1. Basic Information

1.1. CRIS Number: 2005/017-488.02.05

Twinning No.: PL2005/IB/TE/01/TL

1.2. Titles: Monitoring and stimulating the development of the telecommunication market

1.3. Sector: Telecommunication sector

1.4. Location: Poland

2. Objectives

2.1. Overall Objective(s):

Strengthening URTiP in monitoring and stimulating development of telecommunication market - compliance of methods used by URTiP with standards applicable in the EU countries.

2.2. Project purpose:

To improve URTiP’s activity in compliance with standards applicable in the EU countries with regard to the development of the effective competition on Polish fixed, broadband, leased lines and mobile telecommunication market.

2.3. Justification:

Poland has achieved a reasonable level of alignment with the acquis communautaire in the telecommunications sector, recently. New Polish Telecom Act came into force on the 3rd of September 2004. Complementary implementing legislation remains to be adopted (i.e. secondary legislation in the area of access, collecting data from operators - some legislation has been already adopted (ordinance on relevant markets has been published by the Minister of Infrastructure on 25 October 2004). As states the Comprehensive monitoring report on Poland’s preparations for membership in order to develop further competition in the market, reasonable terms for interconnection (including leased lines) need to be settled and local loop unbundling needs to be implemented. One of the tools for an appropriate fulfilling aims stated in the monitoring report is effective introduction or adjustment of reference offers in the area of telecommunication access – in particular leased line and local loop unbundling. Also the other means to achieve further competition on telecommunication market are proper regulatory measures undertaken on the base of the acquis communautaire, in particular the Framework Directive (2002/21/EC) and the Access Directive (2002/19/EC). It is expected that due to that project URTiP will gain knowledge on reference offers operation on markets in Europe (i.e. the way the offers were introduced and changed, expected and achieved results, etc.) and that URTiP will also learn the experience of European countries in regulatory measures undertaken (also expected and achieved results) under the Framework Directive (2002/21/EC) and the Access Directive (2002/19/EC). As a result URTiP expects also recommendations: about changes in offers and regulatory measures to be taken by URTiP.
Furthermore cost orientation on tariffs need to be ensured. Fixed network modernization and price re-balancing should be continued. Also in the field of mobile network there is possibility that cost calculation will be placed as remedy. Right now there are 3 mobile operators who have 30, 33, 37% in market share. In such situation it would be better for NRA to prepare cost calculation model to prepare to regulate the mobile markets efficiently. Access Directive (2002/19/EC) in Article 13.3 says that “For the purpose of calculating the cost of efficient provision of services, national regulatory authorities may use cost accounting methods independent of those used by the undertaking [operator obligated to cost orientation]”. The same statement is also in Commission Recommendation of 8 April 1998 and in the project of revision of this recommendation. The Recommendation also precise that it is possible to use bottom-up cost calculation model (model prepared independently by national regulatory authorities) in order to verify if an operators accounting methods are correct. Implementation of the new legal framework in described scope requires changes in various fields of the telecom law, mainly in the area of secondary legislation -and, amongst others, results in the necessity of learning skills from the EU countries that are more advanced in this respect. Administrative capacity in this sector needs to be further strengthened through more appropriately qualified staffing and continued training.

3. Description
3.1. Background:

The acquis in the field of telecommunications consists mainly of the new regulatory framework on electronic communications adopted in 2002 and that was to be implemented by Member States by not later than 25 July 2003 (or in case of new Member States – 1 May 2004). Due to fulfill the obligation of implementation acquis communautaire in the area of telecommunication Poland has just adopted new Telecommunication Act, which has been in force since 3rd September 2004.

The new law imposes on the President of URTiP several fundamental tasks in particular as follows:

- Conducting analysis of the relevant markets
- Examining competitiveness on existing markets
- Designation operators with SMP
- Introduction and adjusting Reference offers in the area of access in case of exceptional circumstances
- Taking care of development of competition on telecommunication services market
- Solving disputes between operators
- Examination of methods and results of Cost calculation and Accounting separation of SMP operators (fix and mobile) if the remedy will be imposed. It is described on the 4th page – Contract 3 and 4.
- Control of Universal Services Obligation.

The regulatory authority (URTiP) has a stronger position and new competencies assigned. In the light of the existing regulations, President of URTiP has competencies to issue administrative decisions due to change of the project of Reference Offer submitted by the SMP operator.

