

# ANNUAL REPORT 2021

Annual Report of the Agency for Communication Networks  
and Services of the Republic of Slovenia for the year 2021

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# ABBREVIATIONS

The abbreviations are listed with Slovenian or English names or the meanings for those names that are originally in one language or are often used untranslated.

Abbreviation	Slovenian name or meaning	English name or meaning <sup>1</sup>
AKOS	Agencija za komunikacijska omrežja in storitve Republike Slovenije	Agency for communication networks and services of the Republic of Slovenia
AVMS	Avdiovizualne medijske storitve	Audiovisual media services
BB	Širokopasovni	Broadband
BEREC	Organ evropskih regulatorjev za elektronske komunikacije	The Body of European Regulators for Electronic Communications
BSA	Prenos z bitnim tokom	Bitstream access
BWA	Širokopasovni brezžični dostop	Broadband wireless access
CDMA-PAMR	Kodno porazdeljeni sodostop – mobilni radio z zasebnim dostopom Code	Division Multiple Access - Public Access Mobile Radio
CEF		Connectig Europe Facility
CEPT	Evropska konferenca za pošto in telekomunikacije	European Conference of Postal and Telecommunications
COCOM	Odbor za komunikacije	Communications Committee
CRM	Program za upravljanje odnosov s strankami	Customer relationship management
CRS	Centralni register subjektov	
DAB	Digitalna avdio radiodifuzija	Digital audio broadcasting
ČM	Človek mesec	
DG MOVE	Generalni direktorat za mobilnost in promet	Directorate-General for Mobility and Transport
DTT	Digitalna prizemna televizija	Digital terrestrial television
DVB-T	Prizemna digitalna video radiodifuzija	Digital Video Broadcasting Terrestrial
DVB-T2	Prizemna digitalna video radiodifuzija – druga generacija	Digital Video Broadcasting – Second Generation Terrestrial
ECC	Odbor za elektronske komunikacije	Electronic Communications Committee
EECC	Evropski zakonik o elektronskih komunikacijah	European Electronic Communications Code
EGP	Evropski gospodarski prostor	European Economic Area (EEA)
EKO	Elektronska komunikacijska omrežja	
EMC	Elektromagnetna združljivost	Electromagnetic compatibility
ENISA	Agencija Evropske unije za varnost omrežij in informacij	European Union Agency for Network and Information Security
ENRRB	Evropska mreža železniških regulativnih organov	European Network of Rail Regulatory Bodies
EPRA	Evropska platforma regulativnih organov	European Platform of regulatory authorities
ERGA	Skupina evropskih regulatorjev za avdiovizualne medijske storitve	European Regulators Group for Audiovisual Media Services



<b>ERGP</b>	Evropsko združenje poštnih regulatorjev	European Regulators Group for Postal Services
<b>ETSI</b>	Evropski inštitut za telekomunikacijske standarde	European Telecommunications Standards Institute
<b>EU</b>	Evropska unija	European Union
<b>EZR</b>	Enotni zakladniški račun	
<b>FM</b>	Frekvenčna modulacija	Frequency modulation
<b>FTTH</b>	Optika do doma	Fibre to the home
<b>FUP</b>	Politika poštene uporabe storitev	Fair usage policy
<b>FWBA</b>	Nadomestek fiksne širokopolovne interneta	Fixed Wireless Broadband Access
<b>GJI</b>	Gospodarska javna infrastruktura	Public infrastructure
<b>GURS</b>	Geodetska uprava Republike Slovenije	The surveying and mapping authority of the Republic of Slovenia
<b>HCM</b>	Usklajena metoda za preračun	Harmonised calculation method
<b>HFC</b>	Hibridno koaksialen	Hybrid fiber-coaxial
<b>IKT</b>	Informacijsko – komunikacijska tehnologija	Information and communications technology
<b>INEA</b>	Izvajalska agencija za inovacije in omrežja	Innovation and Networks Executive Agency
<b>INV</b>	Investicije	Investments
<b>IoT</b>	Internet stvari	Internet of things
<b>IP</b>	Internetni protokol	Internet protocol
<b>IPTV</b>	Televizija preko internetnega protokola	Internet protocol television
<b>IRG</b>	Skupina neodvisnih regulatorjev	Independent Regulators Group
<b>IRG - Rail</b>	Združenje neodvisnih regulatorjev s področja železniškega prometa	Independent Regulators' Group - Rail
<b>ITU</b>	Mednarodna telekomunikacijska zveza	International Telecommunications Union
<b>JAŽP</b>	Javna agencija za železniški promet	
<b>JŽI</b>	Javna železniška infrastruktura	
<b>LMR</b>	Kopenski mobilni radio	
<b>LSA</b>	Licencirani sodostop	
<b>LTE</b>	Dolgoročna evolucija	Long term evolution
<b>MBit/s</b>	Megabit na sekundo	
<b>MHz</b>	Megahertz	
<b>MIMO</b>	Antenska raznolikost	Multiple input, multiple output
<b>MMS</b>	Sistem večpredstavnostnih sporočil	Multimedia messaging service
<b>MMDS</b>	Multimedijjski večkanalni distribucijski sistem	Multipoint multichannel distribution system

<b>M2M</b>	komunikacija med napravami	Machine to machine
<b>NATO</b>	Severnoatlantska vojaška zveza	North Atlantic Treaty Organization
<b>NDZ</b>	Nadzor	
<b>NGA BU</b>	Omrežje naslednje generacije od spodaj navzgor	Next generation access bottom up
<b>NICAM</b>	Nizozemski inštitut za klasifikacijo avdiovizualnih medijev	Netherlands Institute for the Classification of Audiovisual Media
<b>NURF</b>	Načrt uporabe radijskih frekvenc	
<b>ODRF</b>	Odločba o dodelitvi radijskih frekvenc	
<b>OPT</b>	Omrežna priključna točka	
<b>OPTM</b>	Operater s pomembno tržno močjo	
<b>OTT</b>	Prenos video in audio signala preko internetnih storitev	Over the top
<b>PDC</b>	Odbor za poštno direktivo	Postal Directive Committee
<b>PDFN</b>	Program dela in finančni načrt	
<b>PLB</b>	Osebni javljalik lokacije	
<b>PMR</b>	Profesionalni mobilni radio	Professional mobile radio
<b>P-P</b>	Točka-točka	Point to point
<b>PPDR</b>	Javna zaščita in pomoč v nesrečah	Public protection and disaster relief
<b>QoS</b>	Kakovost storitve	Quality of service
<b>QoSBB</b>	Kakovost širokopasovnega dostopa	Broadband Quality of Service
<b>RF</b>	Radijske frekvence/ radiofrekvenčni	
<b>RLAH</b>	Gostovanje kot doma	Roam like at home
<b>RMMS</b>	Program spremljanja trga storitev v železniškem prometu	Rail Market Monitoring Scheme
<b>RS</b>	Republika Slovenija	
<b>SEK</b>	Svet za elektronske komunikacije	
<b>SERAC</b>	Odbor za enotno železniško območje EU	Single European Railway Area Committee
<b>SIST</b>	Slovenski inštitut za standardizacijo	Slovenian institute for standardization
<b>SMS</b>	Sistem kratkih sporočil	Short Message Service
<b>SPIS</b>	Pisarniški informacijski sistem	
<b>SRDF</b>	Svet za radiodifuzijo	
<b>TETRA</b>	Prizemni snopovni radio	Terrestrial Trunked Radio
<b>TETRAPOL</b>	Standard za potrebe policije in vojske	Digital PMR technology
<b>TK</b>	Telekomunikacije	Telecommunications
<b>TRA-ECS</b>	Prizemni radijski sistemi, ki lahko zagotavljajo elektronske komunikacijske storitve	Terrestrial Radio Applications Capable Of Providing Electronic Communications Services

<b>BIVŠI TRG 1</b>	Dostop do javnega telefonskega omrežja na fiksni lokaciji za rezidenčne in poslovne uporabnike (maloprodajni trg)	Access to the public telephone network at fixed location for residential and non-residential customers
<b>TRG 1</b>	Veleprodajno zaključevanje klicev v posameznih javnih telefonskih omrežjih na fiksni lokaciji (bivši trg 3)	Call termination on individual public telephone networks provided at a fixed location (wholesale level)
<b>TRG 2</b>	Veleprodajno zaključevanje govornih klicev v posameznih mobilnih omrežjih (bivši trg 7)	Voice call termination on individual mobile networks (wholesale level)
<b>TRG 4</b>	Veleprodajni visokokakovostni dostop na fiksni lokaciji (bivši trg 6)	Wholesale high-quality access provided at a fixed location
<b>TSM</b>	Uredba (EU) 2015/2120 Evropskega parlamenta in Sveta z dne 25. novembra 2015 o določitvi ukrepov v zvezi z dostopom do odprtega interneta in spremembi Direktive 2002/22/ES o univerzalni storitvi in pravicah uporabnikov v zvezi z elektronskimi komunikacijskimi omrežji in storitvami ter Uredbe (EU) št. 531/2012 o gostovanju v javnih mobilnih komunikacijskih omrežjih v Uniji	Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25 November 2015 laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union
<b>UHF</b>	Ultra visoke frekvence	Ultra high frequency
<b>UPU</b>	Svetovna poštna zveza	Universal Postal Union
<b>VHF</b>	Zelo visoke frekvence	Very high frequency
<b>VOD</b>	Video na zahtevo	Video on demand
<b>VOIP</b>	telefonija prek internetnega protokola	Voice over internet protocol
<b>WACC</b>	Izračun povprečnega tehtanega stroška kapitala	Weighted average cost of capital
<b>WRC</b>	Svetovna radijska konferenca	World Radio Conference
<b>WSD</b>	Naprave v belem spektru	White space device
<b>5G</b>	Mobilna omrežja pete generacije	5 <sup>th</sup> generation mobile networks

# ANNUAL REPORT 2021





# 01

## INTRODUCTION



### MAG. TANJA MUHA DIREKTORICA

*Analiza opravljenih nalog kaže na nadpovprečne rezultate, še posebno ob upoštevanju vseh dodatnih izzivov, ki jih je pred agencijo postavljala situacija v zvezi z epidemijo Covid-19, močno povečan obseg dodatnih nalog agencije, ki niso redne in kadrovska okrnjenost.*

The Annual Report for the year 2021 is comprised of the business and the financial reports, and shows the Agency's results in its priority and regular tasks, and also explains the Agency's financial expenditures.

In 2021 all the areas and the operation of the Agency for Communication Networks and Services were certainly the most marked by the COVID-19 epidemic. This situation continuously presented new challenges for the Agency's management and its employees, demanding constant adaptations of how the Agency operates and how its procedures are managed. Following an ordinance issued by the Government of the Republic of Slovenia, the Agency was designated as one of the inspection bodies for supervising the adherence to the rules for preventing the spread of the SARS-CoV-2 infections, and to the provisions

of the Infectious Disease Act.

This year the Agency organised the international conference "Regulation for a Digital Future", marking 20th anniversary since it was established as an independent regulatory body.

When reviewing the works performed and the projects completed, it is clear that during this year the Agency completed numerous additional, unplanned tasks that have proven as urgent because of the developments on the market and the adopted measures. Nonetheless, it still managed to complete most tasks planned for the year. Because of all these additional tasks, the conclusion of a few tasks was moved into 2022, as the Agency did not have any influence over the reasons for unrealized tasks.

However, the Agency continues to be understaffed, which also impacted the poor goal achievement, as in spite of repeated job openings, some positions remained vacant at the competitive jobs market.

After a series of unsuccessful job listings, the Agency remained understaffed in several areas throughout the year, and the Agency's employees had to put in many extra hours to compensate.

The most impactful projects of 2021 were certainly holding the public tender with a public auction for awarding several frequency bands and the analyses of relevant markets for carrier access to broadband network with recommended regulatory measures. The Agency completed the public tender with a public auction for the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz frequency bands with success and the most optimum results, receiving numerous commendations from experts. By awarding these frequency bands the Agency paved the way for the introduction of 5G technology in Slovenia.

The result of the successfully concluded auction also significantly contributed to Slovenia's leap up the Digital Economy and Society Index (DESI), where for the first time Slovenia places in the top half of the most successful countries. The completed analyses with proposed measures for the relevant markets "Wholesale local access at a fixed location" and "Wholesale central access at a fixed location for mass market products" were very difficult and tasking, however, since the European Commission issued its new recommendation on relevant markets, the Agency was the first among member states to also successfully complete the notification procedure for both analyses.

The Agency was also one of the first in the EU to hold the public tender with a public auction for awarding frequencies

for business critical M2M communications. It also held two public tenders for awarding frequencies for analogue broadcasting and two public tenders for awarding licences for transmitting in the terrestrial digital radio network (DAB+). These have already resulted in the two new DAB+ networks to begin filling up, after the national DAB+ had already filled up. The new ones are R2, which consists of two regional parts (east and west) and R3, the local network, covering the area of the capital Ljubljana.

The Agency reacted to changes in user habits and the market situation the Agency in 2021 and performed an unplanned analysis that resulted in changes to two general acts related to the quality of the universal service for network access, designating 10 Mbps downlink and 1 Mbps uplink as the new broadband internet access transfer speed that must be available to all citizens of the Republic of Slovenia as a universal service, and also set a new monthly quota for users who access the universal service over satellite at 75 GB.

The Agency also started preparing the new three-year Electronic communications market regulation strategy. 2021 was the record year for the number of published plans for the construction of public infrastructure, with a 46% increase in expressed interest for shared construction.

In the second half of 2021 the Agency was actively involved in Slovenian presidency of the EU Council, especially by providing expert support to the Ministries in the preparation of responses. In the scope of this action, it participated in the preparation of numerous successfully completed documents (NIS directive, DSA, DMA, Regulation on international roaming and preparing the tools for connectivity with the EC) and events (especially the Universal Postal Union Congress). It also collaborated

with the relevant ministries in the preparation of various legislation, and especially the Electronic Communications Act (ZEKom-2) and the Audiovisual Media Content Act (ZavMS-B) and in the procedures of resolving issues of cross-border interference of Slovenian radio frequencies.

The Agency also upgraded its AKOS Geoportal, so that it now includes also the data on the postal and railway networks. This added even more value to the portal, which has been already recognised as one of the best in Europe and across the globe. It also continued raising viewer awareness through its MIPI portal for media and information literacy, the first such portal globally. The Agency also continued to regularly upgrade and publish data across its six websites.

2021 was the European Railway year. Among its numerous new activities, the Agency also prepared the weighted average cost of capital (WACC) calculation for this sector.

In the postal sector the Agency put special focus on adherence to the legal requirements in price formation and the conditions for performing the universal postal service, the eligibility for charging customs forwarding costs for deliveries from third countries, and the analyses of the possibilities and impact of the new platforms and technologies on the postal services market.

Across all the areas of its operations at the international level, the Agency was involved in the European associations of regulatory bodies, while its employees are active in expert working groups within individual associations, as well as at the plenary level. The Agency's employees participated in 91 expert working groups in 2021, proactively helping to create the future European regulatory policies.

The Agency also continued sharing the presidency of BEREC's working group on issues of cyber security in 5G networks.

Throughout the year the Agency had exemplary relations with the all four relevant ministries, the Electronic Communications Council, the Broadcasting Council, and all other bodies and institutions related to the Agency's authorities.

The Agency also actively cooperated with stakeholders and the public. It organized consultations and lectures in order to engage the stakeholders to arrive to the best possible regulatory solutions. The Agency's employees also attended professional consultations and events hosted by others, and cooperated with national institutions and other stakeholders.

In 2021 the Agency completed numerous other tasks across all of its fields of operations, as detailed and described in this document.

The analysis of performed tasks points to exceptional results, especially when taking into account all the additional challenges that the COVID-19 epidemic situation presented, the significantly increased scope of additional tasks handed to the Agency and its understaffing. All of the work performed is the result of collaboration between the management and all of the Agency's employees and everyone's high level of dedication.



FIGURE 1: 2021 IN NUMBERS



## 02

# SUMMARY: ACHIEVING KEY LONG-TERM OBJECTIVES

### 1 OCCURRENCE OF POTENTIAL UNACCEPTABLE OR UNEXPECTED CONSEQUENCES AND THE ESTIMATE OF THE EFFECTS OF OPERATIONS ON OTHER AREAS

The Agency's work affects the operations of the regulated organizations in telecommunications, radio frequency broadcasting, media, post and railways. The tables above show that the Agency has concluded most of the tasks it set for 2021. As a result of the declared COVID-19 epidemic and promptly responding to market conditions the Agency also conducted some additional tasks that were not part of the 2021 Operational and Financial Plan.

Implementation of the Agency's Financial Plan is detailed in chapter 3.2.3. Realization of the financial plan on the accrual basis It was realized in 94.7% on the revenue side, and 84.7% on the expenditure side. The Agency estimates that there were no unexpected or unacceptable consequences resulting from its operations.

### 2 ASSESSMENT OF THE EFFECTIVENESS AND EFFICIENCY OF OPERATIONS

The Agency estimates that considering the adopted 2021 Operational and Financial Plan, and considering the impact of the COVID-19 epidemic on the year 2021, it operated economically and efficiently. Under the given conditions and in the scope of the limitations it achieved the majority of the goals it set out, as evident from the tables above.

The relevant ministry did not provide the Agency with any guidelines regarding the assessment of effectiveness and efficiency.

# 03

## AKOS AT A GLANCE

*The Agency for Communication Networks and Services of the Republic of Slovenia is an independent regulatory body that regulates and supervises the electronic communications market, manages and supervises the radio frequency spectrum in Slovenia, performs tasks related to radio and television, and regulates and supervises postal services and railway traffic in Slovenia.*

The Agency is competent for implementing public policy, gathering information on relevant markets, supervision, issuing sanctions, and resolving disputes in said areas. The acts it issues are final and may be challenged only before a court. It is financed through fees paid by providers, holders of licenses for frequencies and the numbering space, providers of postal and railway services, and providers of TV and VOD services. Transparency in the

Agency's operations is ensured through collaboration with the public (carriers and service providers, end users, the general public, and NGOs), the Electronic Communications Council, the Broadcasting Council, state bodies, and courts. Depending on its field of work, the Agency has 4 line ministries: Ministry of Public Administration, Ministry of Culture, Ministry of Infrastructure, and Ministry of Economic Development and Technology.

FIGURE 2: THE INSTITUTIONAL ENVIRONMENT OF THE AGENCY FOR COMMUNICATION NETWORKS AND SERVICES OF THE REPUBLIC OF SLOVENIA



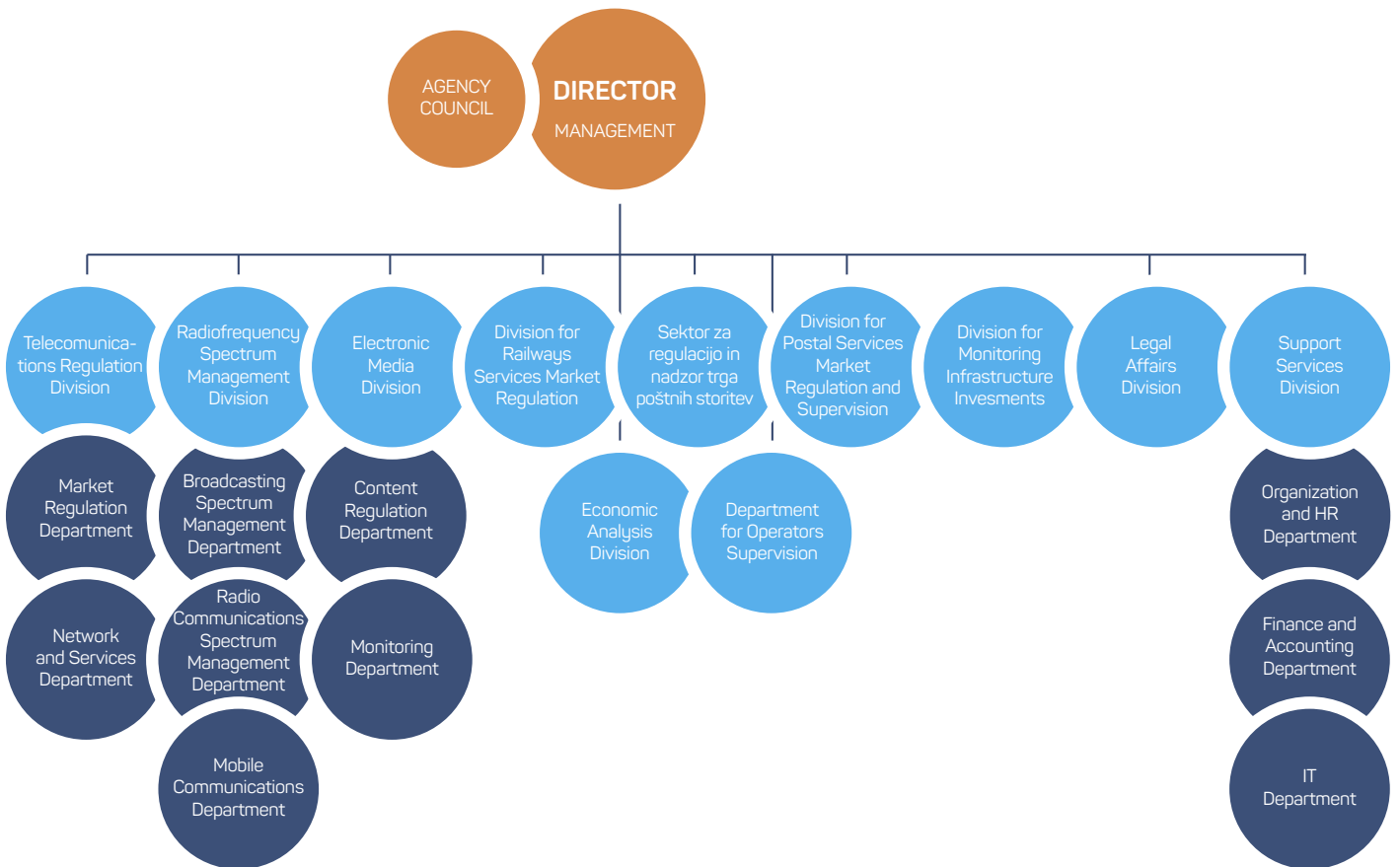
In accordance with its strategic objectives the Agency undertakes to ensure the accessibility and high quality of universal services to all residents of Slovenia at affordable prices and regardless of their geographic location, effective competition in the market, and competitiveness among service providers. The Agency ensures and supervises the efficient utilization of the radio frequency spectrum and numbering space, as well as the just and equitable access to public railway infrastructure. It is also committed to ensuring equal conditions for all radio and television publishers, as well as providers of other audiovisual content, along with ensuring the operation of electronic communications and the use of the radio frequency spectrum for providing services in times of extraordinary circumstances.

