



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Digital Agenda: Commission suspends Czech proposal to regulate wholesale termination rates**

The European Commission has expressed serious doubts about a new proposal from the Czech telecoms regulator (ČTÚ) regarding termination rates which would negatively affect consumers in the Czech Republic. The prices proposed by ČTÚ for certain termination services are twice as high as prices in other countries where proper price setting methodologies are applied. ČTÚ has imposed wholesale prices which do not take into consideration next-generation-network based efficient technologies. Termination rates are the rates telecoms networks charge each other to deliver calls between networks, and each operator has market power over access to customers on its own network. These costs are ultimately included in call prices paid by consumers and businesses.

The new price regulation proposed by ČTÚ does not comply with the principles and objectives of EU telecoms rules which require Member States to promote competition and the interests of consumers in the EU.

European Commission Vice President Neelie Kroes said: *"The European Commission seeks fair regulation and is determined to ensure that the regulated termination rates are set at a proportionate level in all Member States without any unnecessary delay."*

Moreover, the Commission criticized ČTÚ's proposal to regulate wholesale prices for fixed and mobile termination which would apply only to one telecom company providing the fixed line services and to three out of four operators on the mobile market. Other market players would thus remain free from price control without clear justification.

This is the [second time](#) that the Commission has used its new powers regarding national remedies under Article 7a of the Telecoms Directive in the Czech Republic. The procedure must be concluded within three months.

## **Background**

"Article 7" of the new Telecoms Framework Directive requires national telecoms regulators to notify the Commission, [BEREC](#) (the Body of European Regulators for Electronic Communications) and telecoms regulators in other EU countries, of measures that they plan to introduce to address the lack of effective competition in the markets in question.

Under the new powers of Article 7a of the Framework Directive, the Commission, in close cooperation with BEREC will, over the next three months discuss with ČTÚ how to amend its proposal in order to make it compliant with EU law. In the meantime, implementation of the proposal is suspended.

The new rules also enable the Commission to adopt further harmonisation measures in the form of recommendations or (binding) decisions if divergences in the regulatory approaches of national regulators, including remedies, persist across the EU in the longer term.

## **Useful Links**

The Commission's letter sent to the Czech regulator will be published at:

<https://circabc.europa.eu>

[Digital Agenda website](#)

[Neelie Kroes' website](#)

[Follow Neelie Kroes on Twitter](#)

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