The President of the Office of Telecommunications and Post Regulation performs two basic functions with regard to the telecommunication services market:
1. **Regulatory function** comprising designation of operators with SMP on the markets as defined by the Ministry, imposing obligations and solving disputes between operators.

2. **Monitoring function** - control of activities by operators providing telecommunication services and agreements between operators.

The regulatory authority in Poland has a good position to fulfill regulatory tasks.

Currently Poland is accomplishing the process of liberalization of the telecommunication market what will enable an easier access to the market for new entrants and to widen the range of services offered by them. The next step is efficient and pro-competitive regulation of that sector.

**CONTRACT 1**

After the adoption of the Commission Recommendation 2003/311/EC of 11 February 2003 URTiP as the NRA shall carry out an analysis of the relevant markets (Art 16/1 Framework Directive).

First a definition of relevant market is made, second URtiP has to review whether or not there is effective competition on the markets. If the market turns out not to be effectively competitive, URtiP will designate operator having market power. It is not planned to undertake all market analyses simultaneously. According to URtiP plans the first market analysis will be access and call origination on public telephone network, voice call termination on individual mobile networks and the wholesale national market for international roaming on public mobile networks in 2nd-3rd qtr 2005 and then also in 2nd-3rd qtr 2005 the following will be carried out –access services to local loop and subscriber sub-loop in order to render broadband and voice services, broadband access services including broadband data transmission, rendering of services associated with ensuring partial or comprehensive lease of trunk lines having capacity of up to 2 Mbit/s inclusively, rendering of services associated with leasing of trunk-line terminal points and not being terminal points, access and call initiation services within public mobile telephony networks, voice termination services in public mobile telephony networks, international roaming services in public mobile telephony networks.

It is necessary to get to know the rules as well as the legal and economic aspects of defining markets by improvement the method of analysis with regard to relevant market assessment in accordance with existing legal provisions and specifying time schedules and priorities in market analysis as well as the scope and process of data collection necessary to calculate competition indicators used by other European regulators in relevant markets. Additionally it is very important to obtain practical knowledge on procedures of examining competitiveness and designating SMP operators.

The main purpose of the contract is to gain and use in the national regulatory practice the experience based on the achievements and results of the others European telecommunications regulators in scope of methodology of relevant markets definition and market analysis especially according to leased lines, broadband and mobile markets which now seems to be the most important ones.

Taking into account the necessity of gaining practical knowledge in this scope it is indispensable to get to know the methodology of analysis present in the European
telecommunications markets with regard to examining competitiveness, identifying SMP and issuing appropriate regulatory measures.

**CONTRACT 2**

In the area connected with effective influence on market players in order to develop competitive telecommunication market in Poland it is desirable for URTiP to gain knowledge on European national regulatory practice in scope of undertaken adequate regulatory measures due to Article 8 of the Framework Directive (2002/21/EC). Particular result that is expected to receive is knowledge on how look like appropriate reference offer in the area of telecommunication access that would stimulate competition on Polish telecommunications market. At the moment there is a Reference Interconnection Offer (RIO) accepted by URTiP although there is an awareness that in such dynamic market as telecommunications market the regulatory authority should be flexible and opened on changes of the market. That means reference offer should evaluate due to these changes. The aim of this contract is to become familiar with practical experiences of other countries, especially in exceptional situations like changing reference offers by office. The most important for URTiP is to know the obstacles connected with these proceedings, not only the results – final reference offers. On the base of the experience of other European National Regulatory Authority we would like to adapt reference offers in the area of telecommunication access in particular local loop unbundling and leased lines to new regulatory framework in particular the Framework Directive (2002/21/EC) and the Access Directive (2002/19/EC).

URTiP would also like to learn the experience of European countries in regulatory measures undertaken (as well as expected and achieved results) under the Framework Directive (2002/21/EC) and the Access Directive (2002/19/EC).

Simultaneously it is also necessary to get assistance from an experienced consultant in the aspects of European Regulatory best practice on methods, procedures and standards used while solving disputes between operators and regulating services i.e. like VoIP, bitstream, wholesale line rental, broadband etc.

As a result URTiP expects also recommendations: about changes in offers and regulatory measures to be taken by URTiP.