In its work the Agency strives to pursue the objective of protecting national interests and the interests of service users. The Agency's objectives also include encouraging the development and introduction of new

services and technologies for a higher quality of living, and the development of the economy by ensuring suitable conditions for new investments, and the development and improvement of radio and television programs, and their availability to the public on any device capable of receiving them. The Agency undertakes to improve the system of administration with the goal of performing its tasks successfully, effectively, and in accordance with valid legislation.

The Agency's Director and Council form the Agency's main bodies; individual areas are covered by sectors for: regulating telecommunications, managing the radio frequency spectrum, electronic media, regulating the railway services market, regulating and supervising the postal services market, economic analyses, measuring and supervising the radio frequency spectrum, supervising providers, monitoring infrastructure investments, legal affairs, and supporting activities.

FIGURE 3: THE ORGANIZATION OF THE AGENCY FOR COMMUNICATION NETWORKS AND SERVICES OF THE REPUBLIC OF SLOVENIA



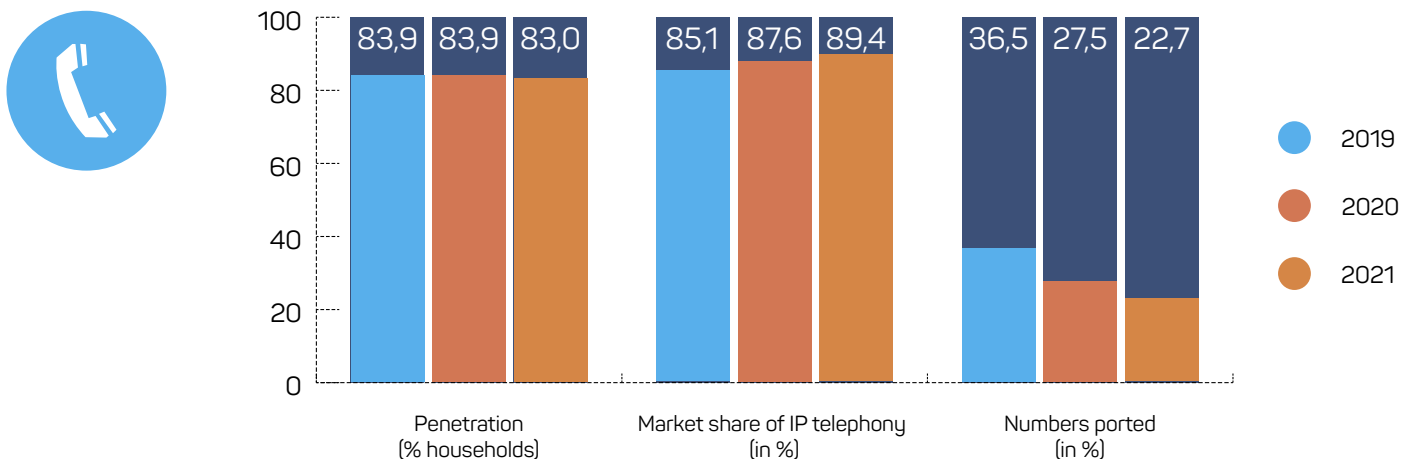
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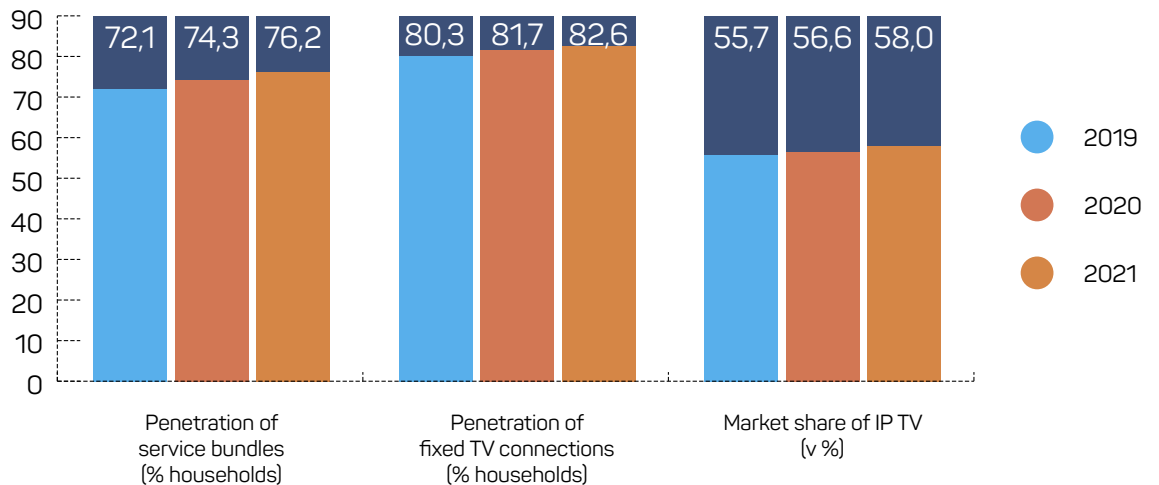
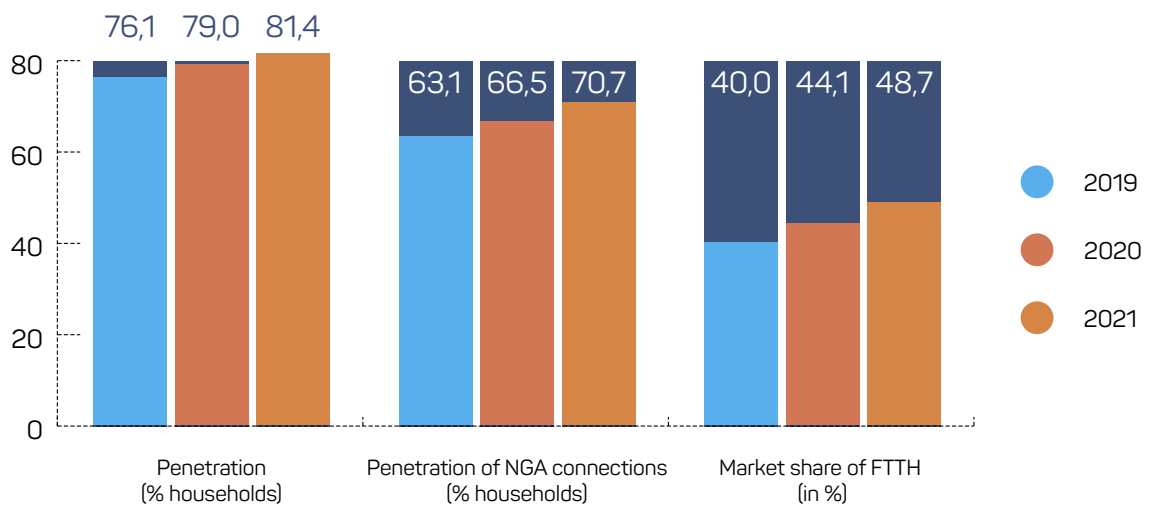
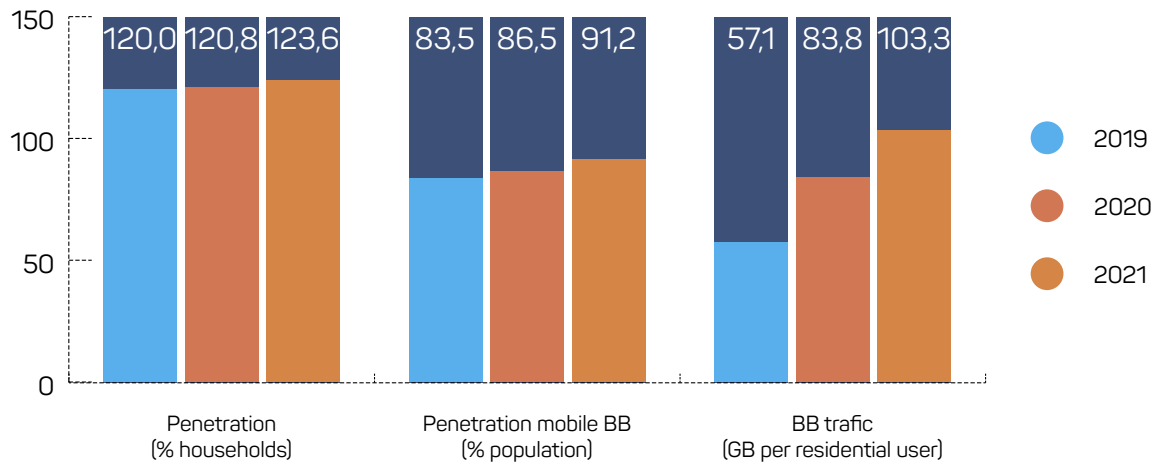
## MARKETS IN NUMBERS

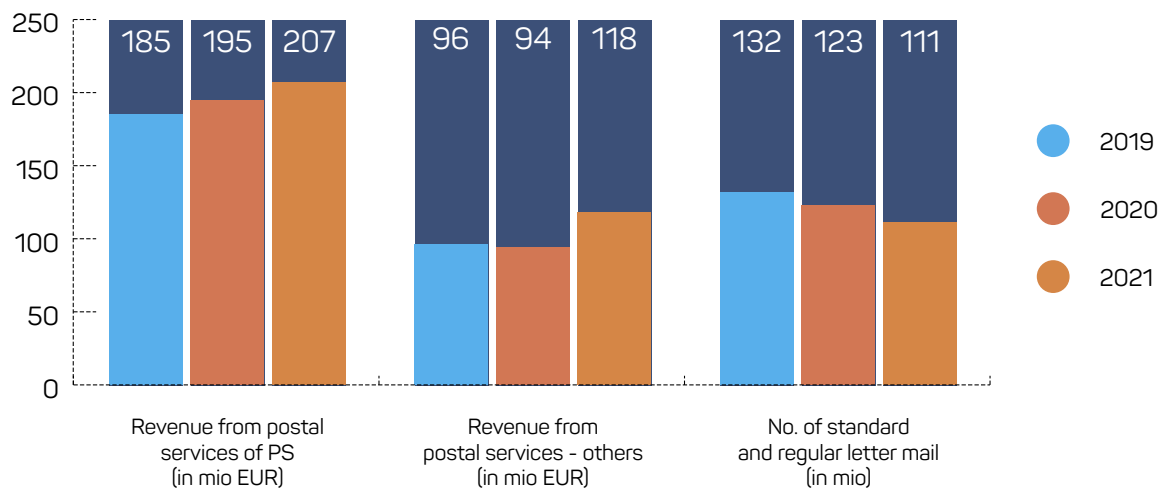
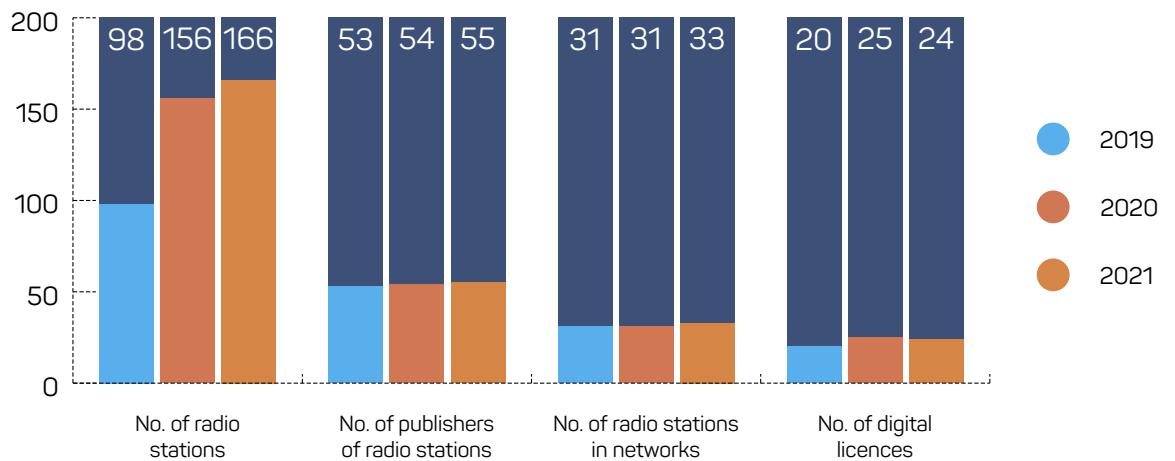
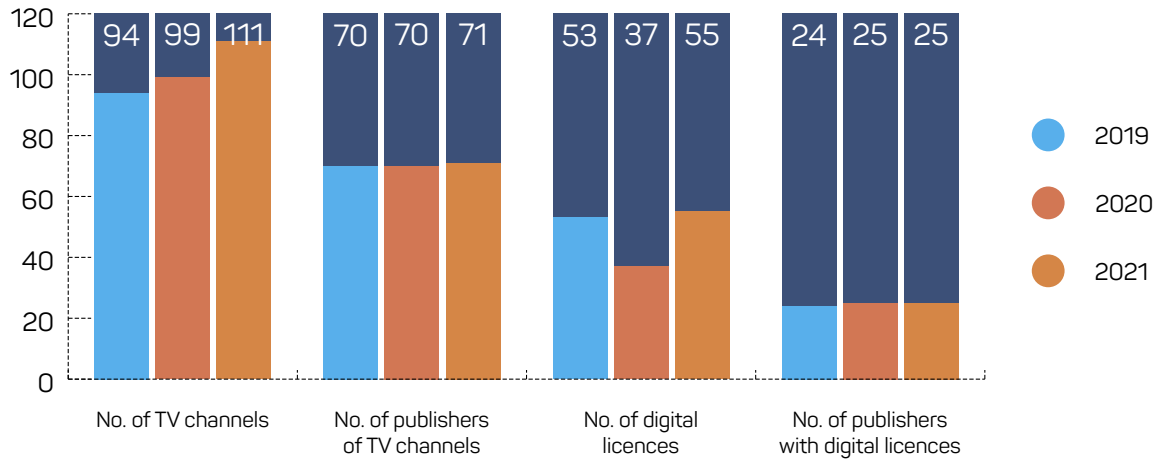
Trends in markets within the Agency’s authority in the period of 2019-2021. It is understood that:

- Figures are shown on an annual basis;
- In calculating the penetration of individual services, we used data from the Statistical Office of the Republic of Slovenia, specifically taking the number of residences from the census and the EU-SILC study (up to Q4 of 2015), and the number of residents from officially published data for individual periods.
- A user of fixed telephone services is a residential user who uses fixed telephone services. The data pertains to the average amount of calls made by residential users in fixed networks.
- A user of mobile telephone services is a residential user who uses mobile telephone services. The data pertains to the average amount of calls made from mobile networks or text messages sent or mobile broadband internet access data transferred by residential users.
- Number porting means the number of ported mobile phone numbers (transactions) to providers in the observed period, which includes all transactions (to various providers and back to the original provider).
- For the number of television or radio channels data are based on the number of holders of licenses (publishers) for conducting television or radio activities.
- A digital license is a license to perform television and radio activities in a digital format.
- Due to subsequent amendments providers made to the data there is the possibility that there could be some deviation from the previously published figures.

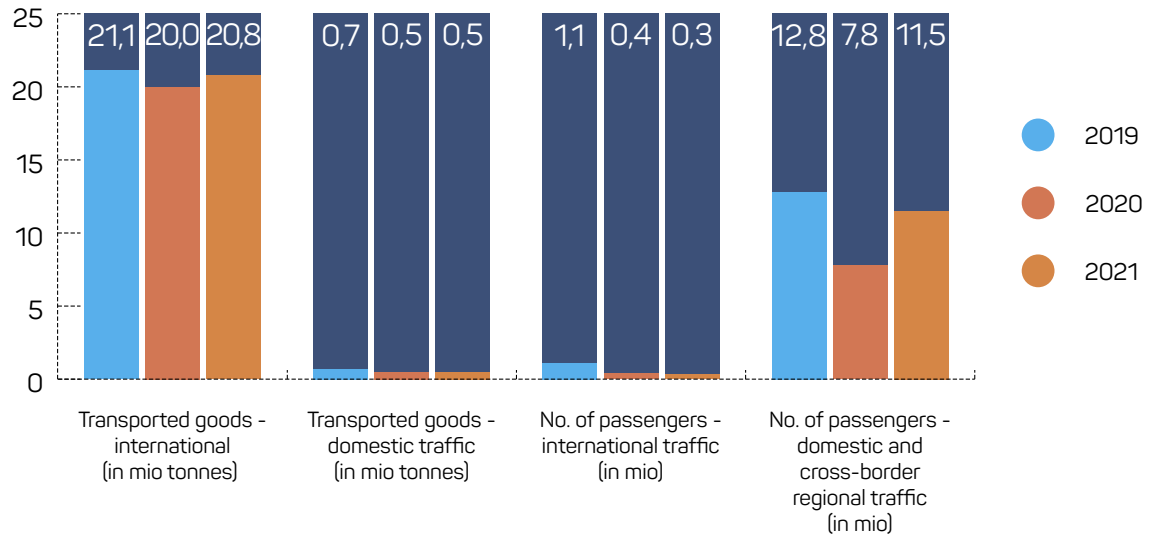
FIGURE 4: TRENDS IN MARKETS WITHIN THE AGENCY’S COMPETENCIES











# 05

## BACKGROUND PAPERS

*Background papers in areas that fall within the Agency's competencies are comprised of Acts adopted by the National Assembly, as well as by-laws that the government adopts, ministries (rules), or the Agency itself (general acts, recommendations) adopts.*

Because Slovenia is part of the European legal order, sectoral Acts are based on EU directives that have been transposed into Slovenian legal order. In its work the Agency takes into consideration the recommendations and guidelines from the European Commission, as well as international Acts that are valid in the Republic of Slovenia.

### Electronic Communications:

- Electronic Communications Act (Official Gazette of the Republic of Slovenia no. 09/12, 110/13, 40/14 – ZIN-B, 54/14 Constitutional Court decision and 81/15, 40/17 and 189/21 – ZDU-1M).

### Electronic Media:

- Media Act (Official Gazette of the RS, no. 110/06 – official consolidated text, 36/08 – ZPOmK-1, 77/10 – ZSFCJA, 90/10 – Constitutional Court decision, 87/11 – ZAvMS, 47/12 in 47/15 – ZZSDT 22/16, 39/16, 45/19 – Constitutional Court decision, 67/19 – Constitutional Court decision and 82/21);
- The Act on Audiovisual Media Services (Official Gazette of the RS, no. 87/11 and 204/21);

### Postal Services:

- Postal Services Act (Official Gazette of the Republic of Slovenia no. 51/09, 77/10, 40/14 – ZIN-B and 81/15).

