



PRESS RELEASE

European Commission's veto on the proposed mobile market regulation

Prague, 27 March 2023 – **The European Commission rejected the proposed ex-ante regulation of mobile data market in CZ again. Neither the re-worked and amended draft market analysis convinced the European Commission that the three mobile network operators have been acting in collusion and that competition has been hindered thereby. Czech Telecommunication Office now continues to focus on supervising the fulfilment of obligations stemming from the spectrum auction.**

Similarly to last year, the Commission did not give green light to the draft market analysis of wholesale mobile services access which would allow ex ante regulation on this relevant market. Even though the Commission admitted that there is room for improvement of competitive conditions on the Czech mobile market and there remain barriers to entry at wholesale level, they do neither agree with the CTU conclusions on the fulfilment of the three-criteria test, neither on the reasoning on joint SMP of the three MNOs.

The Commission, despite the additional arguments provided by CTU in the analysis, holds that there exist other regulatory tools in the Czech Republic, which may help to improve the imperfect competition, and therefore they decided to veto the CTU proposal which would open the way for ex ante regulation, i.e., the strongest regulatory tool at the disposal of CTU as national regulatory authority. In particular, the Commission is of the opinion that the obligation to provide national roaming and the obligations of wholesale offer stemming from the auction of the 700MHz band spectrum may contribute to improve the situation on the wholesale and retail markets. In the Commission's view, these commitments reduce barriers to entry in the forward-looking analysis and may result in increased competitive pressure in the defined market. At the same time, the Commission also points to other related commitments of reference offers for the MVNO access from previous auctions, which may also improve competitive conditions in the Czech mobile market.

Body of European Regulators for Electronic Communications (BEREC) supported the Commission's serious doubts in its [opinion](#) during the Phase II investigation.

CTU acknowledges the European Commission's decision. CTU will now primarily continue to verify fulfilment of the obligations stemming from the spectrum auctions, in particular the obligation of wholesale offer for the so-called light MVNOs set in the 5G auction. Based on the first CTU consultations and comments, operators have modified and published new reference offers. CTU is currently taking a detailed look at their terms and conditions and will consider further actions, if necessary, to ensure that these offers provide an effective option for MVNOs to offer their services on the retail market.

At the same time, CTU will continue to monitor developments on the mobile services market in the Czech Republic. Although CTU is aware that the Czech Republic is not badly placed in terms of the quality of mobile services and their availability (coverage), the regulator will continue to pay attention to the price level. Should the market situation not improve in the upcoming period, CTU will again assess the existence of the preconditions for ex ante regulation.

Press Unit
Czech Telecommunication Office
Tereza Meravá