**CONTRACT 3**

In the second half of the year 2005 market analysis related to mobile operators will be finished. On the Polish market there are 3 mobile operators. It is most probable that all of them will have the position of SMP in their own network. Thinking about remedies for mobile markets there are two possibilities: obligate the mobile operators to develop the top-down models or to build Regulator’s bottom-up model of cost calculation. The second situation should not have influence on the cost of services and could be more transparent for telecommunications market. Such model could be universal for all the mobile networks. Calculated cost will be the cost of efficient operator in the terms of Commission Recommendation of 8 April 1998 on interconnection in a liberalized telecommunications market (Part 2 - Accounting separation and cost accounting) and Principles of implementation and best practice regarding FL-LRIC cost modeling as decided by the Independent Regulators Group 24 November 2000. Building one model for all mobile operators is an often practice of European NRAs. A Model built in these terms is a good tool to set the prices for the market. It would allow URTiP to strengthen its position on the market.
CONTRACT 4

Through the year 2004 URTiP was discussing with the incumbent about top-down model’s documentation and rules of cost calculation. In the whole process URTiP was supported by external consultants (Institute of Telecommunication and Informatic Technics) and Ovum Holding Limited) who recommended to build the bottom-up model of the incumbent network. In their opinion such model should allow to verify cost results of the top-down model. Their opinion is common with opinion of various European regulators who have already built or are building such models to make verification of operator’s top-down models. It is also in accordance with guidelines of the Commission Recommendation which is mentioned above. In this recommendation, it is said, “the use of CCA values for the network may not fully reflect the costs of an efficient operator (…). Implementation of a bottom-up economic/engineering model will help provide information about these inefficiencies.” Model build by URTiP could be trustworthy for the telecommunications market. Participation in the process of building bottom-up model will help URTiP employees to better understand regulatory accounting methodologies and the operator’s top-down model construction. It would allow URTiP to strengthen its position on the market.

3.2. Linked activities:

**PHARE’99 Programme – PL9905.03**: Approximation of Polish telecommunications and postal market regulation to the requirements of the EU Internal Market
Beneficiaries: Office of Telecommunications and Post Regulation (URTiP), Ministry of Infrastructure (MI).
The overall objective of this project was the harmonisation of Polish telecommunications, radiocommunications and postal market regulation with the current requirements of the European Community acquis (not included EU new regulatory framework). This involved establishing appropriate regulatory bodies to oversee liberalisation of the markets and the development of polities which will both promote competition and provide the best deal for consumers.

**PHARE’00 Programme – PL0004.05**: Universal service in telecommunications
Beneficiary: URTiP.
The aim of the project was the development of policies and the continuation of activities relating to the effective implementation of universal service in Poland. It was a continuation of one component of Phare’99 “NRA” related to universal service and covered the current regulatory package and new Directive 2002 22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and user’s rights relating to electronic communications networks and services. The project result is approximation of the Polish law in relation to Universal Service to the EU requirements including new Directive on universal services and user’s rights.

**PHARE 2002/000-605.02.02** “New regulatory framework for electronic communications”. The purpose of the project is to achieve the approximation of Polish regulation to the EU requirements related to electronic communications and to assure the effective implementation of the acquis communautaire in this field. The technical assistance contracts of the project relate to issues like regulatory accounting, interconnections aspects etc. The activities foreseen in the Transition Facility project have different scope and will not double the activities that will be undertaken within the above mentioned Phare project. In particular in
case of regulatory accounting, Phare contract is concentrating on writing proposals of the regulatory accounting ordinance, methodologies’ training (FL-FDC, FDC, FL-LRIC, LRIC) and training on methods of control the operators in the field of implementation and using of regulatory accounting in practice.

3.3. Results:

**CONTRACT 1**

Task 1 Practical experience from the other European Union members in the field of market analysis gained.
Task 2 List of recommendation of how to modify existing questionnaires for the next analysis elaborated.
Task 3 Report on a system of telecommunication market analysis, examining competitiveness, identifying SMP prepared.
Task 4 At least 10 employees of the URTiP in effective modifying existing questionnaires, telecommunication market analysis, examining competitiveness, identifying SMP trained.

