STANDARD SUMMARY PROJECT FICHE FOR THE TRANSITION FACILITY

1. Basic Information

1.1 CRIS Number: 2005-01/-462.03.02
1.2 Twinning light: SI05-IB-OT-02
1.3 Title: Further reinforcement of the Post and Electronic Communications Agency of the Republic of Slovenia (PECA)
1.4 Sector: Internal Market
1.4 Location: Slovenia

2. Objectives

2.1 Overall Objective(s):

The overall objective of this project is to reinforce the Independent National Regulatory Authority in the field of electronic market regulation and managing and optimizing the use of radio spectrum.

2.2 Project purpose:

The purpose of this project is to gain knowledge with regard to market analysis, SMP determination and remedies imposition and to increase efficiency of the use of the radio spectrum in Slovenia. The project is divided into components. The institutional building component covers market analysis, SMP designation and remedy imposition as well as the radio spectrum management. Through the last component, radio spectrum management, PECA will gain the needed knowledge from one or more NRAs who had their in house software already replaced with the outsourced software. The Agency and the twinning partner will analyse the available software tools and at the end feasibility revision taking into account integration with existing database will be performed. The purchase of three software modules has been planned. The modules include software tools for analysis, planning and coordination of broadcasting, fixed service and land mobile service.

2.3 Justification

In accordance with the Comprehensive Monitoring Report, the national regulator should be strengthened in order to effectively implement the postal services and telecommunications acquis, and thereby ensuring competition in the market.

The project takes into account and contributes to reinforcement and implementation of the following Directives and Decisions:


3. Description

3.1 Background and justification:

Regulation of the telecommunications sector was detailed in the ex-ante regulation under the 1998 regulatory framework. Under the new regulatory framework, the markets to be regulated are defined in accordance with the principles of the European competition law. According to Guidelines\(^1\), the Post and Electronic Communications Agency RS (PECA) is required to conduct an analysis of the effective competitiveness of the relevant markets. Where it concludes that a relevant market is not effectively competitive, the Agency must identify the undertakings with Significant Market Power - SMP on that market and impose on such undertakings appropriate specific regulatory obligations\(^2\) or maintain obligations where they already exist. The three-stage process, market definition, analysis and remedies imposition is not a single process but must be carried out on a regular basis. The Recommendation\(^3\) defines 18 markets for the electronic communications sector covered by ex-ante regulation. Lists of markets will be reviewed and eventual changes will be proposed by the Commission at the end of 2005.

One of the Agency's responsibilities is frequency management. Study on Spectrum Management in Accession Countries\(^4\) evaluated the institutional capabilities of the departments within the Agency, which is responsible for spectrum management, monitoring and spectrum harmonisation. Although the above Report dates from 2001, there have been no significant changes in staffing levels in departments for spectrum management and spectrum monitoring. The Report described PECA's software relating to spectrum monitoring- propagation modelling software, including path profiling (produced in-house). PECA benchmarked the software availability within different administrations and concluded that almost all administrations (see annex 4) have replaced the in-house software with the outsourced software. The Report also stated that although there were only a small number of staff employed within PECA, the staff interviewed appeared to be well trained and knowledgeable about the software that was in use. We believe that the Agency is in a position to properly process the tender procedure.

With regard to frequency management, the specialists are subjected to an increased pressure from applicants for the allocation of frequency spectrum. The Agency initially operated with the in-house software. However, increased requirements for radio links and

\(^1\) Commission guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services (Guidelines)
\(^2\) ERG Common Position on the approach to appropriate remedies in the new regulatory framework, 02. 04. 2004
\(^4\) EC Contract No. 71083 :Study on Spectrum Management in Accession Countries Slovenia, May 2001 (Report)
increased complexity of the coordination process in the domain of broadcasting require more sophisticated tools.

3.2 Linked activities:

The market definition, market analysis and the lists of remedies will be reviewed periodically. The twinning light project will give PECA the knowledge necessary to:

- review the data questionnaires for market analysis,
- review the issues raised from analysis of the markets,
- determine the appropriate market definition process,
- review interdependency of the market definition, analysis and remedies.