### Railways:

- Railway Transport Act (Official Gazette of the RS, no. 99/15 – official consolidated text, 30/18 and 82/21);

### Radio Spectrum:

- Electronic Communications Act (Official Gazette of the Republic of Slovenia no. 09/12, 110/13, 40/14 – ZIN-B, 54/14 Constitutional Court decision and 81/15, 40/17 and 189/21 – ZDU-1M).
- Digital Broadcasting Act (Official Gazette of the Republic of Slovenia, no. 102/07, 85/10, 47/12 and 109/2012-ZEKom-1 and 189/21 – ZDU-1M);
- Radiotelevizija Slovenija Act (Official Gazette of the RS, no. 96/05, 109/05 – ZDavP-1B, 105/06 – Constitutional Court decision, 26/09 – ZIPRS0809-B and 9/14)
- Act Ratifying the European Transfrontier Television Convention and the Protocol amending the European Transfrontier Television Convention (MEKTC) (Official Gazette of the Republic of Slovenia – International treaties, no. 18/1999);
- Act Ratifying the Regional Agreement Relating to the Use of the Band 87.5–108 MHz for FM Sound Broadcasting (Region 1 and Part of Region 3) / MOSUPZR/ (Official Gazette of the Republic of Slovenia – International treaties, no. 5/1997);
- Decree ratifying the FINAL ACTS of the Regional Radiocommunication Conference for planning of the digital terrestrial broadcasting service in parts of Regions 1 and 3, in the frequency bands 174–230 MHz and 470–862 MHz (RRC-06) (Official Gazette of the RS – International treaties, no. 6/2013);
- Regional Agreement for the European Broadcasting Area concerning the use of frequencies by the broadcasting service in the VHF and UHF bands, signed in Stockholm 23 June 1961 (Act on the Succession of the United Nations Commission for International Trade Law and International Treaties of the International Telecommunications Union (Official Gazette of the RS –

International treaties, no. 19/93));

- Act Ratifying the Chester 1997 Multilateral Coordination Agreement relating to Technical Criteria, Coordination Principles and Procedures for the introduction of Terrestrial Digital Video Broadcasting (DVB-T) (MCVUTV) (Official Gazette of the RS – International treaties, no. 12/05).

#### Other important acts:

- General Administrative Procedure Act (Official Gazette of the Republic of Slovenia, no. 24/06 – official consolidated text, 105/06-ZUS-1, 126/07, 65/08, 8/10, 82/13, 175/20 – ZIUOPDVE and 3/22 – ZDeb);
- Inspection Act (Official Gazette of the RS 43/07- official consolidated text and 40/14)
- Minor Offences Act (Official Gazette of the Republic of Slovenia, no. 29/11 – official consolidated text, 21/13, 111/13, 74/14 – Constitutional Court decision, 92/14 – Constitutional Court decision, 32/16, 15/17 – Constitutional Court decision, 73/19, Constitutional Court decision, 175/20 – ZIUOPDVE, and 5/21 – Constitutional Court decision);
- Administrative Dispute Act (Official Gazette of the Republic of Slovenia, no. 105/06, 107/09 – Constitutional Court decision, 62/10, 98/11 – Constitutional Court decision, 109/12, and 10/17 – ZPP-E);
- Public Information Access Act (Official Gazette of the Republic of Slovenia, no. 51/06 – official consolidated text, 117/06 – ZDavP-2, 23/14, 50/14, 19/15 – Constitutional Court decision, 102/15 and 7/18);
- Information Commissioner Act (Official Gazette of the Republic of Slovenia, no. 113/05 and 51/07-ZUstS-A);
- Public Agencies Act (Official Gazette of the Republic of Slovenia, no. 52/02, 51/04-EZ-A, 33/11-ZEKom-C);
- State Administration Act (Official Gazette of the Republic of Slovenia, no. 113/2005 - official consolidated text, 89/07 - Constitutional Court decision, 126/07-ZUP-E,

48/09, 8/10-ZUP-G, 8/12-ZVRS-F, 21/12, 47/13, 12/14, 90/14, 51/16, 36/21, 82/21 and 189/21);

- Civil Servants Act (Official Gazette of the Republic of Slovenia, no. 63/07 - official consolidated text, 65/08, 69/08-ZTFI-A, 69/08-ZZavar-E, 40/12-ZUJF, 158/20 – ZIntPK-C, 203/20 – ZIUPOPdVE, 202/21 – Constitutional Court Decision and 3/22 – ZDeb);
- Protection of Documents and Archives and Archival Institutions Act (Official Gazette of the Republic of Slovenia, no. 30/06 and 51/14);
- Public Procurement Act (Official Gazette of the Republic of Slovenia, no. 91/15, 12/18 and 121/21);
- Railway Transport Act (Official Gazette of the RS, no. 69/11 – official consolidated text, 158/20 and 3/22 – ZDeb);
- Public Finances Act (Official Gazette of the RS, no. 11/11 – official consolidated text, 14/13 – correct., 101/13, 55/15 – ZFisP, 96/15 – ZIPRS1617, 13/18 and 195/20 – Constitutional Court decision).

Below are the Agency's 5 strategic objectives– (1) encouraging competition and market development, (2) protecting the users and ensuring universal service, (3) ensuring the optimum use of a limited public resource, (4) increasing efficiency and decreasing regulatory limitations, and (5) optimization of investments – presenting the planned tasks and activities that the Agency planned in its 2021 Operational and Financial Plan for achieving the set goals. Tables 1 through 5 outline key tasks and activities that are planned and are will be performed as permanent tasks throughout the whole year (they are repeatable and often depend on outside submissions or reports) or as projects. Because the Agency follows market trends in its activities for fulfilling the set objectives, its activities or priorities of planned activities may change throughout the year, which the Agency then discloses in its Annual Report.

# 06

## MANAGING A LIMITED NATURAL RESOURCE

### 1 ANNUAL GOALS AND THE STATE OF THE MARKET

TABLE 1: KEY OBJECTIVES: ENSURING OPTIMUM USE OF A LIMITED RESOURCE

Key objective: Ensuring optimum use of a limited resource					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Radio frequency spectrum management strategy</b>	Preparing and monitoring Radio frequency spectrum management strategy for a 3-year period.	Preparing a new strategy based on ZEKom-1, and in accordance with the strategic guidelines of the Ministry of Public Administration no. 381-3/2010-MIZS/101 of 14 April 2020.	Strategy adopted in 2021.	●	The Government of the RS approved the strategy in November 2021, and the Agency published it on its website
<b>Public tenders for radio frequencies for public mobile communication services</b>	Public tender with a multi-frequency auction of available frequency bands for public mobile communication services that the operators stated interest in.	Awarding the frequencies based on ZEKom-1, and in accordance with the strategic guidelines of the Ministry of Public Administration no. 381-3/2010-MIZS/101 of 14 April 2020.	Issuing the decisions planned for the first half of 2021.	●	Public tender with a public auction was completed in June when the DARFs were issued.
	Public tender for awarding frequencies for business critical M2M communications	with the Plan for utilising the 470–790 MHz frequency band in the Republic of Slovenia no. 38100-5/2019/3 of 28 March 2019, and the amended Plan for utilising the 470–790 MHz frequency band in the Republic of Slovenia no. 38100-3/2020/3 of 16 April 2020.	Preparing the public tender and issuing the decision planned for the first quarter of 2021.	●	Public tender with a public auction was completed in March when the DARFs were issued.
	Public tender with a public auction for a part of the 2300 MHz and 3400–3420 MHz frequency bands – for local use	no. 38100-3/2020/3 of 16 April 2020, and the Decision of the Government of RS no. 38100-3/2020/3 of 16 April 2020. The objective is to award the frequencies in 2021, thereby paving the way for the construction of new networks and offering the services.	Issuing the decisions planned for the first half of 2022.	●	In the autumn the Agency published the draft document and submitted the questions to the public stakeholders. Based on the received answers it will prepare the information memorandum and then the tender documentation.

**Public tenders for radio frequencies for audio broadcasting**

Public tender for assigning FM frequencies.

Ensuring that listeners have a diverse and interesting range of available radio stations.

Holding up to two public tenders by the end of 2021.

● In 2021 the Agency completed a local public tender and held a general public tender.

Public tender for awarding frequencies for DAB+.

If there is interest, holding a tender for new DAB+ frequencies.

Holding a tender by 31 December 2021.

● In 2021 the Agency held a public tender and launched the administrative procedure for issuing a decision in which it called for a public discussion.

The Agency's three main objectives in 2021 in the management of limited natural resources were related to managing radio frequency spectrum. These were: preparing the new Radio frequency spectrum management strategy for the 2021-2023 period, which the Agency submitted into the approval procedure at the end of 2020, completing the public tender for awarding radio frequencies for the provision of public communication services in the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz frequency bands, and the public tender with a public auction for awarding radio frequencies for providing business critical M2M communications over dedicated networks in the 700 MHz frequency band. These projects were the Agency's priority and were all successfully concluded.

First the Agency completed public tender with a public auction for awarding radio frequencies for providing business critical M2M communications over dedicated networks in the 700 MHz frequency band. The decision on awarding radio frequencies was issued to the winning bidder BeelN.

At the public tender with a public auction for awarding radio frequencies for the provision of public communication services in the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz frequency bands the Agency

issued the decisions on awarding radio frequencies to all four winning bidders: Telekom Slovenije, A1, Telemach and T-2. The new Radio frequency spectrum management strategy for the 2021-2023 period was approved on the 104th regular meeting of the Government of the Republic of Slovenia on 25 November 2021.

The planned projects for this sector were completed, however, because of the understaffing, this was possibly only by overtaxing existing human resources and with an extensive support from other sectors. In 2021 the Agency integrated and updated the General act on the radio frequency utilization plan (hereinafter: NURF) with the adopted EU and CEPT regulation. It was also active in transposing the new regulative framework based on the EECC for imposing the radio frequency spectrum into the national legislation (the new ZEKom-2), and the preparation of new executive acts.

Along with major projects described below, and the tasks in the scope of international operations (chapter 2.5 International Coordination and Cooperation), the Agency resolved an increased number of applications for fixed links made possible through new services in public mobile communication services. It participated in the preparation of the regulation for new applications for critical services. It also actively participated in transposing the new Radio

<sup>2</sup><https://www.eurydice.si/novice/zadnje-novice/104-redna-seja-vlade-rs-2/>

Equipment Directive (RED) providing the regulatory framework for placing radio equipment on the EU market into the Slovenian legal order.

With regard to ship service, where Slovenia lacked call signs for conducting maritime services, in 2021 the Agency implemented the plan for awarding the Maritime Identification Digits (MID) for the Republic of Slovenia, as according to the ITU recommendation the final three numbers (zeros) can be changed with other numbers. The Agency also concluded the procedure of transitioning radio stations on aircraft to 8.33 KHz channel in 2021, in accordance with the implementing decision of the European Commission (EU) no. 1079/2012 of 16 November 2021. The Agency has successfully resolved requests with the maritime service for using application specific messages (ASM). It established a register of aircraft radio stations, and completed their international coordination by entering them into the ITU Master Register. The European Commission has not yet implemented the new system for notifications for the radio equipment, because of the transition of RED.

In 2021 the Agency put a part of its resources towards researching the options for further development of the radio broadcasting market. In cooperation with the Broadcasting Council and the Ministry of Culture the Agency prepared and conducted public tenders for available frequencies for analogue radio broadcasting in smaller batches. The Agency continued with activities at the international level for ensuring additional licenses for DAB networks. In cooperation with the relevant institutions the Agency conducted the activities for protecting the interests of the Republic of Slovenia regarding harmful radio interference of Italian radio stations. It put a lot of resources towards resolving applications for changes to DARFs for analogue FM audio broadcasting.

The Agency's participation in working bodies of international organisations in radio spectrum management (ITU, CEPT/ECC, RSC, RSPG, COCOM, BEREC, HCM, etc.) was in 2021 again limited to virtual meetings because of the pandemic, however, in spite of that we managed to achieve significant progress in the preparations for the World Radio Conference (WRC-23), the implementation of EECC, and the introduction of new services and new technologies.

In the scope of ensuring an optimum utilization of limited resources one of the Agency's still significant tasks for 2021 was once again efficiently managing the multitude of numbering elements in the Republic of Slovenia with the goal of ensuring their efficient structuring and utilisation, and administering the official record of operators. The activities included entries into and deletions from the official record of operators, providing explanations and instructions to domestic and foreign stakeholders, as well as reviewing the services of foreign legal entities before they enter the Slovenian market. Because the electronic communications market is continuously developing, the Agency needed to obtain new information and prepare positions in concrete cases of new registrations. The Agency also reviewed the applications for awarding or returning numbering elements, monitored new developments and cooperated internationally.

In 2021 the Agency issued 17 decisions on assigning the numbering elements were issued, and 6 on the annulment, expiration, or partial expiration of decisions. 56 decisions for the payment for using numbering elements were issued ex officio. Seven new operators notified the Agency in writing before they began providing public communication networks or providing public communication services. At the end of 2021 there were a total of 378 issued and valid decisions on assigning numbering elements.

The Agency's participation in working bodies of international organisations, including CEPT/ECC, COCO, ITU and others, was still mostly limited to virtual meetings because of the pandemic. Even so the activities in the preparation of different documents were able to continue. This is related to coordinating the use of some special numbering areas (calls to the emergency number 112, calls to the number for accessing social value helplines 116, etc.) or those that are important for future development and regulation of numbering, e.g., in connection to extra territorial use of numbers, M2M, OTT, eCall.

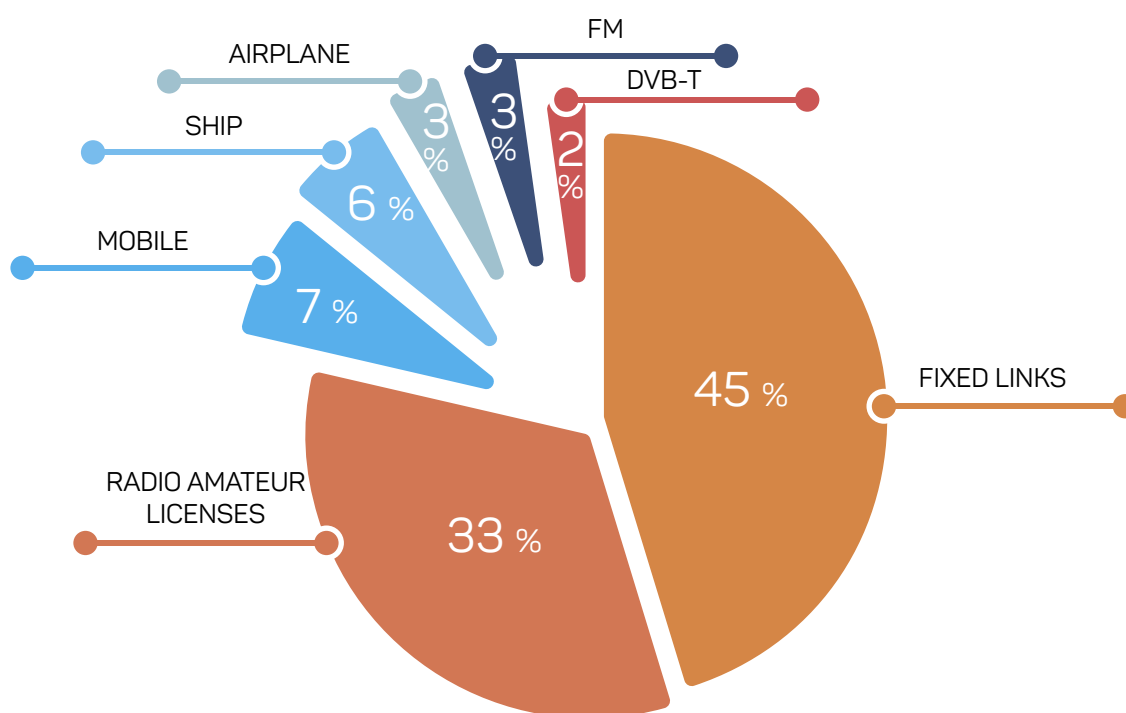
In 2021 the Agency responded to the market conditions related to awarding numbering elements by launching the public tender for re-awarding the numbering elements

previously owned by Detel Global, d.o.o., which resulted in it issuing new decisions on awarding numbering elements, resolving the conditions on the market and in the records of numbering space.

## 1.1 RADIO SPECTRUM UTILISATION

At the end of 2021 there were 372 decisions on awarding radio frequencies for audio broadcasting, 269 decisions for DVB-T, 28 decisions for T-DAB, 5925 decisions for microwave connections, 12 for telemetrics, 11 for satellite system communications, 57 for radars, 823 for mobile cameras, 762 for ships and 445 for airplanes, 904 decisions for mobile connections, and 4256 amateur radio licenses in force.

FIGURE 5: SHARE OF VALID DECISIONS ON ASSIGNING RADIO FREQUENCIES AT THE END OF 2021



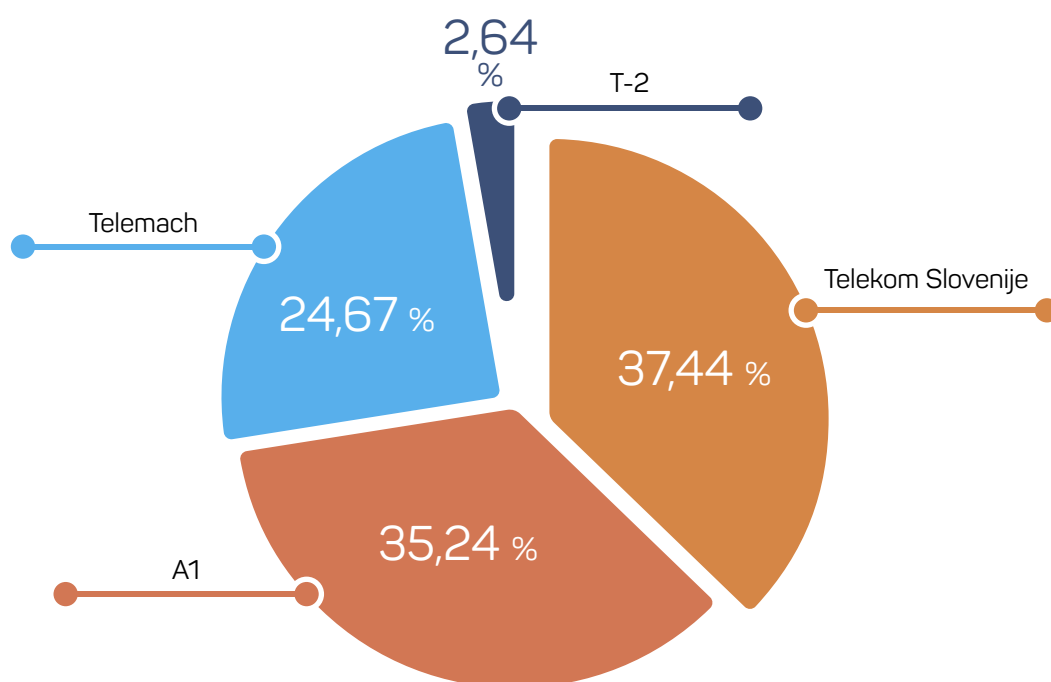
Following a public tender for audio broadcasting for local radio stations from 2020 the Agency issued five new decisions on awarding radio frequencies to the selected providers (Lendava 103.3 MHz, Cerknica 2 101.0 MHz, Osilnica 2 89.5 MHz, Stari trg 87.9 MHz and Fara 102.3 MHz), however, there was no interest for the Solčava 93,8 MHz location. Following the public tender for awarding radio frequencies for analogue radio broadcasting – general 2021/1, another five decisions on awarding radio frequencies were issued (Ajdovščina 91.2 MHz, Črnomelj 199.6 MHz and Metlika 95.1 MHz Jesenice 98.0 MHz and Kranjska Gora 88.6 MHz). At the end of 2021 two T-DAB+ network with national coverage were operational, multiplex R1 with no available capacities and multiplex R2. Multiplex R3 covers the area of Ljubljana. All three

networks are administered by RTV Slovenija.

The operator of both national DVB-T networks is the public institution RTV Slovenija, and there are also four local multiplexes.

In 2021 Slovenia awarded the frequencies for providing public mobile services both at the multi-frequency auction, as well as at the public tender after the final decision of the Constitutional Court for the frequency block that Telemach held until new frequencies were awarded. At the end of 2021 the condition of the spectrum was similar to the area of public communication services, as the following image shows.

FIGURE 6: THE SPECTRUM OF MOBILE OPERATORS AT THE END OF 2021



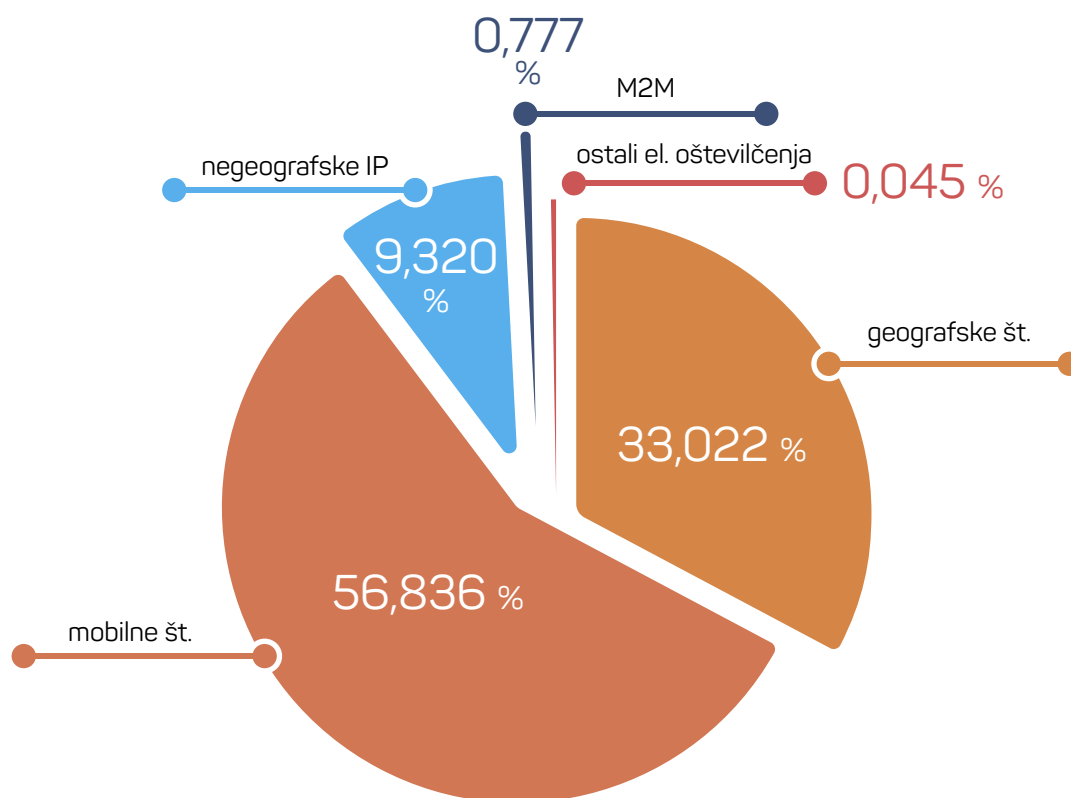


## 1.2 NUMBERING SPACE UTILIZATION

As at 31 December 2021 the Agency's official registry included 24 operators and 10 other providers who were

assigned various numbering elements. At the end of 2021 there were a total of 376 issued and valid decisions on assigning numbering elements, while the number of assigned numbering elements was 13,966,209.

