

Invitation to tender for granting of the rights to use radio frequencies to provide electronic communications networks for the provision of terrestrial digital radio broadcasting and multimedia applications in the 174–230 MHz band (SUMMARY)

On 1st August 2023, the Czech Telecommunication Office (“CTU”) launched a tender for granting of the rights to use frequencies for digital broadcasting DAB+ in the 174–230 MHz band (so called III. band) (“the Tender”). The related documents can be found on CTU website [here](#). This band is designated for terrestrial digital radio broadcasting including mobile multimedia applications and the number of rights to use the radio frequencies is limited.

The subject of the Tender covers exclusively the frequencies for commercial broadcasting, not frequencies designated for public service broadcasting. Currently, only one block allocation has been granted for public service multiplex, and several temporary individual authorisations. Therefore, the band is almost unutilised, and it is possible to grant the rights to its use, thus allowing the utilisation of relevant radio frequencies by other users. The offered frequencies will provide additional space for broadcasters. The utilisation of these frequencies has a significant impact on further development of broadcasting services and will create conditions not only to extend the offer of broadcasting programmes, but also for the provision of other mobile multimedia applications.

In accordance with the requirements to ensure efficient and effective use of the given part of radio spectrum under Section 15 of the Electronic Communications Act (“the Act”) and respecting the objectives and rules set in Sections 5 and 6 of the Act, the aim of the Tender is to grant the applicants with radio frequencies to provide two nationwide and 27 regional transmission electronic communications networks for the provision of terrestrial digital radio broadcasting and mobile multimedia applications service and to create conditions for further development of new digital services. The conditions for the utilisation of the given radio frequencies were set to ensure maximum availability of these new services and, at the same time, to make them practicable for the future block allocation holders. Another aim of this Tender is to support the market competition related to operators of the transmission networks for terrestrial digital radio broadcasting by ensuring plurality of operators of the nationwide and regional electronic communications networks for digital radio broadcasting. This will also allow to improve the competition among broadcasters which will have the possibility to transmit content through newly deployed digital multiplexes operated by broadcasting networks operators.

Within the Tender preparation, the Office worked out the draft principles and conditions, organised several workshops and based on these, prepared the Tender conditions, conducted public consultation and implemented comments thereof into the final shape of the Tender.

The auction results are the only criterion for assessing the submitted applications for the Tender. The auction is organised by combinatorial clock auction, in four auction phases in which the auction blocks will be distributed gradually among the auction participants. The winning combination of offers provided by the auction participants is the one with the highest total value. It will be designated individually for each auction phase. The auction blocks suitable for nationwide networks will be the subject of the first phase, auction block for networks covering several regions will be the subject of the second phase, and auction blocks allowing to cover only individual regions will be the subject of the third phase. In the fourth phase, auction blocks not allocated to any participants of the previous phases will be offered without any limiting conditions. Participation in particular phases is limited on the basis of defined spectral limit so that also smaller players are allowed to enter the market and, at the same time, all block allocations across the Czech Republic are maximally utilised. The development criteria were set with regard to the developing new platform.

The minimum price of individual block allocations was counted according to a price coefficient set as CZK 10 000 per each whole 100 000 of inhabitants living within the area to which the auction blocks are designated.

The deadline for submitting applications is 31st August 2023. The expected time period to launch the electronic auction is mid-October and finalising the auction by issuing the block allocations is expected by the end of 2023.