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Why Greece needs broadband and why it needs it now – a European perspective

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Mr Prime Minister, Mr President, Ladies and Gentlemen,

I am honoured to share today's session with such distinguished speakers. Your participation at this conference demonstrates how committed Greek Government is to broadband as a policy flagship. I fully share this goal. Broadband is critical if we want to boost the competitiveness and growth of Europe and of its Member States.

Greek position on broadband

As we have heard today, the **penetration of broadband lines** is increasing fast in Greece. In January 2007 there were 4.4 active broadband lines per 100 citizens, and of course this figure is higher this month. However, this compares to the European average of 16.9 per cent. Despite the significant increase in recent months and government initiatives such as the 'Year of Broadband', Greece is still trailing in last position in the recently enlarged European Union of 27 Member States. And the average speed of these broadband connections is well below what many other European consumers are used to.

Second, let's look at the **coverage of broadband** lines. Greece again holds the last place in Europe. Only 19% of Greek citizens could subscribe to broadband, compared to almost 90% across Europe as a whole.

I recognize that the topography of Greece does not help; all those beautiful islands and remote mountains. But, at present, **broadband availability** is still a dream even for the many Greek citizens living in sub-urban and rural areas.

Should we care? Why is it that I can claim that Greece needs broadband, and it needs it now. Let us look at what Greece is missing out on because it lacks broadband.

The economic argument for broadband

There is growing evidence that broadband boosts economic growth. An MIT study published last year showed that broadband boosted employment by almost 1.5% per year, as well significant increases in the setting up of new firms formation and a rising share of knowledge economy firms.

The Scottish Executive has recently estimated that the Scotland's private sector will grow by up to €10 billion until 2015 due to broadband take-up. Also a recent OECD study shows that firms that adopt e-business techniques using broadband can raise productivity by 31%.

The lessons are clear: broadband makes good economic sense for the business community, and the more intensively you use it the more productivity gains you will make. That is one reason why Greece needs broadband and it needs it now.

Broadband and Public services

Some say Greek citizens are not interested in fast internet access. Well as citizens, Greeks should be interested and they should be calling on the government to set the lead.

Broadband means better, more efficient and effective services to their citizens. And the fact that Greece has this special, wonderful, geography of mountains and islands makes this even more important.

Let me give you the example of healthcare. Broadband means bringing the best standards of care to the remotest locations. It can offer life-saving clinical applications such as remote surgery and remote diagnosis. Imagine you have a heart complaint and you are away in your island retreat, can you afford to wait until you are back in the city if you feel chest pains coming on?

Perhaps the local doctor will be able to help, but will he have access to your history of electro-cardiogram to see if you have suffered an new attack? Will he know or have access to all your treatment records? Suppose there is something wrong, and you need treatment in a local hospital. Would you not feel better if your cardio-specialist could sit in on the intervention?

This may seem an exceptional case. It is not the benefits are big. Clinical ehealth applications mean faster and more accurate treatments, reduced costs from referrals, reduced travel costs, earlier return to the community and of course better access. Remote treatment means access to top specialists, local treatment of minor surgeries and effective treatment of trauma where time delays and risks are extremely important. Remote monitoring means that people can go home earlier after treatment or allowing people to stay in their communities even if they have a delicate medical condition: very important for elderly people. Remote consultation means patients don't always have to travel long distances to see the specialists. Training and diagnosis support can increase certainty for doctors and patients. Electronic health systems can reduce errors in prescriptions, improve the coordination of multidisciplinary care needs, avoid expensive and necessary duplicate tests, get results to doctors more quickly, facilitate electronic prescription at the pharmacist and reduce risks of mistreatment. Remember more people are killed in Europe each year by preventable medical errors than are killed in traffic accidents.

The list could go on. But I hope you are by now convinced of the potential benefits. Why don't we see actual benefits? Well in some cases we do see this happening. That is why I am so happy to applaud the HYGEIANET in CRETE as an example of how health networks can be put into practice. But, there are many factors that hold us back: notably administrative factors (budgets and uncertainty about how to handle reimbursements for treatment); technical factors especially a lack of interoperability of systems; human factors, especially resistance to change from health care professionals and administrations!

The latest survey data from the Observatory on the Greek Information Society indicates that still only around one half of doctors are on the Internet, only one quarter keep patient records electronically and only one third of General Practitioners that are on line use broadband. On the other hand, 83% of Greek GPs that have taken the ICT plunge up say it adds considerable value to their work!

What's the problem? Our studies show that unless doctors, nurses and pharmacists have systems that give them the information they need instantly they will not use eHealth services. If they don't have access to fast, always on communication GPs cannot and will not take up these life saving, budget reducing, care enhancing services. We need to get beyond the stage of pilot and programmes. Greece needs a fully operational knowledge web for health care based on a developed broadband network. Greeks doctors and patients need this broadband web and they need it now.