FIGURE 7: THE NUMBER OF ASSIGNED NUMBERING ELEMENTS AT THE END OF 2021



Compared to the state of the assigned numbering elements at the end of 2020 there were changes in the scope of assigned elements for the following types of numbering in 2021: the scope of geographic numbers decreased by 0.15%, the scope of non-geographic numbers for VoIP services increased by 0.75%, the scope of numbers for toll-free services increased by 4.18%, the scope of number for premium services increased by 3.69%, the scope of

numbers for access to special networks decreased by 4.76%, the scope of national destination codes (NDC) remained unchanged, and the scope of mobile network codes increased by 28,57%. The scope of awarded numbers for M2M services increased to 0,777%, surpassing the "other numbering elements" category, and therefore it is mentioned in the Annual Report for the first time.

According to the reports of the selected administrator of mapping numbers into ENUM number domains there was no demand for the use of this feature in 2021.

The number of numbers ported in 2021 increased by 0.297%, compared to the previous year. There was a total of 151,901 numbers ported in 2021, of which 109,751 were mobile, and 41,918 were fixed. Since the introduction of number porting in 2006 a total of 2,252,226 numbers have been ported. The total number of ported numbers as of 31 December 2021 was 1,333,069, of which 833,681 were mobile, and 498,415 were fixed. A large number of ported numbers (estimated at more than 31.9% of active mobile and more than 45.0% of active fixed numbers) points to the fact that the option of number porting makes end users' decisions to switch providers easier, thereby contributing to competitive conditions in the retail market.

## 2 ACTIVITIES FOR ACHIEVING THE OBJECTIVES

### 2.1 REGULATION

Through inter-departmental coordination the Agency somewhat amended the Radio frequency spectrum management strategy for the 2021-2023 period which the Government of the Republic of Slovenia then approved with its decision no. 38100-4/2021/5 of 25 November 2021. The Agency published the Strategy on its website.

The Agency also updated the General act on the plan for the use of radio frequencies (NURF), including newly adopted documents of the European Commission and CEPT. In radio frequency spectrum management, the Agency actively participated in preparing the ZEKom-2 and the preparation of executive acts.

## 2.2 MOBILE SERVICES

### 2.2.1 PUBLIC TENDERS FOR RADIO FREQUENCIES FOR MOBILE COMMUNICATION SERVICES

After the Agency prepared the Radio frequency spectrum management strategy in 2019, and waited for its approval, so that it could in line with the current strategic guidelines of the Ministry of Public Administration hold the public tender with a public auction in the first half of 2020 to award the frequencies for providing public mobile services in the 700 MHz band and other available frequencies in the 1500 MHz, 2100 MHz, 2300 M, 3400–3800 MHz, 26 GHz bands, it received new strategic guidelines from the relevant ministry in April 2020. In accordance with these strategic guidelines the adoption of the strategy is no longer a condition for launching a public tender. Therefore, the Agency began in May 2020 preparing the public tender with a public auction for awarding radio frequencies for the provision of public communication services in the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz frequency bands, and published it on 18 December 2020 in the Official Gazette of the Republic of Slovenia, no. 191/20 and on its website. By the deadline of 15 February 2021, the Agency received 4 tenders. Since the public tender was anonymous, the tenderers' identities were only revealed after the auction concluded. After the Agency issued decisions on the selection of bidders to all four tenderers and prepared a training course and mock auctions, the auction started on 7 April 2021, with the bidders submitting their bids to the bidding system over the internet. The public auction consisted of the principal and the allocation stage. The principal stage lasted for 41 rounds of the main auction, while the allocation phase, which determined the specific

frequency blocks that were awarded to each successful bidder and the prices that an individual bidder has to pay for the awarded specific frequency blocks, lasted for 6 rounds of bidding.

After receiving the payments from successful bidders for the use of a limited natural resource in the total amount of EUR 164,236,603, which the operators paid into the state budget, the Agency launched the administrative procedure for issuing decisions. The Agency awarded the frequencies in the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz bands for a period of 15 years with the option of extending for an additional 5 years for an appropriate fee, if ZEKom-2 includes this.

Following a request from an interested stakeholder, the Agency also launched a public tender for the allocation of radio frequencies for providing public communications services in the 10 GHz and 12 GHz frequency bands for local use for MMDS. On 11 October 2021 it awarded two decisions to Kabelska televizija Nova Gorica and Svislar telekom, družba za telekomunikacije, d.o.o.

As part of the ruling of Administrative Court of the Republic of Slovenia no. I U 1113/2019-59 of 15 June 2021 the Agency re-examined the application of Tušmobil, d.o.o., (legal predecessor of Telemach, d.o.o.) from 30 January 2008 for awarding radio frequencies in the 1950–1955 MHz band, paired with the 2140–2145 band for providing public mobile radio communications – UMTS/IMT-2000. After asserting that there is excess demand for these frequencies it rejected the application, and awarded these frequencies at a public tender. The decision for using them for the period from 9 November 2021 to 8 April 2023 was won by T-2, d.o.o.

In autumn of 2021 the Agency also published a document to verify the existence of demand for radio frequencies in the 2300 MHz and 3600 MHz bands and other potential bands for local use verticals. Final decisions on these bands, the size of the blocks and the size of the geographic areas will be published in the draft Information Memorandum in the first half of 2022.

## 2.2.2 5G AND THE SWITCH FROM DTT TO LTE

After publishing the call for applications for projects for first trials and future use of 5G technology, the Agency has provided support to interested stakeholders or consortia in the scope of its authority. For testing 5G technologies the Agency made available all of the free spectrum for mobile technologies which is suitable for 5G, and updated the dates until which the tests are possible. In 2021 the Agency once again awarded test frequencies in accordance with the legislation and the calls to limited geographical areas and for a limited duration.

In relation to the switch from DTT to LTE, the WRC-23 agenda includes topic 1.5, namely a review of the use of radio frequency spectrum in the 470–960 MHz band in Region 1, and the implementation of potential new regulatory measures for the 470–694 MHz band in Region 1, which would make it possible to implement IMT in this band. According to the Agency's data, EBU is already testing Evolved Multimedia Broadcast Multicast (eMBMS) in Europe, as well as broadcasting over the 5G vertical in Europe. In the scope of the 5G Initiative, the Agency continues to allocate radio frequency bands in the UHF band for such tests. Besides IMT public mobile technologies, the co-primary mobile allocation would also award spectrum for public protection and disaster relief

(PPDR) services. In relation to this issue the Agency is still waiting for strategic guidelines from the Government of the Republic of Slovenia for WRC-23.

## 2.2.3 MONITORING THE PROVISION OF PUBLIC COMMUNICATION SERVICES

The Agency published the Report on fulfilling obligations and coverage with mobile service technologies based on the operators' data from June 2021. At the same time the Agency also verified the obligations from DARFs that were issued following the multi-frequency auction. After three months Telekom Slovenije, A1 and Telemach each had already covered at least one town with 5G technology. At the end of 2021 the Agency began preparing the proposal for a recommendation related to procedures of ensuring coverage of areas that have no or poor coverage with mobile networks that will include activities through which it aims to encourage local communities and operators towards proactively seeking solutions that can contribute towards better coverage with mobile networks in Slovenia, thereby ensuring a higher quality of public mobile communication services to end user, and which will also recommend measures for improving communication between the operators and the local communities.

## 2.2.4 THE DEVELOPMENT OF INFRASTRUCTURE FOR CRITICAL COMMUNICATION

After receiving the strategic guidelines from the relevant ministry in April 2021, the Agency began preparing the public tender with a public auction for awarding radio frequencies for providing business critical M2M communications over dedicated networks in the 700 MHz frequency band.

In the beginning of June, it published the draft tender documentation (Information Memorandum), which it presented to the public at a consultation. After reviewing the received comments and publishing the answers to them, and after receiving an approval regarding the lowest acceptable value of fees for the efficient use of a limited natural resources, and the payment methods, it prepared a decision on launching the public tender, which was published on 4 December 2020 in the Official Gazette of the Republic of Slovenia, no. 180/2020, and on its website. In February, even before the tenders for the multi-frequency auction, the Agency held the public tender and the public auction of frequencies for providing business-critical M2M communications. The auction took place on 10 and 11 February 2021. It concluded in the 37th round, when BeelN submitted the winning bid of EUR 970,000. After the administrative procedure was completed, the Agency issued DARFs on 30 March 2021.

In the Instructions for use, chapter 14.12: Best practices for coordination of IMT/critical broadband services and existing narrowband systems in the 400 MHz bands, the Agency has included in the HCM group for mobile connections the option for broadband use of the 410-430 MHz and 450-470 MHz bands. This chapter can be the foundation for potential new preference bands in these frequency bands. The Agency also continues negotiating for preference agreements for both bands with neighbouring countries.

The Agency participated in the preparation of the technical regulation for railway applications (Railway Mobile Radio – RMP) in the 900 and 1900 MHz bands, which EC and CEPT completed.

## 2.2.5 MANAGEMENT OF THE SPECTRUM FOR PRIVATE MOBILE COMMUNICATIONS

The Agency ensures the optimum utilisation of the spectrum for private mobile communications in accordance with the provisions of ZEKom-1, and promptly coordinates the needs for using frequencies for these purposes with the administrations of neighbouring countries in the scope of the HCM agreement, thereby ensuring conditions for uninterrupted use of these frequencies.

## 2.3 BROADCASTING

After obtaining the preliminary opinion of the Broadcasting Council, and the approval from the Ministry of Culture in 2020, the Agency completed the final part of the public tender for awarding radio frequencies for analogue audio broadcasting for local radio stations for the following frequencies: Lendava 103.3 MHz, Solčava 93.8 MHz, Cerknica 2 101.0 MHz, Osilnica 2 89.5 MHz, Stari trg 87.9 MHz and Fara 102.3 MHz (the latter three were combined into a single subject of a public tender, named for the region Bela Krajina). It issued five new decisions on awarding analogue radio frequencies to the selected providers: Lendava 103.3 MHz went to the publisher of Radio Murski val, Cerknica 2 101.0 MHz went to Radio 94, while Osilnica 2 89.5 MHz, Stari trg 87.9 MHz and Fara 102.3 MHz went to the publisher of Radio Univox.

In 2021 the Agency also held the public tender for awarding radio frequencies for analogue audio broadcasting – general 2021/1, the subject of which were 5 radio frequencies, combined into a total of three public tender subjects: the broadcasting points Ajdovščina 91.2 MHz; Črnomelj 99.6 MHz and Metlika 95.1 MHz, and Kranjska Gora 88.6 MHz and Jesenice 98.0 MHz. The Agency issued five new decisions on awarding FM radio frequencies: the Ajdovščina 91.2 MHz

frequency went to the publisher of Radio Ognjišče; Črnomelj 99.6 MHz and Metlika 95.1 MHz went to the publisher of Radio Center Slovenija, while Kranjska Gora 88.6 MHz and Jesenice 98.0 MHz went to the publisher of Radio Kranj-Gorenjski Megasrček.

Immediately after concluding this tender, the Agency launched the preparation for a new public tender for frequencies, which will be published in 2022.

### 2.3.1 DIGITAL TERRESTRIAL RADIO

In digital radio there were 14 valid decisions on assigning radio frequencies for individual transmission sites for multiplex R1, 10 valid decisions on assigning radio frequencies for individual transmission sites for multiplex R2, and 1 decision on awarding radio frequencies for individual sites for the multiplex R3. As mentioned in the introduction, the R1 multiplex is at full capacity. In 2021 one decision for an additional transmission location was issued for the R2 multiplex. At the end of 2021 the R2 network hosted 2 regional and 2 national minority channels of RTV Slovenija, while the R3 network the Radio Salomon station.

### 2.3.2 DIGITAL TERRESTRIAL TELEVISION

In digital terrestrial television broadcasting, there were 164 valid decisions on assigning radio frequencies for individual transmission sites for multiplex A and 92 valid decisions on assigning radio frequencies for individual transmission sites for multiplex C. At the end of 2019 multiplex A hosted the channels of the RTV Slovenija public institute and the private channel on the Center coverage area. The population coverage of the multiplex A network is above 98%. At the end of 2021 the multiplex C hosted

three channels. The population coverage of the multiplex C network is above 96%.

The following operators were active in the local multiplexes at the end of 2021: ATV Babnik & Co, d.n.o., Litija in the coverage area Litija; Domates, d.o.o., Portorož in the coverage area between Koper and Sečovelje; PRAK, d.o.o., in the coverage area Murska Sobota; and VTV Studio, d.o.o., in the coverage area between Ravne na Koroškem and Celje. In 2021 the Agency did not perform major activities in this field. It extended 24 licenses for broadcast locations, namely 75 for Multiplex A. It also performed an optimization of multiplexes A and C by changing two decisions on awarding radio frequencies, annulling one, and issuing a new one. Following its end of operations, it annulled the local multiplex of the Zavod TV Galeja Ilirska Bistrica on the coverage area between Ilirska Bistrica and Sežana. Due to the trend of declining demand for terrestrial television broadcasting the Multiplex C network still has available capacities even at the end of 2021, while pay TV did not take hold.

### 2.3.3 RESOLVING ISSUES OF INTERFERENCE IN THE BORDER AREA WITH ITALY

In 2021, the Agency actively strived to find a permanent solution to issues involving the reception of Slovenian channels alongside the border with Republic of Italy. Most of activities were focused on cooperation in the inter-departmental working group which is headed by the Information Society and Informatics Directorate at the Ministry of Public Administration, and includes besides the Agency's representatives also the representatives of the Ministry of Culture, the Ministry of Justice, the Ministry of Foreign Affairs and the State Attorney's Office. The task of this working group is to coordinate the procedure and

measures for resolving the radio frequency spectrum with the neighbouring Italy. The Agency also collaborated at a multilateral and bilateral level with other stakeholders, such as the European Commission and its Radio Spectrum Policy Group (RSPG), ITU and the applicable administrations of neighbouring countries, especially those from the Republic of Italy. It measured and monitored the state of the radio spectrum alongside the western border of the country, notifying interference to the Italian administration, and continued notifying ITU bodies about violations to international agreements and Italy's inactivity regarding the elimination of interference, participated at a multilateral ITU meeting for Italy and its neighbouring countries, and attended meetings of RSPG. In relation to specific reception interference of Slovenian radio and television stations alongside the border with Italy, the Agency continued to provide expert and expert assistance to Slovenian holders of DARFs.

## 2.4 OVERVIEW OF STANDARD OPERATIONS

In radio frequency spectrum management, the Agency issued 2823 decisions on awarding radio frequencies (DARF), 2756 decisions on ascertaining points (DAP), 1512 collective decisions on the payment for the use of a limited natural resource for 9678 DARFs, 107 coordinations and 36 other administrative acts. In 2021 the Agency issued 18 new decisions for frequencies for satellite news gathering/occasional use i.e., SNG/OB. The decisions were issued relating to major events and sport matches. In 2021 the Agency processed 2135 decisions for fixed connections (microwave connections), and issued 1200 new decisions on awarding radio frequencies. License holders were mainly expanding their existing backbone networks or increasing the capacities of their already existing focused links. The

Agency issued 242 CEPT amateur radio licenses for the requirements of amateur radio activities. The Agency issued 67 decisions for radio licenses for aircraft in 2021, and 182 for ships. In mobile radio systems the Agency received 94 new requests in 2021, and resolved 90 requests, of which 79 were new, and 11 transferred, and issued 157 decisions on awarding radio frequencies (for new mobile radio systems and for extending the validity of existing decisions and testing).

In 2021 the Agency continued with the activities for handling requests for the allocation of call signs for personal locator beacons (PLB). The database can provide help in handling information when a PLB holder requests help in the event of an accident.

As the Directive on radio equipment came into effect, it abolished the so-called one stop notification (OSN) system for notifying EU member states on technical parameters of radio equipment; however, the new notification system has yet to be established. The European Commission is establishing a centralised system in which vendors will be able to register the required information on radio equipment, and the system will be available to individual bodies of member states. Currently the vendors are sending the Agency the technical information on their equipment, so that it may approve, limit or even prohibit the operation of radio equipment in accordance with the valid Radio frequency utilization plan (RFUP), if it fails to meet the technical conditions for operation. To make usage supervision easier and because of the potential banning of individual pieces of equipment that are not standardized according to EU requirements, we exchanged our latest information on this topic at meetings with the Ministry of Economic Development and Technology and the Market Inspectorate of the Republic of Slovenia, as well as in reports of working

groups in the scope of the EU Directive 98/37/EC.

In 2021 the Agency handled 359 cases related to radio broadcasting spectrum management, of which 267 were started at the party's request, and 92 ex-officio.

## 2.5 INTERNATIONAL COORDINATION AND COOPERATION

Besides regular participation in 32 working groups in the scope of the European Union, NATO, CEPT ITU and HCM, the Agency coordinated the use of radio frequencies that affect other countries in accordance with international agreements. In analogue broadcasting the Agency received 37 cases, launched 18 and resolved 34 current cases, and 25 that were carried over from past years. In addition, the Agency actively participated in the European Commission's Connectivity Toolbox working group that aims to provide guidelines for constructing new fibre optic and 5G networks. These tools will go into implementation phase in 2022.

In digital broadcasting the Agency received 28 cases, launched one and resolved 28 current cases, and 4 that were carried over from past years. It reviewed a total of 24 entries in the register with the International Telecommunications Union (ITU). In connection with mobile service, it received 53 new cases and resolved 47 cases: 32 current and 15 that were carried over. There were 16 new cases for satellite and fixed connections. The Agency also actively participated in and showcased its work at seven international online events, contributing to the recognition of the Agency's work both in Slovenia and internationally.

## 2.6 NUMBERING SPACE

In 2021 the Agency received 36 applications related to

numbering space management, and based on them issued 5 decisions on stopping the procedure, and 30 decisions for awarding or returning numbering elements. In total the Agency has awarded 275,257 numbering elements, most of which are 100,000 non-geographic numbers for public mobile networks and 100,000 non-geographic numbers for M2M communication.

In 2021 the Agency responded to 37 questions related to numbering space posed by citizens, operators, journalists and other members of the public. They asked for explanations related to call abuse, telephone number recycling, nomad numbers, telephone number portability between operators, premium calls and information about which operator is assigned which numbers and for what purpose.

One of the initiatives addressed to the Agency in 2021 was the initiative for the single EU number 116 016, with the party asking for information on the possibility of a technical implementation of establishing such a number for reporting violence towards women and providing help to victims of all types of violence towards women and domestic violence. The Agency commended and supported the initiative for establishing the single EU number 116 016 for reporting violence towards women. It called on the party to strive to achieve that the European Commission designates 116 016 as the single EU number for reporting violence towards women, and that consequently in accordance with paragraph 4 or Article 9 of the General act on the numbering plan, the Agency can begin with ex-officio procedure for awarding the number to a provider of such a service.

The Agency hosted the annual meeting between the administrator of the central database of ported numbers and the representatives from operators, where stakeholders and

the Agency together define the method of implementation, technical and other requirements for number portability or their potential changes. In some countries number portability is performed in real time, and the Agency supports changes that will lead to that.

In 2021 the Agency faced a growing number of cases, where local operators wanted to transfer the numbering space, they were assigned with a decision to a service provider from another EU country with a legal transaction. The legislation does permit such secondary use; however, it does not detail the procedures, and therefore the Agency reviewed such potential use from the perspective of legal communication interception, number porting, ensuring access to emergency services and information on the location of the caller for calls to 112, and potential abuse of such telephone numbers for the purposes that are not yet detailed in the law. This required a lot of inter-departmental cooperation on the Agency's part in order to achieve a uniform position on when and under what conditions secondary assignment is possible and in accordance with the law.

