

General comments

We believe that the scope of the recommendation, regarding the development of a stable regulatory environment, which can ensure efficient investments on Next Generation Networks, is very important. A document consistent with the objectives of the article 8 of the Framework Directive, focusing on the main issues which are important to the market players containing proposals for the handling of these issues, is also of crucial importance.

Our NRA has the same position with ERG and believes that the present document has important improvements towards the right direction, compared with the old one. However, some parts of it are very analytical described, tending to lead to an absolutely uniform approach concerning the definition of the market and the implementation of the same remedies at a pan-European level. This fact can occur to the adoption of remedies which are not the best solution for the possible problems that a member state can have due to its individualities at the national level.

Predetermination of the result of the market analysis

At the present document, we believe that it is explicitly indicated the final result of the procedure of market definition and market analysis / SMP through mechanical criteria and it is not considering the procedure of market analysis that has to be done before, regarding the market definition and the SMP definition (according to the steps determined in the framework directive). We propose that this document is amended according to the articles 7,8,14-16 of the framework directive.

Predetermination of the selection of remedies / Removal of the cost-oriented obligation and the non-discrimination obligation

We believe that in the present document the multiple fibers optics solution is favoured and also the exemption of the cost-orientation and non discrimination obligation since it is considered that the existence of two providers can guarantee an effective competition. The Greek NRA believes that although the solution of multiple fibers optics already exists in some of the member states, it is not the only solution implemented across all the member states. The Greek NRA supports the concept of promoting the competition through the ladder of investment and therefore the appropriate remedies at national level, have to considered in that direction and as a result of the market analysis procedure (market situation and network development by the providers).

Moreover, we believe that the exemption of the cost orientation obligation through mechanistic steps and not as a result of the market analysis procedure as well as the indication that cost orientation as the only methodology regarding price control obligation is not properly written since there are other alternative methodologies used by the NRAs like eviction pricing, Retail minus, price cap κλπ.

Finally, the removal of the obligation of a non-discrimination obligation, needs to be reconsidered so that the recommendation content is aligned with the relevant articles (8,10,34) of the framework directive.

Pricing and costing issues

The Greek NRA does not believe that it is the optimum solution offering additional risk premium to specific services to reward the development of a NGN or a large scale investment. Also, it is not clear the criteria for selection of the services that are eligible for taking additional risk premium. For instance it is not clear why access to civil engineering does not comprise an additional risk premium while the access to a FTTH terminating segment does. Also, why the access to a fiber optic LLU comprises an additional risk premium, but the access to a FTTN sub-loop does not.

Also the Greek NRA concerns about the way of this risk premium calculation. The risk premium is one of the parameters included in the estimation of the required rate of return by the investor. The additional risk premium, as determined in this draft recommendation, maybe is not the optimum solution. By calculating the rate of return using the “traditional” methodology where the risk premium is estimated based on the required return for each investment by the investors, there is no need to calculate an extra risk premium on top of the rate of return used for traditional network and therefore the standard methodology can be applied to the calculation of the rate of return required for the NGN investment

Finally, we believe that a detailed solution for very specific pricing issues may not be the optimum solution for every NRA. As an example we could refer to the long term contracts and large scale contracts that they considered in the document to be non-discriminatory. We believe that all these cases must be examined ad hoc due to the possibility of the existence of anti-competitive practices.

Conclusions

The proposed draft recommendation contains very analytical proposals tending to lead to an absolutely uniform approach concerning the definition of the market and the selection of the same remedies at a pan-European level. Although the provision of a stable regulatory environment is crucial for the investment development, we believe that the fully uniform solutions for all the member states, not taking into consideration the possible individualities at a national level, may not present the optimum solution.. The NRAs following the framework directive, must propose the appropriate remedies having examined very carefully the market at national level.