



COMMUNICATIONS OUTLOOK 2001

Country: Czech Republic
Date completed: 15.06.2000

TELECOMMUNICATIONS

Market Structure and Regulatory Status (Questions 1 -10)

1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, certain number, fully open to any applicant)	Number of licensed operators (2000)
Fixed PSTN (Local, National and International)	Local – open under the licence	6
	national, international - monopoly	1
Network infrastructure capacity (Includes only companies not licensed to provide voice services)	Voice over IP fully open	General licence (i.e. registration only) – 139 companies by the end of 1999
Analogue Cellular Mobile (e.g. NMT etc.)	Number of licence	1
Digital Cellular Mobile (e.g. GSM, PCS etc.)	Number of licences	3
Wireless local loop (fixed wireless)	Unregulated	
IMT-2000 Operators (i.e. UMTS and 3 rd Generation)	Not implemented	

2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)

Name of PTO	PTO Ownership Status (2000) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
ČESKÝ TELECOM, a.s.	51% owned by state, 49 % private owner
ČESKÉ RADIOKOMUNIKACE, a.s.	51% owned by state, 49 % private owner
EuroTel Praha, spol. s.r.o.	ČESKÝ TELECOM, a.s.: 51%, Atlantic West B.W.: 49 %
RadioMobil, a.s.	ČESKÉ RADIOKOMUNIKACE, a.s.: 51 %, C Mobil 49 %

3. Please provide details of market share for the largest PTO in the following categories.

	The largest PTO's share	
	End 1998	End 1999
Local Access: % of access lines	99,70	99,66
Local Access: % of local calls	n.a.	99,65
National Long Distance (% of total minutes) ¹	n.a.	99,12
International (% of total outgoing MiTT)	100 %	100 %
Internet Subscribers ²	20 000	45 000

1. If % of minutes is not available, please indicate the % of revenue

2. If share of subscribers is not available, please indicate number of Internet subscribers for the PTO.

4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.

Name of Operator	Number of Subscribers (End 1999)
1. EuroTel, spol. s.r.o.	1 069 585
2. RadioMobil, a.s.	874 968
3.	
4.	
5.	

5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 2000 to 2001.

Please provide details:

The telecommunications policy is explained on the basis of the new Act No. 151/2000 Coll., on Telecommunications.

The new Act will come into force on 1st July, 2000 and number of decrees connected with this Act, e.g. Decree on the quality of Universal Service, Decree on ONP and Interconnection, Decree on the methods of calculation of the deficit of universal service and determining the assessment of the respective profit, etc.

The new Act on Telecommunications introduces a new telecommunications policy, especially in licences where the majority of services will be provided on the basis of a general licence. The operators or providers of public telecommunications networks or services (both fixed and mobile) will be subject to individual licences. Operators with a significant market power will have certain duties, e.g. to provide Universal Service, to enable interconnection of networks or to introduce number portability and carrier pre-selection.

6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services. Please highlight any changes over the last 12 months.

Please provide details:

In accordance with the new Act on Telecommunications and EC Legislation, the national regulatory body – the Czech Telecommunication Office - that will be established by 1 July, 2000, will have to create a new regulatory environment for the telecommunications market and, among other requirements, appoint the carrier which has the Universal Service obligation, introduce the new national numbering plan, regulate the whole range of prices in connection to the US obligation and interconnection. Besides it will serve as a decision making body in disputes on interconnection.

7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country?

Yes.

The shares of the national telecommunications operator (CESKY TELECOM) being held by the state can not be privatised prior to discussions with the strategic partner.

8. Are there any communication infrastructures or services (e.g. mobile, cable television, terrestrial broadcasting, satellite broadcasting) that PTOs in your country are not permitted to provide directly? In addition, please specify any restrictions on PTOs investing in companies that provide such infrastructure or services. Please include information on requirements by the incumbent PTO to divest cable networks.

Please provide details:

Long distance national calls and international calls can only be undertaken by the incumbent operator.

No restriction except that mentioned under the point 7.

- 9. What selection procedures are used to grant licences for new Wireless Local Loop (WLL) and IMT-2000 services? (e.g. spectrum auctions, calls for tenders, government appointments, licence on request)?**

Please provide details:

WLL has not been implemented yet,
IMT-2000 has not yet been implemented. A call for tender is under preparation.

- 10. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.**

Please provide details:

Under the Act No.151/2000 Coll., on Telecommunications there is no definition of this kind of service and there are no limits or restrictions stated. The providers have to register according to General Licence 22/1999 obligations.

Pricing (Questions 11 -12)

- 11. What, if any, conditions are applied to the tariffs set by PTOs? (Please include any price control information such as price caps or approvals and specify for which services they apply).**

Please provide details:

The services that will be part of the Universal Service – the public telephone service including fax, data services (2048 kbit/s) and access operator assistance, free access to emergency numbers, information service about the subscribers numbers, regular issue of telephone directories, services of the public pay phones – will be regulated. The price cap system will cover the connection charge, subscription (monthly fee), calls (local, national, international), all categories include ISDN and access operator assistance. The price cap applies both for main lines and public pay phones. The regulation also refers to the length of the period between pulses.