The Agency was active internationally in 2021. It attended the meetings of the WG NaN working group at CEPT/ECC, and responded to all the questionnaires that are the foundation for preparing the guidelines, and the reports that the group prepares, and that come into effect after they are approved. As part of project working groups our representatives prepared several reports related to current numbering-related issues, such as number porting in so-called "all-IP" environments, numbering elements in mobile environments, sponsored international roaming, upcoming issues related to numbering elements and similar. Participation in these working groups helped the Agency in understanding business practices that are slowly making their way from Western Europe and the US to our electronic



communications markets.

In two cases the Agency also intensively collaborated with regulators from other EU countries. One case was related to so-called call stretching, where a Slovenian operator was included in call forwarding, and where it turned out that it billed the call correctly, and the second case was related to fraudulent SMS messages, where again a Slovenian operator was included in forwarding, however, because the incident occurred more than 4 months before, the traffic data that could help clear up the situation was no longer available.

## 2.6.1 PUBLIC TENDER FOR AWARDING NUMBERING ELEMENTS FOR PROVIDING PUBLIC COMMUNICATION SERVICES

In the beginning of 2021, the Agency launched an establishing procedure against Detel Global, d.o.o., – in bankruptcy proceedings, because of unpaid dues related to payment for the use of numbering elements, which were not paid even after a notification. In accordance with Article 72 of ZEKom-1, which instructs the Agency to annul a decision on awarding numbering elements ex officio, if the payment for the use of numbering elements or the charge for efficient use of a limited natural resource was not settled even after a notification, the Agency issued an annulment decision on 24 February 2021, annulling all the decisions on awarding numbering elements to Detel Global. Because the revoked numbering elements are actually telephone numbers of active subscribers, it is reasonable from the perspective of providing uninterrupted operations that such numbering elements are awarded to a new owner, otherwise these existing telephone numbers would cease to operate. Consequently, the Agency held a public tender for awarding numbering elements for providing public communication services.

The subject of the public tender for awarding numbering elements for providing public communication services were four lots of numbering elements from the national numbering space:

- SET A – Premium numbers from non-geographic numbering area
- SET B – Numbers for providing toll-free services from the non-geographic numbering area
- SET C – numbers from the non-geographic numbering area for providing public communication services at a fixed location, and
- SET D – numbers from the geographic numbering area for providing public communication services at a fixed location, and

On 5 November 2021 the Agency issued decision no. 38211-24/2021/4, awarding SET A elements to Telekom Slovenije, and decision no. 38211-25/2021/4, awarding the SET C numbering elements to Telemach, thereby concluding the public tender for awarding numbering elements for providing public communication services. The Agency did not receive any offers for numbering elements for providing public communication services from SETS B and D that would meet the requirements of the law and the tender documentation of the public tender, and were therefore not awarded.

It bares to mention that all the stakeholders – namely the Agency, the operators, the administrator of the central database of ported numbers – made every effort to ensure that for the duration of the administrative procedure the end users were able to use their telephone numbers without any major interruptions.

# 07

## REGULATION

### 1 ELECTRONIC COMMUNICATIONS

#### 1.1 1 ANNUAL GOALS AND THE STATE OF THE MARKET

TABLE 2: KEY OBJECTIVE: ENCOURAGING COMPETITION AND DEVELOPMENT

Key objective: Encouraging competition and market development					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>The Electronic communications market regulation strategy for promoting regulative predictability</b>	Preparation and publication of the new 3-year strategy.	Ensuring predictable regulatory environment for all market stakeholders.	Preparing the strategy by 31 December 2021.	●	Draft strategy with additional questions for stakeholders on the market was published in December 2021.
<b>Regulation of relevant markets 1 (former 3a) and 3b</b>	For relevant markets 1 "Wholesale local access at a fixed location" and 3b "Wholesale central access at a fixed location for mass market products": Preparing the analysis and holding a public consultation; Notifying the analysis with the EC; Issuing a regulatory decision.  Preparing pricing tools, i.e., cost models for analysing relevant markets 1 and 3b.  Preparing methodology for keeping separate accounting records.	The objective of the analysis is to establish the state of these two markets, and to regulate them according to findings in order to ensure competitiveness on the markets and to consequently ensure end users receive high-quality services at suitable prices.  Recommending appropriate pricing obligations for relevant markets 1 and 3b in the analysis.  Recommending detailed methodology for keeping separate accounting records for relevant markets 1 and 3b in the analysis.	Issuing decisions by 1 October 2021.  Preparing the analysis of relevant markets 1 and 3b by 1 April 2021.  Preparing pricing tools by 1 April 2021.  Preparing the methodology by 1 April 2021.	●  ●  ●  ●	Issuing regulatory decisions has been postponed to 2022 because of an additional round of public consultation that led to a longer procedure.

<p><b>Establishing the state of the market</b></p>	<p>The analysis of retail and wholesale prices of broadband connections for December 2020.</p> <p>The Survey on monthly household spending on electronic communications services, and the Analysis of the current demand for higher speeds of internet access and e-content.</p>	<p>Monitoring the market for any potential new regulatory measures.</p> <p>Improving public awareness and establishing actual needs of electronic communications users.</p>	<p>Obtaining the data from the operators and preparing a short analysis of trends by 30 November 2020.</p> <p>Concluding both surveys of end users by 31 December 2020.</p>	<ul style="list-style-type: none"> <li>● Publishing the analysis of products and services on the retail market for broadband access in December 2021.</li> <li>Publishing the summary analysis of products and services on the whole local access in November 2021.</li> <li>● Publishing the Survey on monthly household spending on electronic communications services, and the Analysis of the current demand for higher speeds of internet access and e-content in December 2021.</li> </ul>
<p><b>Support for stakeholders</b></p>	<p>Support in the implementation of EU directives (roaming, prices of termination in mobile and fixed networks).</p>	<p>Providing operators support in the implementation of measures and holding a dialogue with operators.</p>	<p>Organising a workshop, holding meetings and preparing responses by 31 December 2021.</p>	<ul style="list-style-type: none"> <li>● Workshop on international roaming was not held, as the final version of the regulation has not yet been confirmed. However, it will take place in 2016, and the Agency has provided written explanations to the operators' questions.</li> <li>With regard to call termination in mobile and fixed networks, the Agency issued supplemental decisions and several written explanations to different operators.</li> </ul>

### Key objective: Increasing efficiency and reducing regulatory burdens

Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Modernisation and automation of data collection for obligatory reporting</b>	Analysis of the user's needs and setting up the server environment, and the development of the system by an external developer.	Analysis of the user's requirements and the development of the system.	Preparing the analysis of the user's needs by 18 February 2021.	●	Because of the need for repeating the public tender several times the Agency selected the provider in September 2021. Work on the project began in October 2021.
	Setting up the system in a test environment and testing; data migration to the production environment; security test of the software solution, launching the new data collection system.	Setting up the data collection system to make reporting and data processing easier.	Setting up the system in a test environment and testing in the first half of 2022.	●	

### Key objective: Optimizing investments in infrastructure

Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Encouraging optimization of investments in infrastructure</b>	Maintaining, developing, optimising and updating the Geoportal. Adding layers and templates for a simple overview.	Providing information in a transparent and simple way for all users of the Geoportal.	Quarterly data review and update.	●	The Agency regularly updated all databases, established web services and additional layers for an improved overview and user experience.

TABLE 3: ADDITIONAL TASKS THAT WERE NOT PLANNED IN THE 2020 AFP

Task	Goals of the task	Description (permanent activities or projects)	Comment
<b>General act on publishing information on current tariffs</b>	Publication of the General act on the website.	Preparing and publishing the General act on publishing information on current tariffs.	Publishing the draft General act on publishing information on current tariffs on 23 December 2021.
<b>General act on transfer speed for a functioning internet access</b>	Publication of the General act in the Official Gazette.	Preparing the responses to proposals and comments of the stakeholders from the public consultation; Publication of the General act in the Official Gazette.	Because of changes on the market, the Agency prepared at the end of 2020 a proposal for changes to the general act, and submitted it into public consultation. The revised General act was published in the Official Gazette in February 2021.
<b>General act on the quality of the universal service</b>	Publication of the General act in the Official Gazette.	Preparing the responses to proposals and comments of the stakeholders from the public consultation; Publication of the General act in the Official Gazette.	Because of changes on the market, the Agency prepared at the end of 2020 a proposal for changes to the general act, and submitted it into public consultation. The revised General act was published in the Official Gazette in February 2021.
<b>Public tender for awarding numbering elements for providing public communication services</b>	Preparing the public tender for awarding numbering elements and selecting the provider	Holding the public call for obtaining the opinions from the interested public on awarding revoked numbering elements; Holding the public tender for awarding numbering elements and selecting the provider	Because the numbering elements were revoked (unpaid dues) the Agency held the Public tender for awarding numbering elements for providing public communication services in accordance with the legislation.
<b>Issuing supplemental decisions regarding call termination into the fixed and mobile network</b>	Issuing decisions to operators with significant market power.	Holding an administrative procedure and issuing decisions.	With regard to call termination in mobile and fixed networks, the Agency issued supplemental decisions and several written explanations to different operators.

The Agency set several objectives in telecommunication regulation and for the most part managed to achieve them. For 2021 it set out to prepare and publish the analyses of relevant markets for access to the fixed broadband network for relevant markets 1 "Wholesale local access at a fixed location" and 3b "Wholesale central access at a fixed location for mass market products": The Agency submitted both analyses into public consultation in April 2021 and then into the second public consultation in September 2021. In the end of 2021, the Agency successfully completed the notification procedure with the European Commission, and began with the procedure for issuing new regulatory decisions to the operator with significant market power on both relevant markets, which will be issued in early 2022.

In the scope of encouraging competition and monitoring market development one of the important tasks was also preparing the Strategy of the regulation of electronic communications market for encouraging regulatory predictability through which the Agency plans to ensure a predictable regulatory environment for all market stakeholders for the following three-year period. In December 2021 the Agency also prepared the draft strategy and submitted it to public consultation.

From the perspective of monitoring competition and market development the Agency also set out to perform two analyses in 2021. Namely, the analyses of retail and wholesale prices of broadband connection in the Republic of Slovenia both from the perspective of competition and with regard to price movements on the markets in individual geographic segments, which were completed successfully, and at the end of the year also published on the Agency's website.

The Agency additionally also completed and published two planned surveys on end users and electronic communications: "Analysis of current demand for higher speeds of internet access and e-content", and "Survey

and analysis of household expenditures for electronic communications services". The Agency systematically monitored operators regarding the obligation of reporting data, regularly collecting the data on the development of the electronic communications market, processed the data, prepared quarterly reports, and published the data on the eAnalitik portal. In relation to this it also regularly prepared reports for national and foreign bodies.

Additionally, the Agency provided support in the implementation of the EU Regulation on mobile roaming, and processed the application through which it approved Hot mobil, d.o.o., to charge a surcharge for ensuring the sustainability of its local billing model. Especially in the second half of the year the Agency actively collaborated with the relevant ministry in preparing the materials and provided support with its expertise when Slovenia held the rotating presidency of the EU Council. In regulation, the Agency also prepared its own calculation of the weighted average cost of capital (WACC) for 2021, which was then submitted into public consultation in April 2021, and was later also successfully notified to the European Commission.

With regard to the protection of end users, the Agency set out to regularly monitor the provision of the universal service in accordance with the general acts, especially from the perspective of including broadband internet access as a universal service. Because of changed market conditions and different needs of end users the Agency prepared changes to two general acts already at the end of 2020. General act on transfer speed, suitable for a functioning internet access and the General act on the quality of the universal service, along with an analysis of the impact of the change to the transfer speed for a functional internet access and the quality of the universal service. After the public consultation was concluded in early 2021, the Agency prepared responses to the submitted comments and opinions, and decided based on them that the new transfer speed for broadband internet access should be 10

Mbps downlink and 1 Mbps uplink. Additionally, the Agency has decided that the new monthly data allowance for users accessing the universal service over a satellite connection should amount to 75 GB. In the first half of the year the Agency published two general acts in the Official Gazette of RS. The new transfer speed of 10 Mbps downlink and 1 Mbps uplink came into effect on 13 April 2021.

As one of the key objectives in the optimisation of investments in infrastructure the Agency set out for 2021 to continue maintaining and optimising the AKOS Geoportal. It performed the required updates and upgrades to the system for optimum operations, and for ensuring the information security of the collected data.

It also updated the spatial database, especially the data on network connection points and electronic communications.

At the end of 2021 the Agency successfully setup the web services for the Surveying and Mapping Authority of the Republic of Slovenia through which it receives the latest changes to the data on network connection points and electronic communications on a daily basis. This gives the Agency a simple access to the latest collected data from the operators at any moment, providing a higher quality of information, and consequently making the Agency's work more efficient. Additionally, several visual layers and functions were added to the Geoportal in 2021, providing users with a full overview of telecommunications infrastructure in the Republic of Slovenia. Numerous other features were also added, providing the users an easier overview data the Agency provides.

By pursuing the objective of increased efficiency and the reduction of regulatory burden the Agency planned activities related to revamping and automating data capture from parties with a reporting obligation. Following a successfully completed procedure of verifying the suitability of received offers in the public tender, the Agency published the decision on submitting a public order at the end of September. It selected the providers

for performing the project and concluded a four-year agreement with them for the development, implementation and maintenance of the data collection information system. At the end of the year several activities were underway related to analysing user requests and planning the software solution, along with the design and development of the solution. The work on the project continues into 2022, and according to plan also conclude.

At the international stage the Agency was active in working groups and plenary sessions as a member of the Body of European Regulators of Electronic Communications (BEREC), in line with plans for 2021. In 2021 the Agency once again co-chaired BEREC's working group on issues of cybersecurity in 5G networks. The Agency remains an active member of IRG, the international organization CPPT/EEC, and collaborates successfully with the European Union Agency for Cybersecurity (ENISA).

In 2021 the Agency actively collaborated in the transposition of the European legislation into national legislation as part of the expert working group of the relevant ministry for preparing ZEKom-2. In accordance with the proposed ZEKom-2, the Agency began preparing numerous executive acts. Building on experience the Agency pursued solutions that are in line with legislation and follow the market development and its demands.

The Agency was also active in relation to raising awareness of end users in information literacy. Throughout the year it actively published content on its dedicated portal MIPI ([www.mipi.si](http://www.mipi.si)), one of the first media and information literacy awareness portals among national regulator in the European Union. Articles included information related to information literacy, as well as electronic communications, which also fall under the Agency's authority.

With constant monitoring of the activities on the market the Agency can change its priorities and goals if that is required for ensuring the appropriate market conditions.

It may occur that besides the planned tasks or instead of them the Agency conducts other tasks that were not planned for that particular year.

In 2021 the Agency performed an additional task in telecommunications regulation by preparing the proposed general act on publishing information on valid tariffs and put it into public consultation at the end of 2021.

The Agency also responded to more than 171 questions from the public and other stakeholders.

## 1.2 CURRENT STATE OF THE MARKET

At the end of 2021 there were 150 operators on the

Slovenian electronic communications market who provided electronic communication networks to end users or provided electronic communication services. Two new operators with corporate offices registered outside of the Republic of Slovenia joined the existing 13 such operators.

The Agency received 7 applications from legal persons to be entered into its official record in 2021. The main reason for nearly a half of applications to be stricken from the official records of operators in 2021 was related to the market consolidation, as four operators were merged by acquisition, while six stopped providing electronic communication networks or services.

TABLE 4: THE NUMBER OF OPERATORS/SERVICE PROVIDERS ENTERED INTO THE OFFICIAL REGISTRY BY SERVICE IN 2021

Service	Number
<b>Internet access</b>	
Narrowband access	12
Broadband access	69
Cable access	30
Cable operators	48
<b>Voice services in the public mobile network</b>	
Operators	4
Service providers (together with VMNO)	22
<b>Fixed public voice telephone services</b>	
International public voice telephone service operators	37
Local public voice telephone service operators	36
Leased lines operators	41
Value added services providers	25

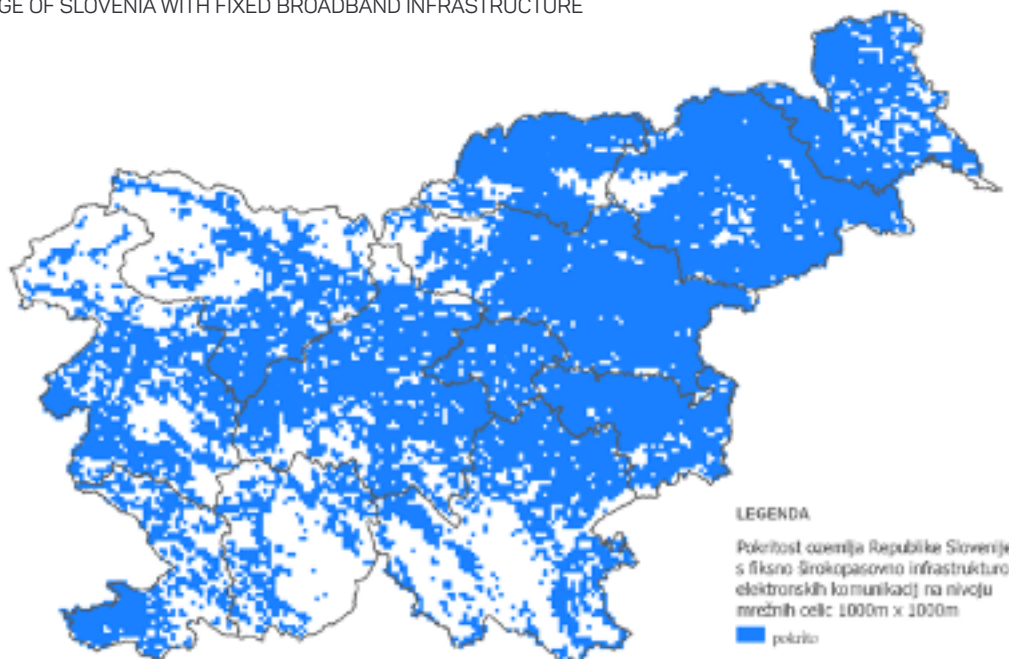
\*podatki se nanašajo na storitve, ki so jih operaterji navedli ob vpisu v uradno evidenco operaterjev; podatki na dan 31. 12. 2021



Fixed telephone service is an important fixture of the electronic communications market. Operators are abandoning traditional (analogue, ISDN) technologies, with IP-telephone services gaining prominence. Operators offer fixed telephone services in lower-priced bundles along with other electronic communications services. This is one of the most important reasons for the growth of IP telephone services in comparison with traditional telephone services. Traditional analogue and ISDN connections now only take up a good 10% of the total connections, as traditional telephone service is not competitive in pricing terms to IP-telephone services and is not available in operators' bundles. In 2021 growth in IP telephone service connections continued, while the share of traditional

telephone service declined. The share of IP telephone services is now at 89%. In 2021 the total number of fixed lines decreased, as well as the total volume of fixed voice traffic. This trend is mainly related to the growth in mobile telephone services. None of the operators providing fixed telephone services has a noticeably dominant market share by the number of fixed connections or total volume of voice traffic. When switching operators, users generally also bring their fixed voice connections to the new subscriber agreement, with number porting playing a significant role. This makes fixed voice communications still an important part of the electronic communications market, as 83% of households have fixed telephone lines.

FIGURE 8: COVERAGE OF SLOVENIA WITH FIXED BROADBAND INFRASTRUCTURE



The main stakeholders on the Slovenian mobile telephone services market are still the four vertically integrated operators: A1 Slovenija, d.d., T-2, d.o.o., Telekom Slovenije, d.d., and Telemach, d.o.o. They are all offering converged service plans, competing on the retail fixed and mobile markets at the same time. The biggest share in mobile

telephone services is held by Telekom Slovenije, d.d., and while it is slowly declining, it is still above 36%. Over the past year Telemach, d.o.o, gained a good percent, however, its share is still below 25%, while the share of A1 Slovenija, d.d., is at a similar level, at approximately 27%.

Infrastructure mobile operators continued with investments in their mobile networks in 2021. These are especially evident from the high population coverage with LTE networks, as well as with the implementation of 5G networks that Telekom Slovenije, Telemach and A1 Slovenija launched in 2021. Currently these only cover small areas in some regional centres, however, operators plan to intensively expand the coverage and use of 5G. Competitive plans from operators provide users with unlimited amounts of voice calls, text and multimedia messaging, and increasingly larger data allowances, which now measure several tens of GB, and some even offer unlimited data transfer. Users can now enjoy services to a much greater extent, which has contributed to increased number of mobile broadband access users in 2021, and consequently a higher volume of data traffic. The penetration of active mobile communications users in the population continued to increase in 2021, nearing 124% by the end of the year.

For end users another very important development was the elimination of roaming costs in the EU from 15 June 2017, which allows them to use mobile telephone services like at home, even while roaming. The revamped directive on roaming in public mobile communication networks further lowered the regulated wholesale prices for data roaming with a cap of 2.20 EUR/GB, and the price of a voice minute to 0,022 EUR/minute. This will bring users with open plans higher data allowances when roaming in the EU. These measures have allowed carefree use of services even while roaming in European networks, which is also reflected in increased use of services, and especially in larger amounts of transferred data.