PECA started to develop the in-house software in 1993 on the basis of the methods developed within the framework of Vienna agreement. The developed software has been usefully applied in the domain of broadcasting for planning of the new radio stations as well as for the process of international coordination (Stockholm 61, Geneva 84, Chester 97 etc.). However, in the mean time, more sophisticated and user friendly tools have been developed and have been adopted by the administrations of the neighbouring countries. Our tools are no longer adequately compatible with the tools of the neighbouring administrations, which often resulted in disagreements and aggravation of the coordination process.

In the domain of Fixed Service, the Harmonized Computer Methods - Fixed Service within the framework of Vienna (Berlin) agreement, have been followed and adopted. However, these methods, being quite useful in the process of international coordination, are not precise enough to analyze and solve the problems of quality and availability of radio links on the exposed locations within the country. Due to the increased density of base stations (GSM, UMTS) and the related microwave links over the past years, the problem of the reduced quality and availability has become quite severe and we are already facing many complaints from the operators and project engineers.

3.3 Results:

By the end of the project PECA’s staff for the electronic market regulation will:

- Possess improved knowledge on performance of market analysis, SMP determination, remedies impositions;

With a view to managing and optimizing the use of radio spectrum:

- An improved frequency management and frequency coordination with the administrations of the neighbouring countries will be achieved;

3.4 Activities:

- staff training in reviewing the data questionnaires for market analysis
- staff training in reviewing the issues raised from analysis of the markets
- determination of the appropriate market definition process
- staff training in reviewing interdependency of the market definition, analysis and remedies
- detection of the problems within the electronic communications sector regulation and finding/choosing the appropriate remedies (price control and cost accounting obligations, obligation of access, obligation of accounting separation, obligation of transparency, obligation of equal treatment).
Final version 29 March 2005

- determination of the technical characteristics and requirements of the tools
- adaptation of the purchased tools to our hardware and data bases
- verification of the running programs on different practical examples

3.5 Lessons learned:

The past conclusions of the projects in this area are:

- SI02/IB/EC-02-TL - Cost model, SI02/IB/EC-07-TL - Case studies were two follow-up twinning light projects of the first TL SL99/IB/EC/03-TL, which focused more on the legal texts and institutional issues enabling PECA to start to operate. The two follow-up TL’s were concentrated on every day practice and the implementation of regulatory procedures focused on interconnection tariff regulations. The issues in proposed PF were already covered in TL projects in the past but since the new regulatory framework for electronic communications has been changed from ‘directive oriented’ to ‘competition law approach’, the project is expected to strengthen and enhance the administrative capacity of the PECA. PECA carefully follows the Commission’s latest Comprehensive Monitoring Report and its annexes on the implementation of the regulatory framework and will try the best to ensure effective regulation and to promote the competition. This is also the goal of our new director Mr. Tomaž Simonič. We believe that through the proposed twinning project we will be able to gain additional knowledge and experience from the twinning partner on market definition, market analysis, SMP designation and remedies imposition.

- Through the twinning light project PECA’s specialists from department for frequency management will gain knowledge and the hints needed for acquiring the proposed software.

- After the acquisition of the software PECA’s specialists will be able to use planning modules for fixed, mobile and broadcast, analogue and digital services. The software will facilitate the coordination process between Regulatory Authorities due to unified import/export of coordination data and support new data fields for notification of digital (T_DAB; DVB-T) assignments and allotments in accordance with ITU-R recommendation. The software will enable that the new planned services will not interfere with the existing systems in accordance with ITU plans and regional and national plans. With the software will enable the user to calculate the interference between the existing, coordinating and new links. With the broadcasting module the transmitter coverage calculation will be performed. With the mobile module the field strength will be calculated. The planning tool uses the calculation methods in accordance with the Berlin agreement. The software will enable visualization of stations, results vectors on different kinds of maps (topographic morphological maps).

