

**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

Revision

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

The Slovak Republic as well as the other countries of the Central and Eastern Europe, is at the stage of the transition from the planned economy to the market oriented economy under democratic government.

Telecommunications are generally regarded as one of the most dynamic spheres of the infrastructure what expressively influences the economic development with the increasing share of the private sector. That is why it is inevitable to accelerate the increasing of the scope and the quality of the telecommunication services to ensure all demands of modern economics.

Former federal authorities and after splitting of the Czech and Slovak Federal Republic from 1 January 1993 authorities of the Slovak Republic, stated the basic tasks of the telecommunication sector in a new economic and social situation:

- to increase a telephone penetration to the level appropriated for the Slovak economics;
- by the means of modernization of the telecommunication network to improve the quality of basic network services to approach to level of advanced countries; and
- to expand the telecommunication sector and to expand the scope of services.

The first steps created the conditions for the achieving of these objectives comprised:

- to separate the state administration from economical activities;
- to separate Posts and Telecommunications;
- to separate regulatory and operator functions;
- to start with the legal adaptations for Telecommunications; and
- demonopolization and liberalization.

The introduction of competition can be a strategy for achieving many of the objectives.

But it may not be appropriate to introduce immediate competition in the provision of public telephone services. This is because of the overwhelming need for investment in modernizing of the network, and the massive funding required to carry out this.

It is necessary to take into consideration, that opening up of voice telephony to competition could obstruct the task of developing of the universal network.

This is in accordance with the European Commission Directive, who recognized, that the particular task assigned to telecommunications operators, was the provision and exploitation of a universal network, for which the revenue is derived mainly from the voice telephony.

The transition to the new free market environment brings many new issues, on which there is difficult to give the complete respond.

Therefore on certain questions we cannot give an appropriated answer at the moment.

We hope that you understand this situation and take it into consideration.

## PART I

### Definition and Market Structure

#### Definition

1. Under regulatory regime in the Slovak Republic, the term basic telecommunications is not defined. We consider that basic telecommunications involves to build up and provide transmission paths for transmitting of all kinds of information on telecommunication equipment, besides distribution of radio and TV signals through cables and providing the public telecommunication services except value added services.
2. In the valid law there is no distinction, however the new draft submitted to the legal Board of the Government distinguishes between network provider and services supplier as follows:
  - operator of telecommunication network - physical or legal person that has been granted a licence or a permission to constitute operation and installation of telecommunication network by the corresponding regulatory authority.
  - supplier of service - physical or legal person that has been granted by the corresponding regulatory authority a licence or a permission to provide telecommunication services.
3. Not applicable.

#### Market structure

4. Public voice services  
Telegraph services  
Local/long distance/international  
Resale basis  
Outside pay-phones operation  
Mobile networks - temporary  
Packet switched data transmission services - temporary  
Paging - temporary
5. In the law there is no restriction, however the Slovak Telecom, state enterprise, is at present the only provider of the public telecom network and supplier of the public services.
6. At present it is not possible. After transformation the Slovak Telecom to joint-stock company, it will be possible, but not before 1998.
7. (a) terminal equipments - free market  
facsimile - not reserved  
telex - not reserved  
data transmission - not reserved  
mobile - temporary reserved (1996)  
  
(b) Not applicable.
8. Not applicable.

## Part II

### Competition

#### A. Sub-sectors

- (a) Voice telephone services - exclusive rights for Slovak Telecom (ST) for public network.
- (b) Packet-switched data transmission services - temporary exclusive rights - EUROTTEL (till 1996 - after this term - free).
- (c) Circuit switched data transmission services liberalized.
- (d) Teleservices - liberalized, traffic of the telex services decrease.
- (e) Telegraph services - exclusive right - ST.
- (f) Facsimile services - liberalized.
- (g) Private leased circuit services - liberalized without connection to the public network.
- (o). Other.
  - satellite services - VSAT
    - (i) fully liberalized
    - (iii) limitation - not allowed to connect to the public network
    - (iv) equal to domestic suppliers, but each supplier must be registered in the Slovak Republic
    - (v) Licence procedure
  - cellular mobile networks and services analogue: EUROTTEL exclusive rights for 20 years (2011) for 450 MHz
  - digital:
    - (i) 1995 tender for GSM (900 MHz)
    - (iii) tender for 2 suppliers
    - (iv) equal treatment each operator must be registered in the Slovak Republic
    - (v) 1995 - 1996 issue licences
  - paging - exclusive rights (1995) - joint-venture between former Administration of Radiocommunication Bratislava and Tele Diffusion de France
    - (i) 1995 - tender - look for the second operator for public paging.

