



# český telekomunikační klastr

**European Commission**

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Per e-mail

In Brno on July 6, 2020

## **Contribution of the Czech Telecommunications Cluster to the Targeted review of the General Block Exemption Regulation (State aid): extended scope for national funds to be combined with certain Union programmes (2nd consultation)**

The Czech Telecommunications Cluster (Český telekomunikační klastr z.s.) being an association of over twenty regional and state-wide internet service providers and telecommunications operators in the Czech Republic welcomes the opportunity to contribute to the consultation of the General Block Exemption Regulation. In keeping with our mission statement to convey the opinions and positions of our members to the authorities and public bodies, we would hereby like to voice our concern about the proposed changes regarding the description and definition of NGA networks in the regulation (EU) No 651/2014.

### **Article 1, paragraph (2), letter C) – point 138, part iii)**

The General Block Exemption Regulation adds a new aspect to the definition of NGA networks as they are currently specified in the regulation (EU) No 651/2014 by including the sentence *“NGA networks include networks capable of providing 1 Gbps upload and download speeds.”* Unfortunately, said wording is not unambiguous and allows for two possible interpretations:

- a) Among networks that meet the other parameters specified in point 138, NGA networks are only those capable of providing 1 Gbps upload and download speeds.
- b) NGA networks are those, that meet the other parameters specified in point 138, and among others, they also include networks capable of providing 1 Gbps upload and download speeds.

While we consider the second interpretation to be more consistent with the internal logic of the regulation, in reality either of these interpretations could be used by the national authorities and other relevant persons. This adds a substantial amount of uncertainty to the position of private internet service providers and telecommunications operators, as the consequences of the first interpretation being adopted would be far-reaching and, in some cases, dire.

For example, private telecommunication operators are currently making large investments in new NGA networks that are built to the present specifications. These operators expect and require a certain amount of future revenue to cover such investments. Considering that especially in the Czech Republic many of them are small-to-medium sized regional enterprises, retracting investment protection in cases where the NGA network does not support 1 Gbps upload and download speeds could put those operators out of business. Many other cases, where a similar shift in the definition of NGA networks would bring harm to the operators, could be construed.

To avoid said ambiguity we propose a change in the wording of the new point 138 to make it clear that 1Gbps networks are only a subset of the general category that is NGA and that NGA comprises also networks that do not provide 1Gbps speeds.

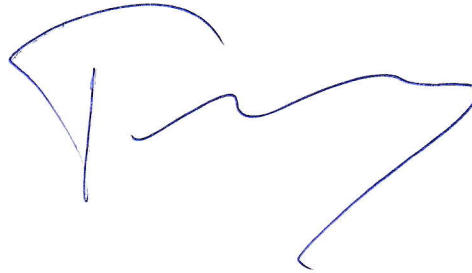
#### **Proposed new wording:**

*“At the current stage of market and technological development, NGA networks are: (a) fibre-based access networks (FTTx), (b) advanced upgraded cable networks and (c) certain advanced wireless access networks capable of delivering reliable high- speeds per subscriber. NGA networks include **also** networks capable of providing 1 Gbps upload and download speeds. References to NGA networks include next generation backhaul networks (NGN), where these are necessary for the NGA deployment;”*

For optimal clarity we also propose a new explanatory recital to be formulated and added to the regulation (EU) No 651/2014.

**The Czech Telecommunications Cluster (Český telekomunikační klastr)**

**Martin Tuzar, chairman of the board**

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a series of loops and a long horizontal stroke.