3.6 Experts profile

In view of the fact that the project consists of two different subcomponents, market analysis, SMP determination, remedies imposition and frequency management the short term experts are expected to have a University Degree in Economics, Law. and in Engineering. Experts should have at least 5 (five) years of professional experience and should be fluent in English or Slovene language.

4. Institutional Framework

The Ministry of the Economy (MoE) has the overall responsibility for the Internal Market and will take the overall co-ordination of the project PECA will be final beneficiary and will
provide all necessary resources available for a successful implementation of the project. PECA will provide staffing, adequate logistic resources and equipment for experts. Department for Management of EU funds of the Ministry of Finance, acting as Implementing Agency, will be responsible for contracting and financial matters, in accordance with GGAPP (Guide on Grants and Public Procurement under Pre-Accession Instruments) and the Twinning rules.

The results of the project will not change the institutional framework but additional knowledge will be gained in two different areas, market analyses and frequency management.

PECA will be the beneficiary institution which will gain the know-how in the three-stage process, in the market analyses, the SMP determination and remedies imposition. PECA will, through the acquisition of the software tools, increase efficiency in the use of radio spectrum in Slovenia.

PECA will be the owner of the acquired software.

5. Detailed Budget

<table>
<thead>
<tr>
<th></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>
</tr>
<tr>
<td>year 2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning Light</td>
<td>0</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Investment</td>
<td>130,000</td>
<td>130,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Total</td>
<td>130,000</td>
<td>150,000</td>
<td>280,000</td>
</tr>
</tbody>
</table>

We propose the distribution of the budget between two subcomponents as follows:

<table>
<thead>
<tr>
<th></th>
<th>Market analysis</th>
<th>F. management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project leadership</td>
<td>36,000.00 €</td>
<td>36,000.00 €</td>
<td></td>
</tr>
<tr>
<td>STE</td>
<td>75,000.00 €</td>
<td>15,000.00 €</td>
<td>90,000.00 €</td>
</tr>
<tr>
<td>Training abroad</td>
<td>15,000.00 €</td>
<td>5,000.00 €</td>
<td>20,000.00 €</td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td>4,000.00 €</td>
<td>4,000.00 €</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150,000.00 €</td>
<td></td>
</tr>
</tbody>
</table>

The direct and indirect costs of the PECA, civil servants working on for the project will be born by PECA. The PECA will provide office space, office support, salaries and travel tickets for the counterpart staff in the framework of study visits, all in accordance with the twinning project rules. The Slovene side will cover 25% the software costs.
6. **Implementation Arrangements**

6.1. Implementing Agency:
Ministry of Finance – Dept. for management of EU funds
Mr. Peter Škofič, PAO
Beethovenova 11
SI - 1000 Ljubljana
Tel: +386 1 478 6994
Fax: +386 1 478 6204

6.2 Implementing Authority for Twinning
Ministry of the Economy
Kotnikova ul. 5
SI - 1000 Ljubljana

Responsible person:
Peter Puhan, MA, Acting Director-General for the Internal Market
Tel.: +386 1 478 3561
Fax: +386 1 478 3622

Contact person:
Peter Vrtačnik, PhD, Secretary
Tel: +386 1 478 3666
Fax: +386 1 478 3283
e-mail: peter.vrtacnik@gov.si

6.3. Contracting Authority
Post and Electronic Communications Agency RS,
Stegne 7, POB 418
SI - 1001 Ljubljana

Responsible person:
Mr. Tomaž Simonić, Director
Tel.: +386 1 583 63 03
Fax.:+386 1 511 11 01
e-mail: tomaz.simonic@apek.si

Contact person:
Mr. Tomo Žbontar, Project Leader
Tel.: +386 1 583 63 04
Fax.:+386 1 511 11 01
e-mail: tomo.zbontar@apek.si

7. **Implementation Schedule**

7.1 Start of tendering/call for proposals
3\(^{rd}\) quarter 2005

7.2 Start of the project activities
4\(^{th}\) quarter 2005

7.3 Project Completion
1\(^{st}\) quarter 2006
8. **Sustainability**

The investment will be sustainable in the long term. One of the principal tasks of the National Regulatory Authority is to assure an effective use of frequency spectrum. The tools developed in the framework of this project will enable the Agency to implement ITU Recommendations and to enhance international coordination procedure, determined by Vienna Agreement. PECA will cover all costs for maintenance and for the necessary update of software.