(iv) equal treatment.

(v) 1995 issuing licence each operator must be registered in the Slovak Republic.

- audiotex, videotext - liberalized

B. Categories

Local/long distance/international ST - exclusive rights.

1. Not applicable.

2. Not applicable.

Radio-based

Re-sale basis

3. Not applicable.

4. Not applicable.

Facilities-based

5. Basic telecommunications supplier: ST constructs and operates its own networks. It is permitted for authorized organizations to construct basic telecommunications network infrastructures.

Public/non-public supply

6. Not applicable.

7. Public voice telephone services, telegraphic services.

8. Not applicable.

9. Cover all country with basic telecommunication services, increase the density of main lines (under licence for ST).

10. No restrictions (permission).

11. ST has the exclusive rights for operation of outside public pay-phones. Operation inside building is liberalized (permission).

PART III

Regulatory issues

Relationship between regulatory and operational functions

1. No.

2. Yes.

3. Ministry of Transport, Communications and Public Works is responsible for regulation affecting basic telecommunications.

Frequency allotment or assignment

4. Frequency allotment or assignment is controlled by radio communications regulations, international recommendations of CEPT and interdepartmental agreements.

5. Not applicable.

Numbering and identification codes

6. International Country code (telephone, telex) is determined and approved by ITU. Numbering scheme for telecommunications services in the SR are covered by a regulation and are determined by the technology used.

7. Not applicable.

Standards, type approval and equipment attachment

8. Not applicable.

9. Not applicable.

10. Only approved equipment can be connected (directly or indirectly) to the terminal point of telecommunication network. There is a special legal regulation defining conditions and the process of verifying, approval and connection of this equipment. Self-certification is not allowed. Equipment from abroad must be involved in the process of the certification, as well as each home equipment connected with the telecom network.

Mutual recognition agreements for telecommunications equipment - not yet.

11. Not applicable.

12. Only ST.

13. Yes.

Interconnection

14. Under valid law, the interconnection is not specifically regulated. Private networks can be built up by the form of leased circuits, or by use of own network. Interconnection with the public network is allowed.

15. The regulatory authority upon granting the licences and permission for operation of telecom networks or telecom services, is obliged to take into account the ability of the applicant to create conditions for observing the aspects of general interest.

16. Not applicable.

17. Regulation regarding the pricing of interconnection will be addressed during next year.

Competitive safeguards

18. No competition in basic telecommunications.
19. The firm has a dominant position on the market when it controls and supplies 40 and more percent of a market. These firms are checked by the Antimonopoly Office of SR to determine whether they not misuse their market position.
20. Not applicable.
21. Not applicable.

Pricing-related measures

22. According to existing legislation, tariff policy for domestic telecommunication operation is determined by the Ministry of Finance. Tariffs of the basic public telecom services have been prepared by the operator. After discussion at the Ministry of transport, Communications and Public Works, the proposal of tariffs has been submitted to the Ministry of Finance. Having reached the agreement between the ministries, the Ministry of Finance will issue a final decision.
26. At present there is a prepared proposal from international consulting companies recommending the formula (taking into account inflation) for use as the basic regulatory method for price regulation.
27. Not applicable.

Rights of way for construction of infrastructure

28. ST - Yes.
29. Not applicable.

New telecommunications services

30. There is not yet.
31. Regulatory body (Ministry of Transport, Communications and Public works).