

WORLD TRADE
ORGANIZATION

RESTRICTED

S/GBT/W/1/Add.26/Rev.1

15 February 1997

(97-0657)

Group on Basic Telecommunications

Original: English

COMMUNICATION FROM HUNGARY

Draft Final Schedule on Basic Telecommunications

Revision

The following communication is circulated at the request of Hungary to members of the Group on Basic Telecommunications.

Upon instructions from my authorities, herewith I send you the revised draft final schedule of Hungary on Basic Telecommunication Services. It contains improvements in comparison to our previous offer (contained in document S/GBT/W/1/Add.17 dated 10 February 1997).

It is our understanding that broadcasting services are not covered by the negotiations therefore broadcasting services are not included in the offer.

This draft final schedule is conditional upon a satisfactory MFN based final outcome of the negotiations.

Hungary reserves the right to make any technical changes to this offer and correct any errors, omissions or inaccuracies in it at any time prior to the conclusion of the negotiations. Deletion of references to frequency management in the Market Access column is conditional to consensus on the relevant Chairman's Note and on all Members of the Group on Basic Telecommunications would also delete the reference from their Schedules.

HUNGARY - DRAFT FINAL SCHEDULE

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2C. TELECOMMUNICATION SERVICES (excluding broadcasting services)¹</p> <p>(a) Public voice telephony (Domestic, long distance)</p>	<p>(1) By-pass is not allowed</p> <p>(2) None</p> <p>3(a) Foreign investment is limited by the required 25 per cent Hungarian interests and + 1 vote for MATÁV Rt. and Antenna Hungaria Rt.</p> <p>3(b) Licences are granted only to companies registered in Hungary.</p> <p>3(c) Exclusivity for international long distance and domestic services until 31 December 2002 and for local calls until 31 December 2003.</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>Hungary undertakes the obligations contained in the reference paper attached hereto.</p>

¹Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of tv and radio programme signals to the general public, but does not cover contribution links between operators.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(a) Public voice telephony (resale basis, international including satellite transmission)</p> <p>(b) Packet-switched data transmission services</p> <p>(c) Circuit-switched data transmission services</p> <p>(d) Telex services</p> <p>(e) Telegraph services</p> <p>(f) Facsimile services</p> <p>(g) Private leased circuit services</p> <p>(h) Other leased line and satellite transmission</p>	<p>(1) Refile and hotline services are not allowed</p> <p>(2) None</p> <p>3(a) Open for competition after 31 December 2002</p> <p>(b) Exclusivity for international long distance and domestic services until 31 December 2002 and for local calls until 31 December 2003.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments		
O. Other					
Public land mobile services	<p>(1) By-pass is not allowed</p> <p>(2) None</p> <p>3(a) Licences are granted only to companies registered in Hungary.</p> <p>(b) Only one operator is allowed for NMT-450 MHz and two operators for 900 MHz (GSM) until 31 December 2003. Limited competition regime.</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>			
Nationwide paging	<p>(1) None</p> <p>(2) None</p> <p>3(a) Licences are granted only to companies registered in Hungary.</p> <p>(b) Only one operator is allowed for analog service and two operators for the pan-European services (ERMES). Limited competition regime.</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>			
PCN 1800 MHz	Unbound until 31 December 1998				

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.