- 12. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to low users and dial-up Internet access users from the incumbent PTO. In the space below please indicate the main features:**

Low User scheme:

As part of the regulation of calls of the main line for the physical person and for his/her personal use only, there exist 17 pulses free of charge per month for the year 2000.

Internet Access Discount Scheme:

This area is not regulated and it is subject to the offer on the price list or to negotiation between providers and subscribers.

(Additional pamphlets from the PTO in English or French, or with the main points translated into one of these languages, would be most appreciated. Please provide data in local currency).

Note: Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged. A dial-up Internet user refers to a consumer accessing the Internet via a PC with a modem over the local public switched telecommunication network.

Numbering/Domain Names (Questions 13 - 14)

- 13. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability (including geographic portability) has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).**

Please provide details:

Public telephone numbers (data addresses, names ...) are allocated by CTO according to the national "Numbering Plan". Number portability has not yet been implemented.

- 14. Which organisation is responsible for the administration of your Internet country code top level domain names. (An example of a country code top level domain name is .be for Belgium). Please provide any details of any recent policy initiatives relating to country code domains.**

Please provide details:

Country code domains are managed by the National administration domain "CZ – NIC" and the country code is **.cz** for the Czech Republic.

Interconnection (Questions 15)

15. Interconnection between fixed networks.

	Yes /No	Details
Are PSTN interconnect or access charges a matter for commercial agreement between operators? And if so, is there provision for arbitration and by whom?	Yes Yes	Czech Telecommunication Office
Is there a requirement on the incumbent to publish the rate for PSTN interconnect or access charges?	Yes	In the Reference Interconnection Offer
For the purpose of establishing interconnect or access charges is accounting separation used?	No	Not implemented yet, but it is required by the new Act on Telecommunications
Once the interconnection or access charge of the incumbent has been established, is it available as a standard rate for other service providers (including other PTOs and resellers)?	No	
Does regulation specify that competitive service providers can collocate facilities on the same site as incumbent PTOs? (Please indicate whether resellers and Internet Service Providers can collocate equipment under the same terms and conditions as PTOs without being designated as a PTO?)	Yes	According to the Act on Telecommunications the collocation on the premises or of certain technical equipment should be used if there is no other possibility or technical capacity or other solutions are too expensive.
What kind of interconnection accounting methodology (e.g. LRIC, FDC, etc.) is used for calculating the incumbent's interconnection charges?		This is under the discussion.
Is carrier pre-selection implemented? If so, please describe the coverage of carrier pre-selection (e.g. local, long-distance and international).	No	It will be implemented by the year 2002.

16. Fixed to Mobile Network Interconnection

	Details
Are termination rates to mobile networks published?	The termination rates no, only the interconnection prices in the Reference Interconnection Offer
How are the termination rates for fixed-to-mobile calls determined in your country (e.g. commercial negotiated between operators, determined by mobile operator or other)?	Commercial negotiation between operators.
Are these rates subject to any regulation (e.g. must they be cost orientated if operators have significant market power)?	No, in the case that operators cannot reach agreement, the regulator (CTO) states the interconnection rates and in certain cases they must be based on the costs.

Unbundling (Questions 17 -18)

17. Please describe initiatives for local loop unbundling and indicate when unbundling policies were put in place or the expected date of implementation.

Please provide details:

Not implemented yet, it will be introduced after the year 2002.

18. Please provide the prices for access to unbundled local loops and specify the service on offer (e.g. raw copper, DSL subscriber line).

Please provide details:

Not implemented yet.

Consumer Issues (Questions 19 -20)**19.**

	Details
In the context of universal service policies, which elements of telecommunication service are considered as part of universal service in your country?	The public telephone service including fax, data services (2048 kbit/s) and access operator assistance, free access to emergency numbers, connecting and providing of the terminal equipment enabling the termination of the emergency calls, information service about the subscribers numbers, regular issue of the telephone directories, services of the public pay phones, advantages for the disabled people
Please provide details of any explicit funding mechanism for addressing universal service and its coverage (this can include initiatives related to infrastructure in respect to addressing digital divide issues).	The loss from meeting the Universal Service Obligation (including a reasonable profit) will be covered by payments made by the holders of individual licences.
Is the cost of providing universal service calculated? If so please provide the latest annual costing.	No.
What percentage of telephone subscribers do not have access to an Internet service provider's point of presence with a local call?	This is not measured, but the estimation is about 90% of telephone subscribers.
What is the average monthly online time for a subscriber to the largest PTO's Internet access service (e.g. number of hours).	Estimation is 625 minutes per month.
What is the average household consumption expenditure of telecommunication services in your country? Please provide the data in local currency and specify the year of the survey. Please indicate which of the following telecommunications services are included or excluded -- fixed PSTN services, cellular mobile services and Internet access -- or provide a definition of the indicator used in your country.	In 1998 - 3000 CZK all telephone services (fixed, mobile and Internet via phone) including connection charges and including the business lines established in households.

20.

	2000	2001	2002	2003
Please report any estimates of the potential coverage of access lines with DSL by the end of the following years (as a % of total subscriber lines) by the incumbent(s):	1,6	1,9	2,3	2,9