**CONTRACT 2**

Task 1 Analysis of the Polish telecommunication market in the aspect of competitiveness on the market and recommendation on possible and most appropriate regulatory measures that should be undertaken by polish NRA in order to increase the competitiveness elaborated.
Task 2 At least 18 employees of the URTiP in effective introducing and adjusting reference offers in the area of telecommunication access and solving disputes between operators, regulating telecommunication services like VoIP, bitstream, wholesale line rental, broadband trained.
Task 3 Reports including information, guidelines and examples in the areas encompassed in that contract prepared.

**CONTRACT 3**

Task 1 Bottom-up cost calculation model for mobile networks (software, technical documentation and guidelines of usage) built.
Task 2 At least 10 employees of the URTiP in the field of methods of mobile operators’ telecommunication services cost calculation trained.

**CONTRACT 4**
Task 1
Bottom-up cost calculation model for fixed network divided into complementary parts of model – core, access and POI (software, technical documentation and guidelines of usage) built.
Task 2
At least 10 employees of the URTiP in the field of methods of fix operators’ cost calculation of telecommunication services trained.

The implementation by URTiP of new standards and criteria compatible with those applied by other telecommunication market regulators would create the common basis for comparison and reliable analysis. It would contribute to a better control and regulation of the market. Comprehensive data give a chance to react accordingly and to eliminate possible threats and irregularities.

3.4. Activities:

CONTRACT 1
Twinning LightREPORT: report, workshops, visits of experts, study visits.

Task 1
3. 2 study visits for URTiP’s employees in NRA or similar body in MS. The overall costs of URTiP’s participation in study visits will be financed as Polish co-financing.
Task 2
List of recommendation of how to modify existing questionnaires for the next analysis
Task 3
Report on a system of telecommunication market analysis, examining competitiveness, identifying SMP operators.
Task 4
Workshops and trainings on practical aspects on telecommunication market analysis, examining competitiveness, identifying SMP.

CONTRACT 2
Technical assistance: workshops, trainings, consultations, reports.

Task 1
Expert recommendation on possible and most appropriate regulatory measures that should be undertaken by polish NRA in order to increase the competitiveness on the electronic communications market.
Task 2
Workshops and trainings on effective introducing and adjusting reference offers in the area of telecommunication access and solving disputes between operators; with report concluding the work.
Workshops and trainings on regulating telecommunication services like VoIP, bitstream, wholesale line rental, broadband, etc with report concluding the work.
Task 3
Expert report, including information, guidelines and examples, on the issues encompassed by the workshops and trainings.
**CONTRACT 3**
Technical assistance: workshops, trainings, software.

Task 1
Building up the Bottom-up cost calculation model for mobile networks (software, technical documentation, consultation document and guidelines of usage).
Task 2
Training and workshops on model’s usage.

**CONTRACT 4**
Technical assistance: workshops, trainings, software.

Task 1
Building up the Bottom-up cost calculation model for fixed networks (software, technical documentation, consultation document and guidelines of usage).
Task 2
Training and workshops on model’s usage.

There may be a necessity of translation of some documents and purchasing of some materials required for workshops or trainings.
The scope and programme of the project should be consulted with competent URTiP’s employees in advance and may be subject for some changes, as the realization of the project is distant.

Workshops, training and visits of experts from Twinning Partners could take place in head office of URTiP – 18/20 Kasprzaka Street in Warsaw, where we have a proper conference room. The Office has necessary equipment enabling audiovisual presentations. We expect from the organizers a support with regard to the staff (experts to give lectures) as well as to the preparation of the detailed training programme and of content related materials.

The level in which the specific matter is covered, communication skills of experts and the valuation of know-how and practical skills presented by an expert to attendants should be subject to valuation.

**3.5. Lessons learned:**

At the end of the Twinning Project (Phare PL 99/IB-OT-03) it was recommended to URTiP, among the other things, to seek to have qualified staff trained in market analyses in order to designate appropriate relevant markets and undertake proper regulatory measures to stimulate effectively competition.

The structure of URTiP’s Telecommunication Market Department has been changed accordingly – Division of Analyses and Information so as the Division of Operator’s Costs has been established to deal with matters related, among others, to cost and price calculation of telecommunication services. In other Units because of the new tasks for the Regulator the number of employees has raised. New staff should know the methods applied in EU countries.
and take advantage of experience of those countries with regard to the obligations imposed on the regulator by telecommunication Directives.

URTiP develops internal individual training methods, particularly for new staff, using the experience of some employees, so that they can quickly be given an introduction to regulatory issues.