9. **Conditionality and sequencing**

All the necessary human resources and hardware will be provided by PECA. In PECA, 14 people are involved in the three-step process (market analysis, SMP determination and remedies imposition) and 7 people in frequency management. It has been planned for all the staff to be trained through the twinning project.

The most important milestones of the project are given in section 7.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting schedule and disbursement schedule by quarter for full, duration of programme
4. List of programs used by MS regulatory authorities
## ANNEX 1

### TF log frame

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further reinforcement of the Post and Electronic Communications Agency of the Republic of Slovenia (PECA)</td>
<td>Contracting period expires</td>
</tr>
<tr>
<td></td>
<td>Disbursement period expires</td>
</tr>
<tr>
<td></td>
<td>Total budget 345,000.00 €</td>
</tr>
<tr>
<td></td>
<td>TF budget : 280,000.00 €</td>
</tr>
</tbody>
</table>

### Overall objective

Gain know-how in the three-stage process - market analysis, SMP determination, remedies imposition and increased efficiency of the use of radio spectrum in Slovenia.

### Objectively verifiable indicators

- Competitive market for electronic communications improved
- Availability of fixed links at higher densities
- May 2006

### Sources of Verification

- Interim Evaluation Reports, (IER), Implementation Status Report, SMSC for economics and financial issues, Project documentation (start-up report, final report for the twinning light project, certificate of acceptance for software)

### Project purpose

Objectively verifiable indicators

<table>
<thead>
<tr>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumptions</td>
</tr>
</tbody>
</table>
Reinforcement of the Independent National Regulatory Authority in the field of market analysis, SMP determination, remedies imposition and managing and optimizing the use of radio spectrum.

Notifications of the draft measures in accordance with Article 7 of Directive 2002/21/EC of the Commission.

May 2006

Calculations of interferences, comparison of the results with the authorities of the neighbouring countries

Article 7 task force opinion on notifications
Opinion from the users and the authorities of the neighbouring countries

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**Results**

**Activities**

PECA staff will gain knowledge for market analysis, SMP determination and remedies implementation of ITU Recommendations concerning interferences (Rec(01)05).

Enhanced procedure of international coordination

**Means**

Objectively verifiable indicators

By the end of the twinning light project, the PECA staff will be acquainted with market analysis and will be able to better lead their own analysis, Quality and availability of the introduced new links. Duration and complexity of coordination process

Sources of Verification

Opinion from the users and the authorities of the neighbouring countries

Assumptions

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<table>
<thead>
<tr>
<th>Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

- staff training in reviewing the data questionnaires for market analysis
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- detection of the problems within the electronic communications sector regulation and finding/choosing the appropriate remedies (price control and cost accounting obligations, obligation of access, obligation of accounting separation, obligation of transparency, obligation of equal treatment).
- determination of the technical characteristics and requirements of the tools
- adaptation of the purchased tools to the existing hardware and data bases
- verification of the running programs on different practical examples

<table>
<thead>
<tr>
<th>Study visits, Workshops. Training to staff delivered.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Purchased tools for the analysis and planning of fixed radio links and broadcasting radio stations</th>
</tr>
</thead>
</table>
ANNEX 2

IMPLEMENTATION TIME CHART

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th></th>
<th>2006</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01</td>
<td>02</td>
<td>03</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ANNEX 3

