

**GENERAL AGREEMENT
ON TRADE IN SERVICES**

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Negotiating Group on Basic Telecommunications

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COMMUNICATION FROM THE SLOVAK REPUBLIC

Response to Questionnaire on Basic Telecommunications

The attached communication is circulated at the request of the Slovak Republic to Members of the Negotiating Group on Basic Telecommunications.

Part I

Definition and Market Structure

Definition

According to §1 of Article 2 of Law No. 96/1993 on telecommunications and according to the Law Nos. 150/1992 and 110/1964, the State decides about the installation and operation of:

- (a) transmission paths for transmitting of all kinds of information on telecom equipment, besides distribution of radio and TV signals through cables.
- (b) equipment for providing telecom services.
- (c) TV and radio broadcasting equipment for broadcasting of operators by law.

The term "telecommunication services" can involve voice telephony, services of text communication (public telegraph, teleprinter), services of text document communication (telefax, postfax) and data transmission services.

There is a state monopoly for supplying basic telecommunications in the Slovak Republic.

The Slovak Telecommunications s.e., on the basis of the permission and Law No. 110/1964 on telecommunications and its amendments Nos. 150/1992 and 96/1993, operates the telecommunication network.

The supply the services in a private network for other participants is not allowed.

Market structure

The Slovak Telecommunications [s.e.] (ST) has a monopoly position in supplying telecom services.

EUROTEL has got exclusivity for a public radio mobile network (450 MHz) and public packet data network (according to the agreement) and operates under the licence since the end of the year 1991.

In telecommunications there is a state monopoly until the end of 1988. Foreign banks (EBRD, WB, EIB) have provided loans for the development and the exchange of an analogy technology to a digital one.

From the sphere of monopoly for telecom services the following services could be excluded:

- paging
- fax
- satellite services

The future situation depends on the process of privatization in the areas of telecommunication, as well as on the opportunity and the capacity of the monopoly supplying of services.

Part II

Competition

In the Slovak Republic there is no competition in the field of telecom services because of the monopoly position of ST.

There is no foreign supplier of services. EUROTEL is registered in the commercial register and it is a Slovak-American joint venture.

Restrictions in market access

1. The monopoly position of ST in the basic telecom services.
2. The telecom services supplier has to obtain a licence (excluding basic telecom services).
3. Comply with the Telecommunication law and other legal regulation.
4. Comply with licence conditions.
5. Technical or legal administration restrictions.

Foreign suppliers need for supplying of services

- licence
 - to use technical equipment approved by certificate
 - to comply with all accepted acts and regulations
- A. Sub-Sectors
1. State monopoly.
- B. Other categories
1. State monopoly.

The existence of private networks is allowed. Supplying of services in private networks for the third person is not allowed (voice telephony).

The following have the right to establish and operate the telecom equipment without any licence besides the Unified Telecommunication Network (UTN) according to the Telecom law:

1. Bodies of the Ministry of Defence, the Army of the Slovak Republic.
2. Bodies of the Ministry of Internal Affairs.
3. Bodies of the Railways of SR for railway traffic.
4. Organizations of energetics for controlling, providing and automatization for electrical network.

Foreign companies have the right to sell, install and repair telecom equipment and to build telecom networks.

Foreign consulting firms are being used.

ST controls public phones.

Only approved equipment can be connected (directly or indirectly) to the terminal point of the telecom network. There is a special legal regulation that defines conditions and the process of verifying, approval and conditions of this equipment.

Part III

Regulatory Issues

Frequency allotment or assignment

The Ministry of Transport, Communications and Public Works (MTCPW) controls the use of the frequency spectrum by technical equipment of all branches of the national economy.

Frequency allotment is controlled by Radio Communications Regulations, international recommendations of CEPT and inter-departmental agreements.

MTCPW is an administrator of the frequency allotment spectrum. The Telecommunication Office of SR allots frequency and frequency branches according to the agreement with the Ministry of Defence and the Ministry of Internal Affairs even for telecommunications equipment of which establishment and operation does not require a licence.

For applicants (both domestic and foreign), [who] are applying for a frequency, [there] are the same criteria.

Numbering and identification codes

International country code is determined and approved by ITU.

Numbering schemes for telecommunication services in the SR are covered by a regulation and are determined by used technology. The numbering code has 12 figures.

Standards, type approval and equipment attachment

The terminal point of UTN can be connected (directly or indirectly) with the approved equipment. There is a special legal regulation defining conditions and process of verifying, approval and connection of this equipment.

The self-certification is not allowed. Equipment from abroad must be involved in the process of certification, as well as each domestic equipment connected with the telecom network.

Interconnection

Private networks can be [built] up by the form of leased circuits [resp.] own network. Interconnection with the public network is allowed.

The provision of voice services to a third party is not allowed.

The Telecommunication Office provides licences for the installation and the operation of transmission ways, except UTN, crossing over the state border of the SR.

Competitive safeguards

Slovak Telecommunications s.e. also has a monopoly position regarding basic telecom services. That is the reason the Telecommunication Office has been established. Its task is to solve controversial cases in the field of telecom services and operation.

The State Commercial Inspection and the Anti-monopoly Office of the SR provide the consumer safeguarding. According to our legislation, the company has a dominant position on the market when it controls and supplies 40 [and] more percent of a market. These companies are checked by the Anti-monopoly Office of SR regarding whether or not they misuse their market position. These checks are made by the Anti-monopoly Office itself or on the basis of a market competition request. Now, SR has no independent anti-trust body, but one part of its functions provides Anti-monopoly Office. The Slovak Republic provides only governmental guaranties on loans for investment and development projects approved by the Government.

Price-related measures

The supplier (ST) sets up domestic and international tariffs, in the co-operation with the MTCWP. The MTCWP submits the tariff proposal to the Ministry of Finance.

Prices are based on costs of service, taking into account profitability. This way of setting up tariffs is used because of a monopoly position of the service supplier.

Services are granted according to the legal status of the SR and licence conditions, there are no other claims. The Ministry of Transport Communication and Public Works decides about the status of a service. The telecom service is granted according to the licence. The approval process runs in accordance with the legislation of the SR and the validity of the licence is 6 years.

International Co-operation

MTCPW represents the Slovak Republic in the international governmental and non-governmental organizations. On the governmental level, the Slovak Republic is the member of:

ITU (International Telecommunication Union) - SR was admitted for ITU member on 23 February 1994.

INMARSAT (International [Maritime] Satellite Organization) - SR was admitted for Inmarsat member on 20 July 1993.

EUTELSAT (European Telecommunications Satellite Organization) - SR became automatically a member of EUTELSAT after the splitting of the former CSFR (1 January 1993).

On the non-governmental level, the Slovak Republic is a Member of:

CEPT (Conference of European Postal and Telecommunications Administrations) - July 1993

ETSI (European Telecommunications Standards Institute) - July 1993.