However, in the light of both institutional and law changes there is a need to make further efforts in this respect as the knowledge obtained so far is insufficient.

In general, the recommendations indicate the necessity to make an effort towards further compliance with Telecommunication law, regulatory powers and abilities of NRA with the EU requirements.

Under the previous Phare projects, that URTiP participated in, it was proven that the international experts worked closely with the beneficiary in order to adjust their lectures, training programme and content related materials to the specific needs of the beneficiary. That lesson was incorporated in the design of the current TF project and now it is easier to establish criteria and specific requirements for experts working with URTiP staff.

Moreover, in January 2005 URTiP began the realization of components of Phare 2002 “New regulatory framework for electronic communication”. At the moment no final results have been achieved. Some trainings and workshops are conducted and some draft reports have been presented but in spite of these it is too early to discuss lessons learned. The TF project will treat the relevant issues that the components 04 and 05 of the above-mentioned project relate to, nevertheless it will focus on details not covered by Phare project.

In case of regulatory accounting, the current TF project concentrates on methodology and case studies based on operator’s top-down model. After this project we should know accounting separation and different cost calculation methodologies in theory and general aspects of practice. We know that it is not enough to understand regulatory accounting issues to stimulate efficiently the telecommunication market. Looking on other NRA’s practice we see that the bottom-up models allow them to stimulate competition on the market much more efficiently than in countries which don’t have such models. As was mentioned in section 3.1. Commission Recommendation from April 8, 1998 recommend building such models to provide the NRA cost of services based on the concept of efficient operator. Bottom-up models for fixed and mobile networks will be very helpful for URTiP to strengthen its position in regulatory field. Looking on the advices of consultants, other NRA’s and practice in analyzing the incumbent’s top-down model, bottom-up models allow URTiP to stimulate the competition on the telecommunication market more efficiently.

4. Institutional Framework
4.1.Beneficiary
Beneficiary is the Office of Telecommunications and Post.

This programme would be a continuation of one of the components of Phare’99 – twinning project PL 99/IB-OT-03.

Participation of URTiP employees in training courses organized in the framework of Transition Facility programme gives a unique chance to learn about standards applied by other regulators in EU Member States. This knowledge based on experience of other more advanced in the liberalization process countries would assist URTiP to improve its effectiveness. It also enables the URTiP staff to improve their qualifications and quality of their performance.
5. Budget

<table>
<thead>
<tr>
<th>€M</th>
<th>Transition Facility support</th>
<th>Co-financing</th>
<th>Total cost (TF plus co-financing)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Transition Facility (=I+IB)</td>
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<tr>
<td>CONTRACT 1</td>
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<tr>
<td>Total</td>
<td>0.99</td>
<td>0.99</td>
<td>0.025</td>
</tr>
</tbody>
</table>

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises
(**) private funds, FIs loans to private entities

The amount for co-financing for Contract 1 (Twinning light) is entirely parallel co-financing. All costs for study visits outside Poland as part of the Twinning will be borne by the beneficiary country.

In the case of Joint Co-financing, where the final overall cost is lower than foreseen in the project fiche, the National Public and Transition Facility Co-financing are reduced proportionally so as to maintain the agreed rate of co-financing. In the case of Parallel Co-financing, where the final cost is lower than foreseen in the project fiche, it must be shown that the overall objectives of the project have been fully achieved.

6. Implementation Arrangements

6.1 Implementing Agency

PAO: Mr. Tadeusz Kozek, Under-secretary of State, Office of the Committee for European Integration, Aleje Ujazdowskie 9, 00-918 Warsaw, phone number: +48 22 455 52 41, fax number: +48 22 455 52 43.

CFCU will be the Implementing Agency:

Director, Co-operation Fund, Central Financing and Contracting Unit, ul. Górnośląska 4a, 00-444 Warsaw, phone number: +48 22 622 84 64, fax number: +48 22 622 75 65.

CFCU will be responsible for handling tendering, contracting and payments of contracts. During the preparation of TORs and contracts it will be assisted by beneficiaries. In order to support CFCU, Task Force will be established to efficiently carry out implementation works and co-ordinate them. Its task will be to prepare TOR (technical terms) and to co-operate with CFCU on carrying out contracts.