The eHealth story is quite graphic. We can add to it **eGovernment** services. It is not enough that the main offices are wired up to the internet. If we want the benefits of low cost and efficient services must be available to everyone, including the less well-off, the less able and those living in remote areas. All our citizens and companies should be able to access government information and services at any time, anywhere. This is another reason why Greeks need broadband connections are available to all.

Let me take a third example: emergency services. Public safety and emergency services are under increasing pressure from: population ageing, hyper-mobility, rising crime and other security concerns such as terrorist threats and environmental challenges such as climate change. This is a critical area where high speed communications count, yet the technical architectures of most existing emergency access systems were designed more than 20 years ago. The communications systems are often out of date – often based on analogue equipment – and fragmented into a patchwork of different sub-systems. There is no harmonised radio spectrum for emergency communication purposes of the EU and interoperability problems are rife. This means lower efficiency and slower emergency responses, especially in large scale cross-border disasters when international coordination is required.

The key to successful emergency response is swift, accurate and timely information. Authorities and field teams must know what has happened, who is responding and how, and what the next moves should be. Complex emergencies require access to, and sharing of, large amounts of information between public authorities and operating teams in the field as well as rapid access to specific expertise for victims that are suffering and in need of immediate care. This calls for removal of technical barriers to access information and services.

But that is not all. We also need affordable and secure high-bandwidth communications, both fixed and mobile and terrestrial and satellite. When a major disaster occurs, the required information, be it medical records, details of dangerous substances or maps and pictures, must first be made available, usually from different locations, and then distributed. Yet today our "first on scene" response teams only have access to "drip-by-drip" narrowband communication. Is this good enough when "broadband for all" is within grasp. Should we accept the existence of a digital divide in the safety of Europeans? No! Greece's safety services need broadband and they need it now.

Broadband policies make a difference: the Greek action plan

What can we do to make things move? I believe that policy actions can make a difference.

The Greek Digital strategy has set concrete targets: population coverage to reach 90% of population by 2008; to cover 60% of the land surface. These targets are backed up by substantial budget commitments: €210 million until 2013 (50% from the European Community) of which 160m€ will be put into new local access infrastructure and 50m€ for demand stimulation.

Two weeks ago in Brussels, at the "Bridging the Broadband Gap" conference, the "Greek Broadband Action Plan to 2008" was presented with its aims to implement Metropolitan Area Networks in 75 municipalities, wireless broadband in 120 towns and communities, 770 wireless hotspots in 400 firms and use of broadband by satellite. All this supported by fiscal incentives for broadband rollout, broadband services.

Greece has committed to arriving at the EU average penetration rate over the next two years until 2009.

Broadband through competition

These are very substantial ambitions and I applaud the government's aims and actions. But there are some further policy steps that are crucial to make sure that Greece not only catches up but that it moves itself to the forefront of broadband innovation.

Remember, however, that the targets for broadband performance are moving all the time. The headline penetration rates that we cite today are based on a very basic concept of "broadband," anything above 144 kilobit per second. But what we are seeing these days is that broadband services today need not just to be "always on" but capable of 2 Megabits to support basic Web 2.0 and IPTV type services. In rural areas in Europe as a whole, the most common speed is 512 kilobit per second, many go much slower. In a few years time - before 2010 - the minimum acceptable speed will be around 20Mbs in both directions and rising. This will be driven by demands for full-length video services, high definition images, interactive environments. People also will not accept latency – that is to say services that are slow to respond.

Greece needs today's broadband today, but it also needs a dynamic competitive environment to deliver tomorrow's broadband tomorrow. Government subsidies can trigger the evolution, but they cannot deliver the long term solution: this needs a market-led response.

Broadband policies: regulation for competition

That is why Greece has to have a regulatory approach that stimulates innovation, competition and investment on a sustainable basis. All our experience confirms that countries apply the regulatory framework correctly and effectively are leading broadband take-up.

I therefore welcome the progress in Greek market developments as a result of the transposition of the regulatory framework: the 80% price reductions in broadband services, the 600,000 new broadband lines that have been installed, the 250% increase in unbundled local loops since the beginning of this year.

This is good progress, but high rates of change are not surprising when Greece was so far behind to begin with. It is not necessary to keep in mind that Greece is significantly behind, the pressure must be kept up to achieve the target of parity by 2009.

I am happy also to see further initiatives from the Greek Regulator a very fast analysis and imposition of remedies on 17 markets, publication of the reference unbundling offer; information campaigns such as the 'Week of Broadband' to raise public awareness of broadband, and a proactive approach to the licensing of Wireless Broadband. I know there have been some complaints about the rush of work that transposition has unleashed In the Greek marketplace, but I am supportive of the work of Mr Alexandridis and his team.

However, I am still worried by the fact that the Council of State has still not made a single decision since 2001. One of the leading unresolved questions in Greece is how to streamline and modernise these procedures for the high paced-high tech economy. These delays and doubts create legal uncertainty which is the enemy of investment and innovation in the move to broadband.