<table>
<thead>
<tr>
<th>Cumulative Contracting and Disbursement Schedule</th>
<th>03/31/05</th>
<th>06/30/05 €</th>
<th>09/30/05 €</th>
<th>12/31/05 €</th>
<th>03/31/06 €</th>
<th>06/31/05 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted (total)</td>
<td></td>
<td>280,000.00</td>
<td>280,000.00</td>
<td>280,000.00</td>
<td>280,000.00</td>
<td></td>
</tr>
<tr>
<td>Disbursed (total)</td>
<td></td>
<td>0</td>
<td>250,000.00</td>
<td>280,000.00</td>
<td>280,000.00</td>
<td></td>
</tr>
</tbody>
</table>
### ANNEX 4

**List of programs used by MS regulatory authorities**

<table>
<thead>
<tr>
<th>STATE</th>
<th>REGULATORY AUTHORITY</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Rundfunk und Telekom RegulierungsGmBH</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Belgium</td>
<td>Belgisch Instituut voor Postdiensten en Telecommunicatie / Institut Belge des Services Postaux et des Télécommunications</td>
<td>Usage of the program ICS Telecom made by the company ATDI</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Αρχή Τηλεπικοινωνιών Κύπρου (Cyprus Telecommunications Authority)</td>
<td>No program used in the domain of Fixed Service</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Český Telekomunikační Úřad</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Denmark</td>
<td>IT- og Telestyrelsen</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Estonia</td>
<td>Sideamet</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Finland</td>
<td>Viestintävirasto (FICORA)</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>France</td>
<td>Agence Nationale des Fréquences Authorité de Regulation des Télécommunications</td>
<td>Usage of the program ICS Telecom made by the company ATDI</td>
</tr>
<tr>
<td>Germany</td>
<td>Regulierungsbehörde für Telekommunikation und Post</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Greece</td>
<td>Εθνική Επιτροπή Τηλεπικοινωνιών και Ταχυδρομείων (National Telecommunications &amp; Post Commission)</td>
<td>Usage of the program Signal Pro, produced by the company EDX. In 2004 they plan the instalation of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Hungary</td>
<td>Hírközlési Felügyelet</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Ireland</td>
<td>Commission for Communications Regulation</td>
<td>Usage of the program ICS Telecom made by the company ATDI</td>
</tr>
<tr>
<td>Italy</td>
<td>Autorità per le Garanzie nelle Comunicazioni</td>
<td>Usage of the program made by the company ITP Elettronica.</td>
</tr>
<tr>
<td>Latvia</td>
<td>Latvijas Valsts Eektrosakaru Inspekcija</td>
<td>Usage of the program Pathloss 4.0, produced by the company CTE</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Ryšių Reguliavimo Tarnyba</td>
<td>Usage of the program</td>
</tr>
<tr>
<td>Country</td>
<td>Regulatory Authority</td>
<td>Software and Company</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Institut Luxembourgeois de Régulation</td>
<td>Pathloss 4.0, produced by the company CTE</td>
</tr>
<tr>
<td>Malta</td>
<td>Malta Communications Authority - Ministry of Transport and Communications</td>
<td>Usage of the program ICS Telecom made by the company ATDI</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA)</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Poland</td>
<td>Ministerstwo Infrastruktury Urząd Regulacji Telekomunikacji i Poczty</td>
<td>Tenders have been invited</td>
</tr>
<tr>
<td>Portugal</td>
<td>Autoridade Nacional de Comunicações (ANACOM)</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>Telekomunikačný Úrad Slovenskej Republiky</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Agencija za pošto in elektronske komunikacije Republike Slovenije</td>
<td>Produced by PECA, in-house software</td>
</tr>
<tr>
<td>Spain</td>
<td>Secretaría de Estado de Telecomunicaciones y para la Sociedad de la Información</td>
<td>Usage of the program produced by the company ISDEFE</td>
</tr>
<tr>
<td>Sweden</td>
<td>Post- och Telestyrelsen</td>
<td>Usage of the program MULTIlink made by the company LStelcom</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Office of Communication (OFCOM)</td>
<td>Usage of the program ICS Telecom made by the company ATDI (with some modifications)</td>
</tr>
</tbody>
</table>