6.2 Twinning

Contact persons in the URTiP: Jerzy Czajkowski, Director of International Department, phone: (48) 22 53 49 159, fax: (48) 22 53 49 2 53, e-mail: j.czajkowski@urtip.gov.pl ul. Kasprzaka 18/2001-211 Warsaw.
Marian Kornaszewski, Director of Telecommunication Market Department, phone: (48) 22 5349 225, fax: (48) 22 5349 195, e-mail: m.kornaszewski@urtip.gov.pl ul. Kasprzaka 18/20 01-211 Warsaw.

The candidates for the Short Term Experts should have a fluent command of the English language, working knowledge of Polish will be considered an asset. The Short Term Experts should have knowledge of standards and methods applied by telecommunication regulators in EU countries and practical experience in applying of telecommunication regulations (in particular in mentioned above areas). They should have experience in conducting of professional workshops/trainings and be familiar with legal and professional vocabulary.

Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the key experts for this contract are as follows:

- **Education, experience, references and category of each expert**
  1. **Project Leader - Category II expert:**
     - Personal experience in the implementation of institutional aspects targeted by the twinning project: minimum 3 years.
     - At least 10 years of experience in implementation of legal solutions in telecommunications sector,
     - Thorough knowledge of Polish telecommunications sector
     - Experience in management of projects and strategic planning
     - An advanced university degree in law

  2. **Short-term experts - Category III experts:**
     - **Task 1**, 1 expert: experiences on a methodology of examining competitiveness, identifying SMP
     - **Task 2**, 1 expert: data collection and telecommunication market analysis.

General experience of key experts:
- university degree in law and/or economics, business or technology, with a background in technology, science, information and communication policy or business studies.
- Experts in the field of electronic communication.
- Minimum three years' experience (theory, practice) in NRA.
- Interpersonal skills.

6.3 Non-standard aspects

n/a

6.4 Contracts

**CONTRACT 1 – Twinning light**
0. 175 MEUR (0.15 MEUR - Transition Facility funds and 0,025 MEUR – Polish co-financing, parallel co-financing)

**CONTRACT 2 - Technical Assistance**
0,2 MEUR gross value – Transition Facility Funds

**CONTRACT 3 - Technical Assistance**
0,27 MEUR gross value – Transition Facility Funds
CONTRACT 4 - Technical Assistance
0.37 MEUR gross value - Transition Facility Funds

7. Implementation schedule
7.1. Start of tendering: I quarter 2006
7.2. Start of project activity: II quarter 2006
7.3. Project completion IV quarter 2006

8. Sustainability
Sustainability is expected to be good, bearing in mind:
- engagement and determination of URTiP to fulfill its regulatory tasks,
- the government’s firm commitment to making sound progress to adjust the national regulations to the directives of EU,
- further liberalization process of telecommunication market in Poland.

9. Conditionality and sequencing
Preparation of Terms of Reference
Signing the contract
Conducting training, workshops, study visits, reports.
# Annex 1: Logframe matrix

## LOGFRAME PLANNING MATRIX FOR

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IV quarter 2007</td>
<td>IV quarter 2008</td>
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<tr>
<td>Total budget</td>
<td>1 015 000 EUR</td>
<td>Transition Facility Budget</td>
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<tr>
<td></td>
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<td>990 000 EUR</td>
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### Project
**Monitoring and stimulating the development of the telecommunication market**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening URTiP in monitoring and stimulating development of telecommunication market - compliance of methods used by URTiP with standards applicable in the EU countries.</td>
<td>Telecommunication administration capacity strengthened by the end of the project.</td>
<td>Polish Journals of Laws, regulation, resolution, orders, Documents published in EU on legal principals and practice of telecommunication market analysis, examining competitiveness, identifying SMP operators.</td>
</tr>
</tbody>
</table>

### Project purpose (Immediate Objectives)
**to improve URTiP’s activity in compliance with standards applicable in the EU countries with regard to the development of the effective competition on Polish fixed, broadband, leased lines and mobile telecommunication market.**

<table>
<thead>
<tr>
<th>Project purpose (Immediate Objectives)</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>

### Results

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>


- practical experience from the other EU members in the field of market analysis gained,
- list of recommendation of how to modify existing questionnaires for the next analysis elaborated,
- report on a system of telecommunications market analysis, examining competitiveness, identifying SMP operators,
- analysis of the Polish telecommunication market in the aspect of competitiveness on the market and recommendation on possible and most appropriate regulatory measures that should be undertaken by polish NRA in order to increase the competitiveness elaborated,
- reports including information, guidelines and examples on: effective introducing and adjusting reference offers in the area of telecommunication access and solving disputes between operators, regulating telecommunication services like VoIP, bitstream, wholesale line rental, broadband; prepared,
- bottom-up cost calculation model for mobile networks (software, technical documentation and guidelines of usage) built,
- bottom-up cost calculation model for fixed network divided into complementary parts of model – core, access and POI (software, technical documentation and guidelines of usage) built.