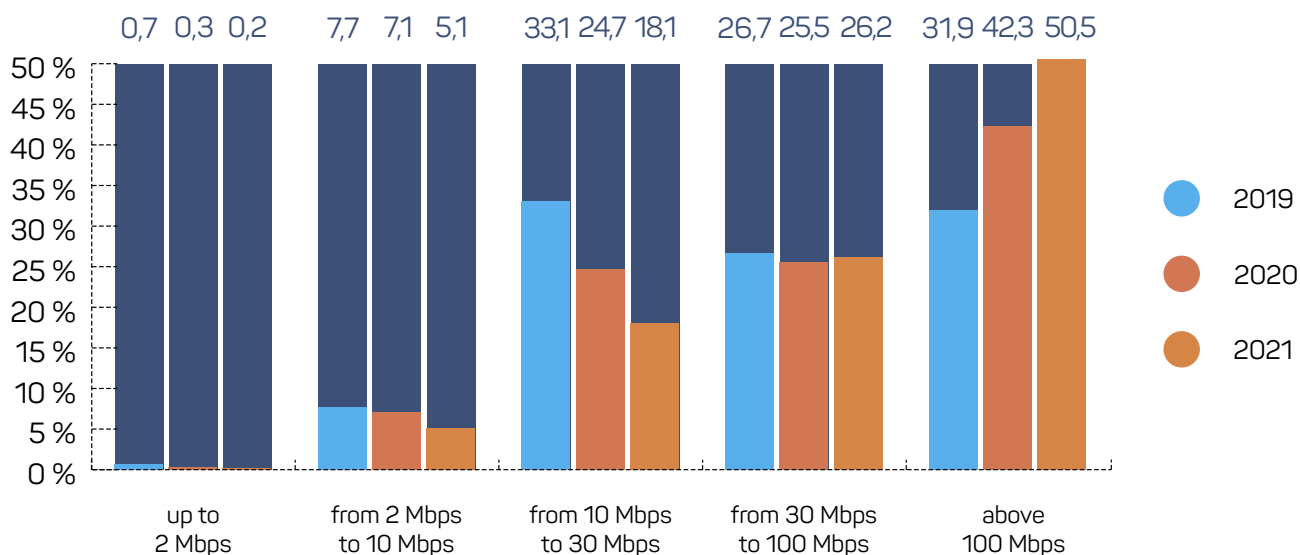
In the scope of its obligations the Agency regularly monitors the state of the electronic communications market, including by gathering and processing the data on coverage with mobile networks. The Agency periodically submits this data to the European Commission, which collects them from all member states in the scope of its tasks to foster the single common digital market. The European Commission also included coverage rates for inhabited areas with mobile LTE networks in the 2021 Digital Economy and Society Index (DESI). This indicator shows that the coverage in Slovenia is high at 99.7% in rural areas, and 99.9% in total, which places it in the top half of European countries. DESI indicator of "5G readiness" which monitors the share of the awarded 5G spectrum, places us among the top 6 European countries, while in relation to 5G coverage the DESI review does not list us yet, along with a half of European countries.

Slovenian operators that provide broadband services, provide them over different networks: copper, cable, fibre optics, fixed wireless and mobile. Fibre optic access is increasingly gaining prominence, as it supports increasingly high transfer speeds. Other technologies that mostly do not achieve speeds as high as fibre optics, have been in decline over the past years, which shows that people are increasingly choosing access over the fibre optics network, as it provides a stable, reliable and fast connection. The importance of broadband access for the population is also indicated by the penetration of fixed broadband access, which has been growing every year and at the end of 2021 stood at 86.7%, with population coverage at 33.9%.

<sup>3</sup> UREDBA EVROPSKEGA PARLAMENTA IN SVETA o gostovanju v javnih mobilnih komunikacijskih omrežjih v Uniji (prenovitev), 2021/0045(COD) z dne 24.2.2021

<sup>4</sup> Izvedbena uredba Komisije (EU) 2016/2286 z dne 15. decembra 2016 o določitvi podrobnih pravil glede uporabe politike pošteno uporabe in metodologije za oceno trajnosti odprave maloprodajnih pribitkov za gostovanje ter glede vloge, ki jo predloži ponudnik gostovanja za namene navedene ocene

FIGURE 9: BROADBAND INTERNET ACCESS BY DATA TRANSFER SPEED



The Digital Economy and Society Index (DESI), which monitors the digital progress of EU member states, shows that in 2021 Slovenia significantly progressed, as it is now placed 13th, four places higher than the year before. This means it is above average among EU member states and has for the first time placed in the top half of the most successful EU countries for the first time. According to new rules member states are assessed across four categories: human capital, connectivity, integration of digital technology and digital public services. In connectivity Slovenia placed in the excellent 9th spot, which is mainly the result of the growth of households covered by fixed very high-capacity networks, and Slovenia also improved its score in the availability of connections with at least 100 Mbps. In Slovenia the coverage with next generation access networks (NGA) is also above average, as is its grade for 5G readiness. Slovenia achieved the highest progress in connectivity, where one of the most significant contributions to the score was the successfully completed multi-frequency auction for awarding frequency bands for 5G networks that the Agency held in 2021. In human capital, which is one of the biggest advantages of Slovenia, it placed 13th among EU member states, with the biggest

progress in this category resulting from the percentage of graduates in ICT. Slovenia is placed 8th in the EU for inclusion of digital technologies in the private sector, as it has one of the highest scores for the percentage of companies issuing e-invoices. In digital public services Slovenia falls into the bottom half of EU member states, however, it did achieve progress for the open data indicator, where it moved up to 9th place.

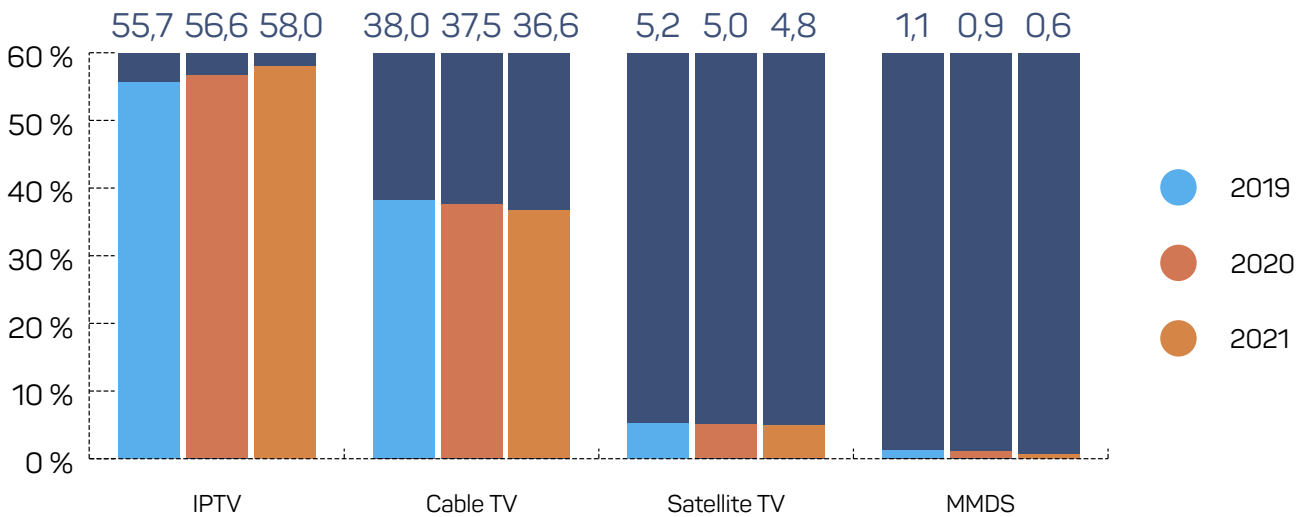
The Agency ensures that Slovenia is improving its performance across all areas that fall under its authority. Through the decisions it issues the Agency regulates the wholesale market by encouraging equal competitive conditions on the market, increases the utilisation of the already constructed networks, encourages the development of innovative, high-quality and accessible services, while also encouraging investment in the construction of high-transfer-speed broadband networks. Its work also makes it possible for end users to access higher quality, innovative and lower priced services with higher speeds, and the option for end users to switch operators.

Technology is a key part of our lives, as has been evident over the past two years, when for many work, school and entertainment were limited to our households. Using technologies and learning about them for hours on end was inevitable, and a fast internet connection made it possible to access vast amounts of online content, available from any device. Television is no longer just a screen, but has instead become a gateway into the digital environment. The development of new technologies and distribution platforms has brought us from linear television to a point where we no longer talk about television, but instead about OTT (over the top television) services. It is no longer possible to purchase a TV without an internet connection over an ethernet cable or WiFi that comes with a bunch of preloaded apps, available for free and open for access.

Changes in user habits and the expansion of broadband connectivity are driving forces that impact the use, image and content of TV services. Operators have to follow all of these trends in order to retain existing and bring in new users.

IP TV connection once again grew in 2021, this time by 1,5 percentage points. The market share of such connections at the end of 2021 stood at 58.0%. The market shares of other technologies marked a decline in 2021; the market share of cable TV decreased by nearly a percentage point to 36.6%, the market share of satellite TV decreased by 0.2 percentage point (to 4.8%), while the market share of MMDS fell by 0.3 percentage points (to 0.6%).

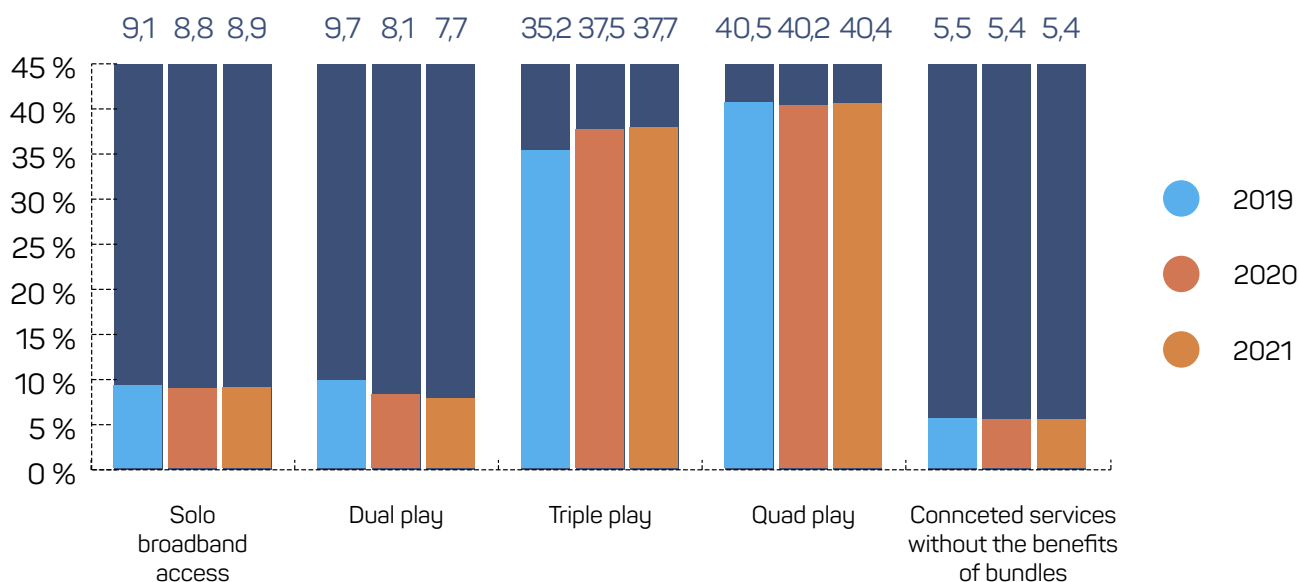
FIGURE 10: SHARES OF TELEVISION CONNECTIONS BY TECHNOLOGY



Convergence of services in the electronic communications market is represented by bundled services that operators have been offering over the past few years, and which include fixed and mobile telephone services, internet access and TV. This ensures a higher level of competitiveness on telecommunications markets, as it brings numerous options for choice between different service bundles and consequently also pricing to end user,

while allowing operators to provide their end users several types of services on a single infrastructure. Operators form a comprehensive range of telecommunication services that include at least two of the above services with different combinations of so-called dual play, triple play or quad play bundles, thereby ensuring market differentiation. End users mostly opt for such offers, as the price of bundled services is generally lower than the sum total of individual services.

FIGURE 11: CONVERGENT SERVICES



Much like in the previous years, the carrier market for broadband access continued to grow in 2021. Carrier broadband access makes it possible for service providers to connect end users even at locations where they do not have any network of their own. This allows them access to their subscribers over bitstream or loop unbundling, both on the copper and the fibre optics network. Over the past few years access has been growing to open broadband networks that were built through public-private partnerships, especially in areas where operators did not show any commercial interest for construction. The objective of different regulated types of access is ensuring competition on the market, and consequently providing end users with better terms and more options in terms of the type, quality and price of service.

On the copper network the carrier market exhibited a continued trend of declining connection over loop unbundling in 2021. Over the past year the number of connections over bitstream access also began declining. At the same time the number of connections on fibre optics has been growing on the carrier market, both over

unbundled access and bitstream. The reasons for this are mainly in the increased construction of fibre optic connections of the operator with significant market power, and thereby the option of moving the connections from the copper to the fibre optic network. The majority of the fibre optics network of the operator with significant market power was constructed using the P2MP (point-to-multi-point) method, provides operators with the option of virtual unbundled local access (VULA) based on imposed regulatory obligations on the relevant market 3a (wholesale local access at a fixed location), imposed with a regulatory decision since the end of 2017.

## 1.2 ACTIVITIES AIMED AT ACHIEVING GOALS

### 1.2.1 REGULATION OF RELEVANT MARKETS

In the scope of regulation of relevant markets in 2021, the Agency put most attention towards relevant markets 1 “Wholesale local access at a fixed location” and 3b “Wholesale central access at a fixed location for the mass

market products". Even though the final Commission Recommendation ((EU) 2020/2245 of 18 December 2020) on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2018/1972/EU was published in December 2020, and the implementation of the Directive (EU) 2018/1972 has not yet been fully transposed into national legislation, the Agency already completed the goals it set in the scope of this project. The Agency submitted both analyses into public consultation in April 2021 and then into the second public consultation in September 2021. After thoroughly reviewing all the comments received from the stakeholders and the public, it amended the analyses and successfully notified them with the European Commission after the completion of the second public consultation at the end of 2021. Throughout the year the Agency also verified the performance of legal obligations and all obligations imposed on the operators with significant market power through regulatory decisions. In 2021 the Agency additionally, based on the Commission Delegated Regulation (hereinafter: Commission Delegated Regulation) that lays down the highest uniform voice call termination prices in mobile networks and uniform highest voice call termination prices in fixed networks at the European Union level, issued decisions to operators with significant market power on relevant market 1 "Wholesale call termination in individual public telephone networks provided at a fixed location" and relevant market 2 "Wholesale voice call termination in individual mobile networks" with which it eliminated the obligation of price control.

#### **MARKET 1 (2014/710/EU) AND MARKET 2 (2014/710/EU)**

At the end of 2020 the European Commission issued the Delegated Commission regulation in which it published the highest permitted wholesale call termination prices for both markets, namely in fixed and mobile networks. The new prices apply to the whole EU from 1 July 2021 and are billed for fixed and mobile calls originating and terminating in the EU territory. The highest permitted wholesale price

for call termination in fixed networks is 0.07-euro cents per minute and 0.2-euro cents per minute in mobile networks. In June 2021 and later also in December 2021 the Agency issued supplemental decisions to all operators with significant market power on two relevant markets (relevant market 1 "Wholesale call termination in individual public telephone networks provided at a fixed location" and relevant market 2 "Wholesale voice call termination in individual mobile networks") in which it eliminated the obligation of price control and cost-based accounting, as the pricing obligations for this part are detailed by the Delegated Commission regulation.

#### **MARKET 1 (2020/2245/EU) AND MARKET 3B (2014/710/EU)**

In 2021 the Agency performed an analysis of both relevant markets: market 1 (2020/2245/EU) "Wholesale local access at a fixed location" and market 3B (2014/710/EU) "Wholesale central access at a fixed location for mass market products". When preparing analyses for both relevant markets the Agency benefited from the previously completed analysis of the past effects of regulation of both relevant markets that the Agency had performed in 2020. In the answers and comments, it obtained from stakeholders on past effects of the regulation, the Agency obtained the responses and opinions of the public and the stakeholders which it then took into consideration when preparing the analyses of both relevant markets. In the preparation of both analyses the Agency also took into account the new Commission recommendation (2020/2245/EU of 18 December 2020) on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2018/1972/EU. The European Commission listed only the former relevant market 3a (now relevant market 1) among those wholesale markets that are susceptible to ex-ante regulation, while relevant

<sup>5</sup> Delegirana uredba Komisije z dne 18.12.2020 o dopolnitvi Direktive (EU)2018/1972 Evropskega parlamenta in Sveta z določitvijo enotne najvišje cene zaključevanja govornih klicev v mobilnih omrežjih na ravni Unije in enotne najvišje cene zaključevanja govornih klicev v fiksni omrežjih na ravni Unije

market 3b was removed from the list. Consequently, the Agency additionally performed the test of three measures on relevant market 3b, which is also a part of the analysis of this relevant market. In this test the Agency established that ex-ante regulation must be retained at least partially on this relevant market. When preparing both analyses, and especially when designing the measures, the Agency took into account the European Commission guidelines for market analysis and estimation of significant market power with the regulatory framework of the EU for electronic communications networks and services (2018/C159/01). It also took into account the Commission Recommendation on regulated access to access next generation access networks (NGA (2010/572/EU)), and Commission Recommendation on consistent non-discrimination obligations and cost calculation methodologies for promoting competition and enhancing the broadband investment environment (2013/466/EU).

When preparing both analyses and preparing the proposed obligations the Agency especially pursued the following objectives:

- encouraging the development of innovative, high-quality and user-accessible services and reducing the obstacles for users switching between operators
- encouraging equal competitive terms and conditions on the market
- promoting service competition
- technologically neutral approach to networks and services
- encouraging investment into the construction of high-transfer speed broadband networks
- encouraging operator and user transition to NGA networks
- adjusting regulation to the changes and trends on the market
- predictable and stable access pricing to the copper network
- better accessibility to high-speed services
- flexible definition of wholesale pricing for access to

NGA networks with consideration to competitive terms and economic replicability instead of cost-based pricing

- taking into account the option of symmetric regulation of access to network elements with the goal of reducing construction costs for NGA networks and preventing passive infrastructure duplication
- taking the operators' investment plans into account for the construction of NGA networks
- adjusting regulation to the changes on the market for access to networks because of the technological development of the networks
- taking into account the geographic perspective of market conditions

The Agency submitted both analyses of relevant markets into public consultation in April 2021. The Agency collected the responses from the public and the stakeholders and published the on its website. It took into account certain proposals from the public in the amended versions of both analyses, which were then resubmitted for public consultation in September 2021. After reviewing the opinions and comments from the public and the stakeholders, the Agency published both amended analyses with adjusted obligations on both relevant markets. In November the Agency launched the notification process for both analyses with the European Commission, and concluded it successfully one month later. In 2022 the Agency plans to continue performing administrative procedures on both relevant markets until new regulatory decisions are published.

#### **ANALYSIS OF RETAIL AND WHOLESALE PRICES OF BROADBAND CONNECTIONS**

The Agency annually regularly analyses the products and services both on the retail as well as on the wholesale market of broadband access. An important factor of this monitoring is also the analysis of the state of competition on both observed markets. The obtained data serve as a key foundation for preparing new proposals for

obligations on these relevant markets, and for monitoring market development and verifying the accuracy of the data on the infrastructure of electronic communications. In order to analyse the state of individual geographic market segments, the Agency once again analysed retail broadband access services throughout the territory of the Republic of Slovenia from the perspective of end users, and an analysis of broadband access wholesale prices and products, collecting data from all active operators on the market, identifying the most important retail and wholesale products provided by operators in individual geographic areas. In 2021 the Agency for the first time also collected the data on internet speeds from the four biggest operators, and listed the findings in chapter 2 of the Analysis of products and services on the retail market for broadband access, which it published on its website in December 2021. In the beginning of November 2021, the Agency published on its website the summary of the Analysis of products and services on the wholesale market for broadband access, and published its findings in a chart. In 2021 the Agency once again held its periodic survey on monthly household spending (data is for October 2021) on electronic communications services, and the Analysis of the current demand for higher speeds of internet access and e-content. Through these two surveys the Agency is monitoring market trends, service use and the needs of end users of electronic communications.

### **CALCULATING WEIGHTED AVERAGE COST OF CAPITAL (WACC)**

On the basis of the BEREC Report on WAAC parameter calculations BoR (20) 116 (hereinafter: Report on WACC parameter), issued on 12 June 2020 in accordance with the European Commission notification regarding WACC calculation (hereinafter: Notification), issued on 7 November 2019, the Agency calculated the weighted average cost of capital (hereinafter: WACC) for pricing regulation of electronic communications. The methodology shows the calculation of the weighted average of capital costs in the Report on WACC parameter, which follows

the European Commission's guidelines, listed in the Notification. In its first Report on WACC parameter BEREC calculated and collected the parameters required for calculating the value of WACC for older copper networks. The methodology and the calculations of the values of WACC were published on the website in April 2021. One month later the Agency published the comments from operators it received in the process of public consultation regarding the Methodology and calculation of the weighted average capital cost (WACC), along with the Agency's answers, and then it notified the proposed methodology with the European Commission, which did not have any comments.