Non-discrimination in the absence of infrastructural competition

As we look to the future, in the coming months I will propose a reform of the electronic communications framework. **One of the changes I am looking at in the context of this year's reform of the EU Telecom rules is to give regulators a mandatory power to impose functional separation on telecom companies with significant market power**. That is to say to force a separation within such a dominant company of the network access division from the services divisions.

For alternative network operators and regulators this measure has attractions from a regulatory perspective where there are continuing difficulties in establishing non-discrimination. For incumbents we have seen that it can offer legal certainty – which is crucial to the long term investments that are now needed to move to next generation networks. However, due to its intrusive nature, this should be an exceptional remedy, and its possibly negative effect on the emergence of infrastructural competition is of concern. However, given the almost non-existent level of infrastructural competition on the local loop in Greece I will be watching with interest to see who well the EETT's remedies to achieve non-discrimination are working.

The need for wireless

Let me end by talking about a key aspect of "broadband for all" in the context of a country with the difficult – if magnificent – geography of Greece. **Wireless broadband will be a key component of overcoming the digital divide in remote and rural settlements. We need a policy framework for spectrum that unleashes this potential.** Wireless is the future especially for your Greek islands.

The Commission's **spectrum policy** aims to make spectrum usage flexible and market driven. Today the process for allocating spectrum is slow, bureaucratic and rigid, attaching technology and service constraints to spectrum usage rights.

In the reform of the electronic communications framework, I will propose a change of approach: let's make flexibility the default, not command and control.

I am already working with Member States to open up the **2.6 Giga Hertz band** for innovative fixed wireless access applications, such as WiMax in addition to 3G. But if we want significant wireless broadband speeds at a low price we will need more frequency in spectrum ranges that have high propagation characteristics. In short, policy makers need to look at the digital dividend created by the switch over from analogue to digital TV very closely to see if they can carve out space for wireless broadband in the UHF space. We have to think how we can use this-once-in-a-generation opportunity, to make the best out these very valuable spectrum bands. Even a relatively small part of this spectrum range could provide the basis, bridging the digital divide in rural areas in a scaleable and cost effective manner, as well as providing the basis for an alternative infrastructure competition in both urban and rural communities.

This would mean more competition, more services and more choice. But this would have to be done on the basis of the public interest. I do not believe that high stakes auctions in which only those with the deepest pockets can take part would be effective. We need to encourage investment and competition – we need cheap, wide band services for all.

Prospects for Greece

Ladies and gentlemen,

In the Twenty-First century, broadband is not an optional extra – it is the rail track of the information revolution. Regions and nations that have embraced broadband are showing better growth, those that have not are seeing their economies fall behind.

Greece with its massively talented population can only benefit from a neural system that wires together its brainpower.

I applaud your efforts – those of the Government and the Regulator - to move things forward. These efforts are paying off. But this is not a sprint, it's a Marathon. That has to be run at sprint speeds. It's tough, but Greece badly needs to keep going to catch up in that race.

Greece needs broadband and it needs it now.

The future regulatory framework of Europe's telecom markets: More Europe is needed

Let me add a last word on how Europe could help Greece to strengthen competition in the Greek telecom markets and to speed up further the take-up of broadband: **The Commission is currently in the final stage of its work on concrete proposals for a new regulatory framework for Europe's Telecom sector.**

The Commission services will **this summer** work intensively on a detailed economic impact assessment to ensure that our proposals will strengthen competition, growth and consumer benefits in Europe's telecom markets.

At the end of October, I will publish concrete legislative proposals that will then go into co-decision with the European Parliament and Council. These proposals have two main pillars:

- First of all, ensure that competition in the telecom markets, and in particular in the broadband sector, is strengthened, also by making available radio spectrum for wireless broadband services.

- Secondly, to complete Europe's internal market for telecommunications.

Telecommunications is clearly a field where we need more Europe, not less. In many EU countries I see that national telecom regulators are prevented from doing the best possible job, either because they are not sufficiently independent or lack the required resources and instruments – it is here, where Europe can help. In many cases, I see that cooperation among national regulators is not sufficiently developed to deal, in a consistent way, with cross-border issues or issues which have an impact on competition in the internal market – it is here where Europe has to come in, as we just did on the problem of mobile roaming charges.

I know that many here in Greece favour the idea of **a single European telecom regulator**.

Ladies and gentleman, the roaming story should have shown you that **we have a European telecom regulator already – it is the European Commission, which is a truly independent and supranational European institution**. If we really believe in an internal market for telecom companies **and** users, the reform of the EU Telecom rules will thus have to strengthen the oversight of the European Commission over the national telecom markets.

In addition, we are currently working on how to improve also the work of national regulators and how to combine their work in a new European logic. The current framework of loose cooperation among national regulators is clearly insufficient for the challenges of the digital age. **In this respect, our work over the next weeks will have to carefully balance the need for federal solutions where necessary and the potential of decentralisation where possible.**

The details of my proposals will be made public in October – and I sincerely hope that these proposals will help Greece to become a stronger performer in Europe's telecom markets.