



PRESS RELEASE

CTU launched a public consultation of conditions of the auction of frequencies for 5G networks

Prague, 26 June 2019 – The Czech Telecommunication Office published a proposed draft of conditions of prepared auction of frequencies in 700 MHz and 3.5 GHz band. The 60 pages long [document](#) is available for public consultation for 30 days according to the Electronic Communications Act. The document will be discussed with the Office for the Protection of Competition and the European Commission after settlement of comments. The tender is planned to be announced in autumn.

The electronic auction should be held in January 2020 so that the block allocations of radio frequencies were granted by April 2020 and the operators could start using the auctioned frequency blocks for provision of networks from mid-2020, when frequencies in 700 MHz band release television broadcasting DVB-T.

The conditions of the auction follow previously published principles, which were repeatedly presented during last year for comments, in order to ensure maximum transparency of the preparation of the tender. In order to fulfil one of the main goals of the auction, which is increased competition on the electronic communications market, a block allocation of 2x10 MHz is reserved to the new operators in the 700 MHz frequency band. In case of a low interest of the incumbent operators, the new operators will have the option to compete for additional 5 MHz. Only if none of the new applicants do not show interest in this auction block in the first auction round, it will be offered to all auction participants. At the same time, CTU will determine a higher spectral limit in the 3.5 GHz frequency band for the new operator than is determined for the incumbent operators.

Any of the incumbent operators, who will participate in the auction of the 700 MHz frequency band, will bear the commitment to provide national roaming. This commitment will be valid for 6 years and will allow the potential new operator, under further conditions, to offer their services via their competitor's networks. One of the conditions for national roaming is that the new operator has to provide a coverage of at least 20 % of the population of the Czech Republic with own network.

At the same time, CTU confirmed validity of the commitment to provide wholesale offer from 4G auction for offered frequency bands in order to promote competition.

The conditions of the auction further determine development criteria ensuring, that the frequencies will be used effectively. The operators will have to provide coverage to municipalities without available high-speed Internet, which are marked as white spots, making it their priority. Within 3 years from granting of the block allocation they will have to provide coverage of 95 % of the population of these municipalities. In January 2025 must be covered 100 % of trunk segments of railway and motorway corridors and 95 % of the territory of municipalities with population over 50,000, and subsequently within 10 years the operators have to secure coverage of 99 % of the population and 90 % of the territory of each district of the Czech Republic.

Only subjects, who are mutually economically independent on each other, can participate in the auction. This condition must be fulfilled by block allocation holders for the entire validity of the block allocation, i.e. until mid-2036 for 700 MHz band, or until mid-2032 for 3.5 GHz band.

The minimum price for each auction block was set based on the analysis of attained prices in relevant European countries. In total the revenue of all auction block should not be lower than CZK 6.3 bn.

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