products/markets over the recent years
 - a. LRIC issues
 - b. Risk premium issues: the Commission (in Annex II) recommends that this risk premium be evaluated using examples taken from other sectors, such as media services. It is also unclear why media services are singled out and not others more close by default to NGA like constructions.
 - c. Such an example appears particularly awkward for products like civil engineering and ducts that are not relevant in the media sector. Intentions seem perfectly clear but demonstration does not seem relevant. These statements do not seem to provide for additional certainty. The principle of use risk-premium with benchmarking over other sectors is rather clear but the above used example (of media) rather complicates the situation and it does not contribute in terms of certainty. Perhaps, a job like this could be undertaken by ERG possibly based on data of NGA roll-out from various member states etc.

- d. If the principles reported in the draft were to be followed for the pricing of the facilities/ancillary services, then the specific prices could not be an output of a integrated costing system but would occur in an ad-hoc basis. This might lead possibly to (a) increased unit costs of these services (b) delays in implementing these services (c) increase of open issues, disputes, etc. among operators
3. EETT considers that if the suggestions for volume measure will be adopted, then the prices for products and facilities will have sound variations even in the same geographical area. Additionally, a solution like that is not so realistic and imposes (high) non-proportional cost to incumbent. EETT considers that the principle of geographical averaging should be maintained provided that there is always critical mass on the products.
4. Whilst it may not be the Commission's intention, the current text could be interpreted as implying that duct access seems to be "the" regulatory panacea. EETT considers that depending on national circumstances duct sharing could be an efficient remedy to stimulate infrastructure competition, as is the case in France and Portugal. However this might not be sufficient by itself and may have to be complemented by other remedies. EETT therefore considers that too much emphasis is placed on passive remedies and would like to see more emphasis on active remedies such as enhanced bitstream products (e.g. Active Line Access) and/or backhaul products. In any case neither should be privileged as the balanced combination of active and passive remedies should be left to the discretion of the NRA according to national circumstances.
5. Especially for the case of FTTH and the appropriate way of treating PON technology (if used by an incumbent) , the explanatory note in section 3.1.3 (page 9) refers that:

«Where fibre networks have been deployed based on a PON architecture, their topology starts to look like that of a cable network. NRAs should therefore carefully analyse whether this may indicate that placing cable and telecommunications networks in the same relevant market would be appropriate.»

The above description might induce the possibility that the above statement of the Commission might be received by the incumbent as runaway means from the regulatory obligations. An incumbent claiming that PON architecture is rather mandatory (due to techno-economic efficiency, though various comparative studies PON-P2P are not definitive on that) in fact will escape form regulatory remedies. In the real PON deployments, the access to a dark fiber is either not technically simple/mature or even not possible at all due to the use of the PON splitter.

In conclusion

- 1) EETT considers that the new draft NGA recommendation should focus on harmonization of the principles of regulation rather than being over-prescriptive on the implementation of remedies such as pricing of ducts. A number of suggestions are impractical and their implementation would cause difficulties for NRAs, if they were to take account of them.



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- 2) The NRAs and the ERG are ready work closely with the Commission on the further drafting (based on the ERG CP/Opinion on NGA) especially on issues described above regarding the cost accounting and pricing principles.

Should you require more information please do not hesitate to contact us

Representing EETT

Nikolaos Koulouris
Vice-President of EETT