## **1.2.2 THE ELECTRONIC COMMUNICATIONS MARKET REGULATION STRATEGY FOR PROMOTING REGULATIVE PREDICTABILITY**

In accordance with the provisions of ZEKom-1 the Agency prepared a draft Electronic communications market regulation strategy for promoting regulative predictability, and published it on its website in December 2021. The draft strategy is based on the existing strategy, while also taking into account fast technological development, along with trends and objectives of the European Union in electronic communications. It also includes regulation and market supervision for providing effective competition and high-quality services at appropriate prices, and encouraging the development of new services and technologies for a higher quality of life.

Market development is strongly influenced by new technologies that promise full digitalisation of processes and services on new platforms. Consequently, in order to ensure timely reaction and action at new developments on the national market, the Agency included concrete activities for achieving the goals in this direction in the



strategy. The Agency plans to review the comments it receives and amend the strategy accordingly. It shall take into account the recent events and changes on the market since the first draft of the strategy was made.

### 1.2.3 INTERNATIONAL ROAMING

In 2021 the Agency continued to provide support to operators in fulfilling their requirements, imposed by the EU Regulations related to international calls from home state into other EU member states, as well as for the use of communications during international roaming. The Agency cooperates with BEREC (Body of European Regulators for Electronic Communications), regularly updating it with the information it collects from the operators. With the new roaming regulation that comes into effect on 1 July 2022 the Agency will only report to BEREC once per year. However, the report will include even more information and will be more extensive than the past reports.

In 2021 the Agency also approved an application from Hot mobil, d.o.o., to allow the company to bill a surcharge in order to ensure a sustainability of its local billing model for a 12-month period, in line with applicable EU regulations.

### 1.2.4 DATA COLLECTION AND REPORTING – THE EANALITIK PORTAL

In line with relevant legislation the Agency is collecting the data on the development of the electronic communications market in the Republic of Slovenia with quarterly, annual and when required other additional surveys, as it requires this data for performing its authority. In spite of continued challenges and limitations related to the COVID-19 epidemic, there was no interruption to the collection, processing and analytics of the data reported from the operators who are entered into the Agency's official record of operators and who provide electronic communication networks or electronic communication services. The Agency submits the data to the European Commission and other regulatory bodies and national bodies and

international organizations with authority in electronic communications. High quality data present an important support in decision-making, preparing strategies and the regulation of electronic communications market. They are also used to prepare various reports, analyses and graphic representations of the data on the state of the electronic communications market. On the eAnalitik portal the Agency publishes the data on the development of the electronic communications market in the Republic of Slovenia on a quarterly basis.

### 1.2.5 MODERNISATION AND AUTOMATION OF DATA COLLECTION FOR OBLIGATORY REPORTING

In 2021 the Agency continued with the procedure of obtaining bids from providers that would meet the technical specifications for establishing a modern modular information system that fully supports the collection, processing, analytics, reporting and presentation of the data on electronic communications, data on postal services and parcel delivery, and the data on reports of violations and limitations of operators. Because the data that the Agency collects represent the foundation for the regulation of the electronic communications market and are also the basis for comparison with other European Union member states, they must be of high quality and reflect the actual state of the market, as they serve as support in decision-making, performing analyses, forming strategies and preparing reports for numerous stakeholders.

The repeated public tender, first published in December 2020, was concluded in January 2021 without any received offers. Consequently, the Agency investigated the market and held an expert dialogue with the providers on the market for developing such IT solutions. After obtaining the opinions, comments and proposals, the Agency conducted an internal review, completed the requirement for technical specifications and in April

once again published the public order. As none of the two received offers met the technical requirements from the tender documentation, both were rejected, and the Agency repeated the publication in June. After opening the received offers, the Committee for performing and supervising the procedure of the public order first verified the fulfilment of the technical requirements of the received offers. It established that one of the offers does not meet them, and rejected it. The second passed the review of technical requirements, and the Committee was able to continue with the procedure of verifying the fulfilment of other conditions from the tender. Following the successful verification procedure, the Agency published the decision on submitting the public tender at the end of September, selecting the joint offer from three providers, and concluded a four-year agreement with them for the development, implementation and maintenance of the data collection information system. In November and December 2 project phases ran concurrently: the phase of analysing user requirement and planning the software solution, and the phase of designing and developing the software, as the provider planned for a combined methodology of project management and software development, i.e., parallel performance of the project's activities. Both phases should be completed in 2022.

## 1.2.6 CHANGES TO THE GENERAL ACTS ON TRANSFER SPEED FOR A FUNCTIONING INTERNET ACCESS, AND THE UNIVERSAL SERVICE QUALITY

At the end of 2020 and in 2021 the Agency conducted activities related to the universal service according to plan. It once again conducted the analysis of requirements, especially in the light of increased demand for high-quality broadband connectivity that were accelerated by the COVID-19 pandemic due to increasing scope of remote work and school.

As it turned out that the pandemic is unfortunately not just a transitory phenomenon, the Agency followed Article 124 of ZEKom-1 and conducted the Analysis of the impact of the change of transfer speed for functional internet access and the quality of the universal service, and published on its website on 3 December 2020, namely before the contract deadline. Based on the conclusions from the Analysis the Agency recommended changes to two general acts; the first one is the General act on transfer speed suitable for functioning internet access. It recommended increasing transfer speed to 10 Mbps downlink and 2 Mbps uplink. the second act that the Agency recommended be changes, is the General act on the quality of the universal service. Here it proposed raising the monthly data allowance for users who access the universal service over a satellite link to 50 GB and 100 GB for the duration of the epidemic. The Agency also verified the option for the monthly allowance remaining at 100 GB, establishing that this would be ensure a lower price.

The procedure for changing these general acts continued into early 2021. In January 2021 the Agency received the comments from the public and the stakeholders, carefully reviewed them and published it answers. Following the comments from the public the Agency altered its proposal by setting the downlink transfer speed at 10 Mbps, and uplink at 1 Mbps, while the monthly data allowance for satellite connections was raised to 75 GB. Until 13 April 2021 the transfer speed was set at 4 Mbps downlink and 512 Kbps uplink, and from that date onward the required transfer speed has been increased to 10 Mbps downlink and 1 Mbps uplink. The Agency published the General act on the changes and amendments to the General act on transfer speed, suitable for a functioning internet access and the General act on the changes and amendments to the General act on the quality of the universal service in the Official Gazette no. 21/2021 of 12 February 2021. The general acts came into effect two months after publication. These changes make Slovenia one of the first countries to act in accordance with the recommendations from BoR

(19) 260: BEREC Report on Member States' best practices to support the defining of adequate broadband internet access service, and users can now access all the services listed in Schedule V of the Act.

The Agency also performed a series of activities aimed at raising end user awareness on the options for accessing broadband network, about their options of connecting to broadband networks, and how an end user can obtain act over universal service. For this purpose, the Agency prepared a series of articles on its website, and additionally also on MIPI, and responded to several letters from end users and other interest public.

## 1.2.7 PROPOSED GENERAL ACT ON PUBLISHING INFORMATION ON CURRENT TARIFFS

In accordance with its mission and strategy the Agency is continuously striving to increase transparency of operations of electronic communication service providers, both from the perspective of access, as well as from transparency of the published information with the aim of protecting end users.

In connection to information transparency the Agency detected that retail prices for premium services, which generally differ operator to operator, are often not published in a transparent and easily accessible manner, which can cause unplanned expenses for callers. Because of the non-transparent publications, no relevant and high-quality information is available, and the Agency prepared draft General act on publishing information on current tariffs Through this general act the Agency requires additional methods for publishing prices for using premium services.

Because of the different nature of premium services, the Agency has planned for different methods for notifying the callers on the price of service. With calls to the

numbering area 090 the operator must inform the caller of the price per unit (i.e., per call or period of time) directly before establishing the call using a voice announcement. With calls to 089 numbers, which are intended for remote voting and mass calling, which can lead to a multitude of concurrent calls that can, along with an active voting campaign, this general act proposes two methods of informing the callers. With the objective of relieving the lines the General act plans that a caller to the 089 number, who calls from a mobile device, can be informed of the price of the call with a subsequent SMS message. If a caller to a 089 number called from a fixed telephone, the operator must inform the caller on the price with a voice notification before establishing the call, as it is not possible to send an SMS message to fixed telephones.

The Agency submitted the draft General act on publishing information on current tariffs at the end of the year to public consultation, which concludes at the end of January 2022. After reviewing the comments and opinions from the public and the stakeholders the Agency will prepare the response s to the submitted comments and adopt the final version of the general act after the prices on valid tariffs are published. This will allow the Agency to protect end users from unexpected costs of calling to premium numbers.

## 1.2.8 ENCOURAGING OPTIMIZATION OF INVESTMENTS IN INFRASTRUCTURE – AKOS GEOPORTAL

The Agency administrates and updates its own spatial information system for collecting, processing, analysis and various presentations of spatial data. Core data of the Agency's spatial information system are publicly accessible databases from the Surveying and Mapping Authority of the Republic of Slovenia, the data the Agency has obtained

in the scope of its work and for this purpose from electronic communications operators, and the data it requires in the scope of exercising its authority, and have been obtained from other public bodies. In 2021 the Agency conducted the urgently required updates and upgrades to the system for optimum operations, and for ensuring the information security of the collected data. It also updated the spatial database, especially the data on network connection points and electronic communications. In 2021 the Agency completed the transition from the old D48 coordinate system to the new national coordinate system D96, so that it now uses appropriately updated spatial layers in the new coordinate system. At the end of 2021 after extensive testing the Agency successfully setup the web services for the Surveying and Mapping Authority of the Republic of Slovenia through which it receives the latest changes to the data on network connection points and electronic communications on a daily basis (dots, lines, polygons). The WFS web services are now integrated into the Agency's existing spatial information system, and this gives the Agency a simple access to the latest collected data from the operators at any moment, providing a higher quality of information, and consequently making the Agency's work more efficient.

In 2021 the Agency continued with the development of the revamped public portal, where it puts most effort into an even more user friendly and intuitive user interface and faster system operation. AKOS Geoportal is the central online portal for accessing and viewing spatial data that the Agency uses in its day-to-day work. When it was launched in 2019 the Agency planned to provide constant updates and upgrades to the system, and the revamped AKOS Geoportal introduced in 2021 brings even more content, transparency and user friendliness. The main objective of AKOS Geoportal is to lower the costs of construction of very-high-capacity networks (VHCN), encourage shared use and shared construction. The goal of such open data policy is related to a higher level of transparency of operations and a proactive publication and exchange

of spatial information. It serves both the general and the professional public with a transparent insight into the data on electronic communications and other infrastructure. AKOS Geoportal is also useful for end users and other organisations that need to verify coverage with a certain infrastructure.

Additionally, several visual layers and functions were added to the AKOS Geoportal, providing users with a full overview of telecommunications infrastructure in the Republic of Slovenia and other data from the Agency's scope of operations. The Agency imported new data into the spatial system, and prepared analyses of retail prices for broadband access connections. The Agency also prepared new spatial layers for household coverage with different technologies and speeds of fixed internet access at three different levels (town, municipality, statistical region),

along with files for exporting the data from the Geoportal that group data at the town, municipality and statistical region level.

In 2021 the Agency included the data from the Sector for the regulation of the railway services market to the Geoportal, in the Railway network group, and from the Sector for the regulation and supervision of the postal services market. Data collection on user disputes was conducted successfully, with the input data also including the spatial component. A series of optimisations have been made to ensure uninterrupted and fluid operation, and more accurate display, and users on mobile devices can also utilise geolocation. The Agency's spatial system was used in 2021 to create complex analyses for relevant markets for wholesale local access at a fixed location and wholesale central access at a fixed location for mass market products. This allowed the Agency to create a complex and high-quality analysis that was the firm foundation for further decisions.

The Agency regularly monitored the state of the electronic

communications market and the development of networks, and ensured that the provisions of Article 15 of ZEKom-1 (supervision) are performed, participating with stakeholders, where needed. At several meetings with the Surveying and Mapping Authority of the Republic of Slovenia and the relevant ministry the Agency's representatives participated in coordinating the reporting methods for network connection points and electronic communication networks to the central records. After the Ministry of Internal Affairs stopped record keeping of households, the Agency successfully switched to the new concept of counting, and appropriately updated all the related tables.

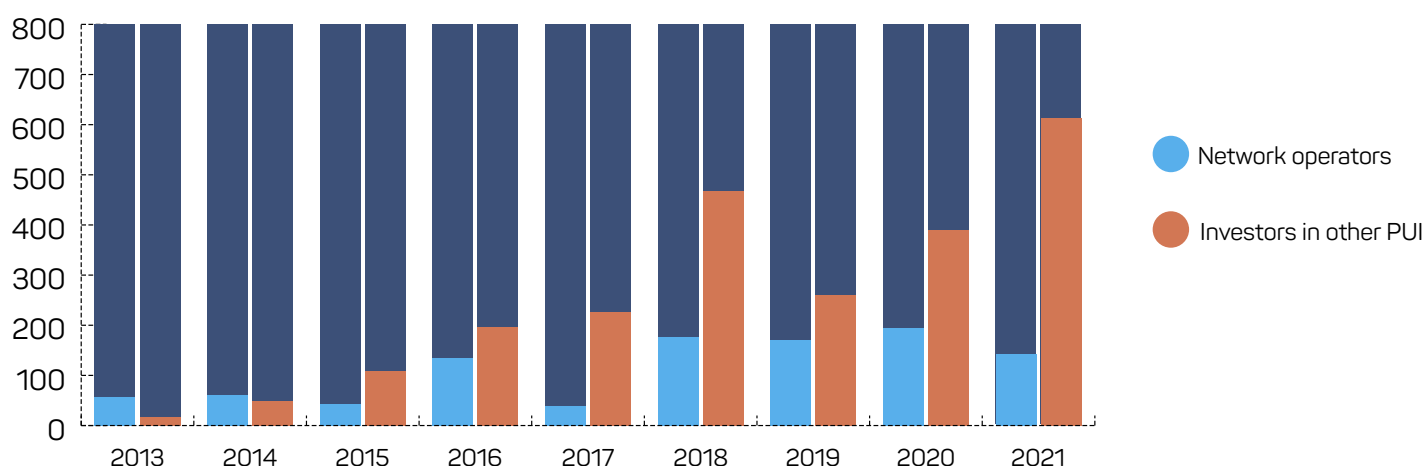
## 1.2.9 MONITORING INFRASTRUCTURE INVESTMENTS

The main priority for the Agency in this year was multilevel monitoring and coordination of investment projects from the perspective of construction and shared infrastructure.

It followed the set goals that for 2021 included improving the registry of construction announcements and the viewer for task optimisation and additional incentives to stakeholders in this area.

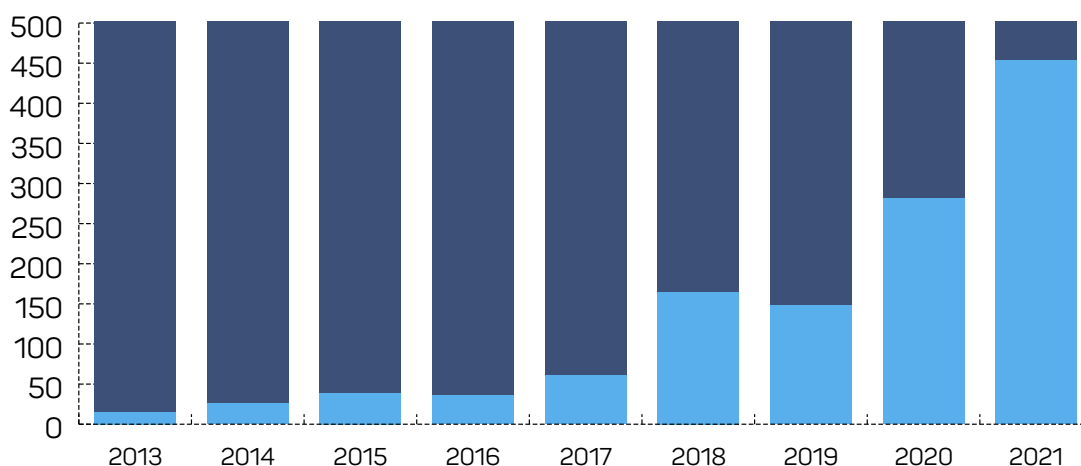
Management of the system for construction announcements, which falls under the scope of the Agency's legal obligations, was improved and upgraded in 2021, meeting the objective. The final set of upgrades is underway, however, the major part of the upgrades to the infrastructure investment portal has been completed, providing users with additional information and features, and the Agency a faster access to records and data processing. The Agency has found 2021 to be a record year for announcements on the construction plans for telecommunication infrastructure, both in telecommunications and other public utility infrastructure. These results are especially impressive considering the fact that 2021 was significantly impacted with the measures and consequences for fighting COVID-19.

FIGURE 12: NUMBER OF CONSTRUCTION PROJECTS PUBLISHED ON AKOS' WEBSITE



In 2021 there was a record number of announced interest for shared construction from network operators, with 46% more announcements than in 2020, and 176% more than in 2017. This is excellent news from the perspective of new electronic network construction, especially taking into account the conditions, related to COVID-19.

FIGURE 13: INTEREST IN SHARED CONSTRUCTION



To make sure that this trend continues into the future, the Agency conducted planned coordinations and information campaigns among stakeholders in investment in such projects in accordance with the goals it set. It planned to hold four workshops, as well as consultations or conferences to coordinate work and inform the public. On account of the epidemic, it was not possible to hold workshop with many participants, however, the Agency still managed to hold four consultations with major owners of other types of infrastructure (Slovenian Infrastructure Agency, Association of gas distributors, ELES, AKTRP). It also focused on individual, concrete cases it was alerted to or that it detected by itself, following the trends for construction in the regions of Central Slovenia and Dolenjska. With all these concrete challenges the Agency always also prepared an overview of the conditions on the field with georeference data. Considering the stakeholders with whom the Agency conducted most consultation during the year, the Agency also launched the activities to prepare the analysis of shared use of public utility infrastructure for the requirements of the construction of new networks, which will be concluded in the first half of 2022.

In the field of updating the register of electronic communications infrastructure, the Agency continued successful cooperation with other state bodies in this field. Through the year the Agency and the relevant ministry participated in the project of the Surveying and Mapping Authority of the Republic of Slovenia in updating and revamping their registries. It also informed the stakeholders on changes to the format of the codes, and significantly strengthened its supervision of registering telecommunication infrastructure, which is described in detail in the relevant part of this report. In addition, the Agency actively participated in the European Commission's Connectivity Toolbox working group that aims to provide guidelines for constructing new fibre optic and 5G networks. These tools will go into implementation phase in 2022.

The Agency also prepared about 50 written answers to the questions of the public and stakeholders. In 2021 the Agency also began preparing the report related to the shared use of physical infrastructure, which will be completed in 2022.

## 1.2.10 COOPERATION WITH STATE INSTITUTIONS AND OTHER STAKEHOLDERS

The Agency's work and expertise made it an important partner and resource for various national and international institutions. Various reports and analyses that the Agency prepares and the high-quality data it has at its disposal, are the basis for its cooperation with the Statistical Office of the Republic of Slovenia, Slovenian Competition Protection Agency, Bank of Slovenia, various ministries, the European Commission, and other international regulators and international institutions with authority in electronic communications, including BEREC, IRG, ITU, OECD, CEPT/ECC, and others. In spite of the limitations posed by the epidemic, the Agency was able to collaborate in all international working groups. The eAnalitik (eAnalyst) portal provides the public with an up-to-date and uninterrupted access to the electronic communications market in the Republic of Slovenia.

The Agency has been collecting the data from mobile operators on international roaming for the needs of Bank of Slovenia for several years, and in 2021 it began to report these data also to the Statistical Office of the Republic of Slovenia. The Agency combines all the data it receives from the operators and submits them anonymised to the Bank of Slovenia and the Statistical Office of the Republic of Slovenia for the requirements of analyses. The Regulation on roaming in public mobile communication networks in the Union, which came into effect on 15 June 2017, introduced new habits to mobile telephone services users when roaming, and therefore the data from operators is collected based on a new methodology, which makes it possible to classify mobile users who are roaming even more precisely to tourists and transit passengers, as the Regulation is not based on the data on the provided services, but on the duration of the data sessions.

## 1.2.11 INTERNATIONAL COOPERATION

In 2021 the Agency maintained a high level of activities in international cooperation with the European Commission, with other international institutions, such as BEREC, IRG, ITU, OECD, CEPT/ECC, as well as with other European regulatory bodies. The COVID-19 epidemic and related restrictions continued to affect the organisation of work, however, virtual and hybrid types of collaboration further intensified, which on the other hand also contributes towards sustainability and green economy.