Employees of the URTiP trained and prepared to effective acting in the field of:
- telecommunication market analysis,
- modifying existing questionnaires for the next analysis,
- examining competitiveness, identifying SMP operators,
- introducing and adjusting reference offers in the area of telecommunication access and solving methods of mobile and fixed operators’ telecommunication services cost calculation.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| 2 analysis, 10 reports, 2 methodology guidelines concerning telecommunication market prepared by the end of the project. | • Polish Journals of Laws, • Official publications, • Documents published in EU on practice of building up bottom-up models, • Reports of experts, • NRA’s Bulletins, • Studies and analysis prepared by URTIP, • Lists of trained persons, • Report on telecommunication market prepared by URTIP, • Statistical Yearbook. | The URTiP maintains obtained competencies.
|                                                                              |                                                                      |                                                              | Transfer of know-how in beneficiary organization..
<p>|                                                                              |                                                                      |                                                              | Keeping of trained staff within administration.                             |</p>
<table>
<thead>
<tr>
<th>Twinning light Technical Assistance</th>
<th>Polish Journals of Laws,</th>
<th>Keeping procedural time-limits of launching programme and realisation of action plan;</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Official publications,</td>
<td>Satisfactory quality of training courses and experts;</td>
</tr>
<tr>
<td></td>
<td>Documents published in EU on practice of building up bottom-up models,</td>
<td>Effective transfer of know-how and appropriate information within beneficiary organisation;</td>
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<tr>
<td></td>
<td>Reports of experts,.</td>
<td>Quality of Polish staff involved;</td>
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<tr>
<td></td>
<td>NRA’s Bulletins,</td>
<td>Partners interested in co-operationoperation.</td>
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<tr>
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<td>Lists of trained persons,</td>
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<td></td>
<td>Report on telecommunication market prepared by URTIP,</td>
<td></td>
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<tr>
<td></td>
<td>Statistical Yearbook.</td>
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| Preconditions | Examination of methods and results of Cost calculation and Accounting Separation of mobile operator can be carried out only if the operator is recognized as the significant market power operator and has an obligation of Cost calculation and Accounting Separation. According to URTIP’s plans first market which will be analyzed is mobile market. The next step will be designation of significant market power for mobile operator together with imposing above-mentioned obligation. |

- 2 study visits in NRA or similar body in MS,
- preparing recommendations on the way of modifying existing questionnaires for the next analysis,
- report on a system of telecommunications market analysis, examining competitiveness, identifying SMP operators
- preparing analysis and recommendations on possible and most appropriate regulatory measures that should be undertaken by polish NRA in order to increase the competitiveness on the electronic communications market,
- preparing expert reports, including information, guidelines and examples, on the issues encompassed by the workshops and trainings,
- building-up bottom-up cost calculation models for mobile networks and conducting accompanying trainings and workshops,
- building-up bottom-up cost calculation models for fixed networks and conducting accompanying trainings and workshops,
- conducting workshops and trainings on practical aspects on telecommunication market analysis, examining competitiveness, identifying SMP,
- conducting workshops and trainings on effective introducing and adjusting reference offers in the area of telecommunication access and solving disputes between operators; with report concluding the work,
- conducting workshops and trainings on regulating telecommunication services like VoIP, bitstream, wholesale line rental, broadband, etc with report concluding the work.
## Annex 2-3: Implementation, contracting and disbursement schedules

Methods of monitoring and stimulating development of the Polish telecommunication market by the regulator on the basis of EU Member States experience

<table>
<thead>
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<th>Planning Period</th>
<th>November 2004</th>
<th>IV’05 – III’06</th>
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<table>
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<tr>
<td>Disbursement schedule</td>
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D = design of sub-projects  
C = tendering and contracting  
I = contract implementation and payment