The Agency submitted all the required information to the European Commission, making sure that all of its legal obligations are fulfilled. At the end of the year, it was informed of the planned annual visit from the European Commission representatives at the beginning of the year, for which it prepared and submitted answers for all the questions that were posed. The Agency's employees actively participated at all COCOM meetings, and liaised with the relevant ministry, when needed. The Agency and its employees cooperated with the European Commission also at pre-notification and notification virtual meetings when preparing the measure for the regulation of the operator with significant market power on wholesale markets for fixed access, and during these procedures they submitted all the required information to the European Commission. Agency's employees monitored all the changes in the legislative area in the EU (related to the Agency's areas of operations), and when needed also participated in public discussions or workshop, informing the public of these developments through the news on its website.

In 2021 the Agency actively collaborated with the Body of European Regulators of Electronic Communications (BEREC), whose work is related with the implementation of the European regulatory framework for electronic communications. BEREC is preparing numerous important

documents related to electronic communications that indirectly or directly affect the work of national regulators of electronic communications. Besides performing regular, obligatory and current tasks, BEREC's workload further grew in 2021 because of numerous activities of the European Commission in EU legislation. Most of the activities of this regulatory body took place virtually, and some also used the hybrid model. The work of BEREC takes place across three levels. At the level of expert working groups, where individual documents and other papers are drafted, employees took part in all 40 ongoing projects within the 12 expert working groups. They additionally took part in three expert networking groups, organised as part of the BEREC office. Employees attended meetings and workshops, monitored the activities and prepared drafts, commented on drafts, submitted answers to questionnaires, submitted required information, etc. The Agency further strengthened its level of collaboration in projects that have an additional relevance for the Slovenian electronic communications market.

At the networking level there were four regular and three ad-hoc meetings held in 2021, of which two of the regular ones were held utilising the hybrid model. One of them was hosted by the Agency in Ljubljana. Approximately 60 attendees participated in person at the two-day meeting to discuss current regulatory issues and challenges, while the remaining attendees connected virtually. The Agency received positive responses for the high-quality and security of the event in relation to COVID-19 measures.

At the networking level and the plenary level, the Agency's employees attended workshops and forums. At the plenary level there were four regular meetings, of which two were held in hybrid format, as well as organize another exceptional meeting and a workshop at the start of 2021. The Agency's director also attended meetings with the group of South American regulators (REGULATEL) and the Eastern Partnership Electronic Communications Regulators

Network (EaPeReg), and participated in electronic votes for BEREC, additionally making sure for the exchange of information at the highest level. On its website the Agency regularly published information about its BEREC activities, ensuring continued transparency of operations. At the end of 2021 the Agency responded to BEREC's call for collaboration in a temporary working group that prepared opinions on the European Commission's reservations during the second phase of the notification procedure for a measure adopted by the Czech regulator.

The Agency also retained an active level of cooperation with the European Independent Regulators Group (IRG). IRG's objective is cooperation and exchanging best practices between European regulators in fields that exceed the scope of the European regulatory framework for electronic communications. AN important part of IRG is the database of questionnaires through which IRG members exchange information. In 2021 the Agency responded to 105 questionnaires, which positioned it in 4th place among 37 regulators participating in IRG. The Agency's employees attended several online seminars and trainings as part of IRG. They monitored the information supplied by IRG and used its online tools.

In 2021 the Agency participated at CEPT/ECC meetings. Participation and collaboration in CEPT/ECC provides best European regulatory approaches and facilitates exchange of opinions and positions through various working groups and project teams. Employees virtually attended both key sessions of this organisation, and the meetings at three project working groups. In 2021 the NaN working group held 5 hybrid and 22 virtual meetings in the scope of three working subgroups (NaN1, NaN2 in NaN3).

The COVID-19 epidemic and the limitations in place affected numerous seminars and conferences across Europe. In spite of that the Agency held two bilateral



meetings in Ljubljana, adhering to all the measures. One was held with the delegation of the Kosovar regulator for electronic communications, with whom the Agency concluded a memorandum on cooperation. The second meeting was with the delegation of the Montenegrin regulator for electronic communications. At the 20th anniversary of the establishment of the Agency, the Agency held a major virtual conference at the highest level, titled Regulation for a digital future, where the participants discussed current issues related to all of the Agency's areas of operations, and which was attended by numerous domestic and foreign representatives from different delegations.

Slovenia presided the European Council in the second half of 2021, and the Agency cooperated with all the relevant bodies, providing expert support where needed, and the Agency's director attended several high-level events and meetings. The Agency provided most expert support in the following fields: the Directive on the measures Network and Information Security directive (NIS directive), the Digital Markets Act (DMA), the Digital Services Act (DSA), the Regulation on international mobile roaming (Roaming), and participation in the European Commission's working group for preparing the Connectivity Toolbox.

## 2 ELECTRONIC MEDIA

### 2.1 ANNUAL GOALS AND THE STATE OF THE MARKET

TABELA 5: KLJUČNI CILJ: SPODBUJANJE KONKURENCE IN RAZVOJA TRGOV

Key objective: Encouraging competition and market development					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Awarding licenses for digital terrestrial radio dissemination</b>	Public tenders for awarding radio station publishers with licenses for the digital terrestrial platform. Two public tenders are planned for 2021.	Ensuring that listeners have a diverse and interesting range of available radio stations on this platform and encouraging the platform's development.	Both planned tenders were concluded by 31 December 2021.	●	<p>The PT for awarding the licenses to disseminate radio programming in digital broadcasting on the R2 West area and on the R2 East area is in the final phases and will be concluded in early 2022.</p> <p>The PT for awarding the licenses to disseminate radio programming in digital broadcasting in the Ljubljana area (R3 network) was published in December 2021, and the licenses will be awarded in 2022. The reason for this delay is the lack of human resources and additional tasks that were imposed on the Agency during the year.</p>

<b>Cooperation with stakeholders and providing expert support during the presidency of the EU Council</b>	Expert consultations and workshops with stakeholders on detected issues or current developments, responding to the questions from stakeholders and meetings with stakeholders.	Ensuring predictable regulatory environment for all market stakeholders, reducing disputes and violations of law by stakeholders, establishing a dialogue with stakeholders.	Holding at least one consultation until 31 December 2021.	<ul style="list-style-type: none"> <li>● Participating at 2 consultations as part of the EU presidency.</li> <li>Holding a workshop on advertising transparency in radio programming.</li> <li>Preparation for the challenges that the updated Directive on audiovisual media services is bringing; more details about this are provided under the chapter on legislative and judicial procedures, subchapter 3.</li> </ul>
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### Key objective: Protecting users and ensuring the provision of the universal service

Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Protecting children and adolescents and encouraging media literacy</b>	<p>Operating the Gledoskop system for the classification and labelling of audiovisual content, heading the committee for content classification.</p> <p>Maintaining, editing and updating the content on MIPI, the website for promoting media and information literacy.</p>	<p>Protection of children from potentially harmful content in audiovisual media services</p> <p>Raising awareness among users of media content and information technologies on their safe use.</p>	<p>A permanent task.</p> <p>Holding meetings and the coding committee for Gledoskop.</p> <p>Monitoring the use of Gledoskop.</p> <p>Uploading new content to the portal for the promotion of media literacy.</p>	<ul style="list-style-type: none"> <li>● Classifying and labelling audiovisual content in the Gledoskop system. 6 meetings of the committee for content classification were held.</li> <li>● Maintaining and editing the website and preparing 41 articles regarding media and information literacy.</li> </ul>	

The Agency faced a lack of human resources, which resulted in delayed realisation of some tasks, even with high additional taxation of all employees. The Agency's activities were focused on performing public tenders for analogue audio broadcasting, public tenders for awarding the license for digital broadcasting of radio programming, participation in the preparation of new media legislation (ZAVMs-B), preparing general acts based on the new Audiovisual Media Services Act, supporting the presidency of the EU Council in relation to audiovisual media

services, and preparing the content promoting media and information literacy.

In 2021 the Agency planned to participate by providing support in the working group of the Ministry of Culture in the preparation of the changes to the of the Audiovisual Media Services Act. It fulfilled this goal by participating in commenting on the draft proposals and prepared proposals for changed articles of the law. The implementation of the new EU Directive 2018/1808 on audiovisual media services

(hereinafter: AVMS directive) concluded with the adoption of the Audiovisual Media Services Act (ZAVMS-B) on 15 December 2021. The amended Act also brought some new areas of authority for the Agency. Now it also details the regulation of platforms for video exchange, whose providers are obligated to list them with the Agency. It also gives the Agency authority to administer the record of platform providers and the authority for extra-judicial conflict resolution between users and platform providers. Providers of on demand audiovisual media service are now required to include different shares of audiovisual works, as the share of European audiovisual works must now reach at least 30% of the total number of works in a provider's library in an individual calendar year. The share of Slovenian audiovisual works must include at least 5% of the total number in a provider's library. The amended act also introduces changes in the protection of children in audiovisual media services, and the rights for persons with disabilities to access audiovisual media services. With regard to the protection of children the amended act lays down a change to the limited time for broadcasting some content that could potentially be harmful to children. The content recommended for children from 12 years of age will not have any limitations, while the content with the recommendation for children from 15 years will now be set at after 20:00. Following this amended Act, providers of audiovisual media service will have to prepare a plan for every year on how they plan to improve access to their services for people with disabilities (e.g., interpreting into sign language, subtitles for the deaf and hard of hearing, spoken subtitles and audio descriptions), submit it to the Agency, and report on the implementation of measures, especially those from the plan for improving access. Within 6 months of the Act coming into effect the Agency will have to establish a contact point for resolving complaints regarding the access people with disabilities to audiovisual media services, and prepare new or amend existing general acts so that they will be harmonised with the new legislation.

In order to ensure inter-departmental coordination of changes to the Audiovisual Media Services Act the Ministry of Culture asked the Agency to prepare drafts of the Agency's general acts that are a compulsory annex to the Act. The Agency prepared the draft proposals of the 6 general acts in the required timeline and submitted them to the Ministry, fulfilling its goal from the plan. However, because the Audiovisual Media Services Act was adopted only at the end of December, the Agency's general acts could not have been adopted before the end of the year, and the timeline for adopting them has been extended until mid 2022.

The Agency's representatives prepared comments and specific proposals to provide expert support in the working group of the Ministry of Labour, Family and Social Affairs, as it prepared amendments to the Accessibility of People with Disabilities to Audiovisual Media Services Act. The Act will define the supervisory bodies related to supervision of parties obligated to provide access to products and services, and related to the supervision of standardisation of access services to audiovisual media service for disabled persons that the Agency covers as part of its authority. During the past year the Agency submitted three sets of comments on various versions of the draft proposal of the Act. The draft Act was still being drafted last year, and any potential new tasks for the Agency in this area will be revealed in 2022.

In 2021 the Agency continued operating the Gledoskop system for the classification and labelling audiovisual content. It held six meetings of the Board for classification of content, following the set goal of protecting children from potentially harmful content, which it set out the previous year.

The Agency also fulfilled its set goal in improving public media literacy, as it published 20 articles on this topic, and 21 on information literacy. All of them were published on its media and information literacy portal [www.mipi](http://www.mipi).

si, which is aimed at raising the awareness of the traps and safe consumption of media content and information technologies.

Another important goal of the Agency in electronic media is ensuring equal conditions for the operation of all stakeholders on the market. In spite of the measures that were adopted because of the COVID-19 epidemic, and that affected the work and administrative procedures at the Agency, it consistently strove to issue, monitor and transfer licenses quickly and promptly, allowing the publishers to operate without interruption. It also made sure that in spite of numerous factors beyond its control it was able to prepare and hold public tenders for awarding licenses for digital broadcasting and analogue frequencies for radio broadcasting without any major interruptions.

In digital terrestrial dissemination of radio programming the Agency set out the goal to hold 2 public tenders. The goal was only partially achieved for both of them, as the Agency did not manage to conclude either of them. The Agency aimed to award five licenses to disseminate radio programming in digital broadcasting technology in the area R2 West and five licenses for the area R2 East through a public tender by the end of the year, however, the procedure was slowed down because of the additional requirements set by the Broadcasting Council. 20 applications were submitted to the public tender, all of them from publishers who are already operating on this area in analogue broadcasting technology. All ten licenses for radio broadcasting will be awarded in early 2022. With the public tender for awarding 6 licenses for disseminating radio programming in digital broadcasting technology in the area of Ljubljana (network R3) the Agency aimed to encourage the development of digital radio and to strengthen radio programming range in this area, thereby contributing towards the popularisation and expansion of the digital radio platform. This tender was therefore aimed at new stations that are not available in radio broadcasting. The preparation of this tender was tasking and took a

long time, but the Agency obtained the approval from the Broadcasting Council and publish the tender just before the end of the year. Therefore, the Agency's goal was only partially met, as the conclusion of the tender is planned for the first half of 2022.

The Agency continued to develop the MIPI online portal for media and information literacy ([www.mipi.si](http://www.mipi.si)). It published 41 articles on this topic, targeting different target audiences, and concluded new partnership, including one with an important international non-profit institution for improving media literacy, EAVI – Media Literacy for Citizenship. The website was also upgraded last year with the option for signing up for a e-newsletter.

Within the limitations imposed by the COVID-19 epidemic measures, the Agency managed to fulfil its obligation from the annual plan to ensure constant proactive cooperation with all stakeholders on the media market, and to organize workshops, if needed. The COVID-19 epidemic also impacted the Agency's active participation at professional discussions at home and internationally, as they were done remotely, and at the international stage there also numerous unscheduled activities, related to the effects of the COVID-19 epidemic on the functioning of the media, where the Agency actively participated. With the goal of ensuring a predictable regulatory environment for all the stakeholders and to establish a dialogue with them, the Agency organised an expert consultation on advertising transparency in radio programming. Because the Agency celebrated its 20th anniversary, it organised an international conference to commemorate the occasion. It was attended by many speakers from European regulators, European Commission and the industry, who also spoke about new challenges that the new Directive on audiovisual media services is bringing. As part of Slovenian presidency of the EU Council the Agency's representatives participated as working group members in the preparation of comments on the provisions of the Act on digital services and the Act on digital markets, and helped organise the debate on

access and competitiveness of European audiovisual and media content.

Over the past year the Agency also prepared 127 responses to stakeholders and the public. These included explanations to those reporting violations, to public information requests, answers to questionnaires or requests for data from various national and foreign organisations, answers during public tenders, responses and comments to various legislative proposals and similar.

The register of television broadcasting holders reveals that 71 legal and natural persons held 111 valid television broadcasting licenses at the end of 2021. Fourteen of those hold more than a single license and a total of 54 licenses, which represents nearly a half of all valid licenses. Furthermore, 55 have active licenses to disseminate television programming in digital broadcasting technology. In 2021, nine new licenses for performing television activities were issued, and at the end of 2021 there were a total of 23 licenses for themed television channels. In 2021, two declaratory decisions on expiration of television broadcasting licenses were issued, while one license was transferred to a new publisher, and one procedure of transferring a license was stopped.

The register of on-demand audiovisual service providers in the Republic of Slovenia included 27 services at the end of 2021, as 6 new such services were registered during the year.

At the end of 2021, there were 55 legal and natural persons who held 166 valid radio broadcasting licenses. There were 16 broadcasters who hold more than one license, for a total of 126. In a total of 33 licenses four radio programming networks were included, while shared regional programming was included in 2. Twenty-four radio stations have the licenses to disseminate radio programming using digital broadcasting technology across the territory of the Republic of Slovenia.

In 2021 the Agency processed 22 administrative issues regarding television broadcasting licenses based on ZMed. Eighteen administrative proceedings were initiated by request, and 4 ex officio. The trend of new television channels cropping up again picked up again in 2021, compared to 2020, while the trend of TV channels ceasing to broadcast slightly subsided. In this period the Agency processed 81 administrative issues regarding radio broadcasting licenses, 43 of which were initiated by request and 4 ex officio, and the others at the party's request. In 2021 the Agency processed one application for license transfer. The trend of new radio stations cropping up was on the uptake again in the past year, compared to 2020.

## 2.2 ACTIVITIES FOR ACHIEVING THE GOALS

### 2.2.1 AWARDING LICENSES FOR DIGITAL TERRESTRIAL RADIO DISSEMINATION

In 2021 the Agency continued with the activities for encouraging the development of digital terrestrial radio platform, as it observed that the interest for dissemination using digital broadcasting technology has not waned. The launch of the R2 network, which is divided into R2 East and R2 West, and which covers the majority of the territory of Slovenia, but is primarily intended for publishers of radio channels who already disseminate using analogue broadcasting technology, only increased the publishers' interest for digital broadcasting. After obtaining an approval from the Broadcasting Council, the Agency published a public tender on 14 May 2021 for awarding five (5) licenses to disseminate radio programming using digital broadcasting technology on the area of R2 West and five (5) licenses to disseminate radio programming using digital broadcasting technology on the area of R2 East. The public tender included the condition that on both areas only publishers who are already operating on

this area in analogue broadcasting technology may apply. It is expected that the licenses will be awarded to the publishers in early 2022.

In 2021 the Agency also published the public tender for awarding 6 licenses to disseminate radio programming in digital broadcasting technology in the Ljubljana area (R3 network). Because the Agency wanted to encourage the development of digital radio and improve the range of radio stations available on the area, thereby contributing to the popularisation and expansion of the digital radio platform, this tender was aimed at new stations that are not available in radio broadcasting. The tender was divided into two fairly different sections. The first was intended for independent publishers, and the second for providers of music channels. The public tender for assigning 6 licenses to disseminate radio programming in digital broadcasting technology across the Ljubljana area was published on 24 December 2021. It is expected that the licenses will be awarded in early 2022.

## 2.2.2 PROTECTING CHILDREN AND ADOLESCENTS AND ENCOURAGING MEDIA LITERACY

The Agency continued to develop the MiPI online portal for media and information literacy ([www.mipi.si](http://www.mipi.si)), one of the first such websites promoting media and information literacy developed by national regulatory bodies in the European Union. The Agency promptly published various types of content from a broad range of media and information literacy that fall under the authority of the Agency as a convergent regulator. In 2021 it published 41 articles on the site. With the goal of protecting end users of electronic communications it informed various target audiences about current topics in media and information technology, alerted to different challenges that the public faced during the COVID-19 epidemic, when numerous activities were moved to screens.

The Agency promoted family rules when using screens, and the importance of selecting a high-quality of content; it pointed to numerous traps that internet and social media users should be aware of, such as privacy protection, sexual abuse of minors, social media profile and identity theft, online and e-mail frauds, impact on how young people perceive themselves, online trolls and similar. The Agency informed the people on roaming costs, online shopping, advancement in 5G services, downsides of smart toys; with a growing awareness of the importance of verifiable and reliable news it also alerted to the importance of daily media consumption, hate speech, appropriate of advertising, and the European Union's efforts in media literacy and stopping the spread of disinformation.

In 2021 the Accord continued to expand its network of partners, adding Logout Center that helps people fight excessive internet use, to the existing 11 partners. It also partnered with the European Association for Viewers Interests, a non-profit European association, headquartered in the Brussels, which is promotes media literacy and full and active citizenship. The aim of these two partnerships is to facilitate mutual promotion and exchange of content and links, with the participants striving to improve their recognition and the number of visitors to MiPI and partners' websites. At the end of 2021 the Agency also launched another important new feature, as users can now subscribe to MiPI's e-newsletter.

As part of its preventive activities in the protection of end users, and especially their most vulnerable groups, from potentially harmful audiovisual content, the Agency continued running the Gledoskop project over the past year. This is a system for the classification and labelling of programming content that allows on-demand audiovisual media service providers and TV channel publishers to alert parents, children, teachers and the public if certain content includes scenes that can be harmful for a certain viewer age group. Members of the coders committee, which is composed of experts in audiovisual content from

the publishers of the most viewed Slovenian television channels and the Agency's representatives, met at 6 meetings to discuss issues in labelling potentially contentious content. They discussed 39 audiovisual works, most of which were feature films and documentaries. Potentially harmful scenes most often included elements of sexuality, violence or substance use (alcohol, drugs, medication), as well as content depicting discrimination. The most issues were with the content that can have a strong impact on the viewer even without explicitly including harmful elements, as is often the case with content that focuses on discrimination, or if the scenes were merely implied, as is often with content that depicts sexual violence, suicide, violence over children, and use or abuse of harmful or illegal substances. Participants at these meetings also identified some issues in interpreting the legislation and with Gledoskop's questionnaire, providing constructive proposals for improvement.

## 2.2.3 COOPERATION WITH STAKEHOLDERS AND PROVIDING EXPERT SUPPORT DURING THE PRESIDENCY OF THE EU COUNCIL

With the goal of ensuring a predictable regulatory environment for all the stakeholders and to establish a dialogue with them, the Agency organised an expert consultation on advertising transparency in radio programming. During this period the Agency conducted a lot of inspection supervisions in radio programming, and detected certain contentious advertising practices, to which it aimed to alert the publishers of radio channels as part of its preventive inspection activities.

At the international conference to commemorate the Agency's 20 years, it held a panel discussion with international speakers from European regulators, European Commission and the industry, who also spoke about new

challenges that the new Directive on audiovisual media services is bringing.

During Slovenia's presidency of the EU Council the Agency provided expert support to the ministries. The Agency's representatives attended several meetings and consultations as part of the EU presidency term. Ministry of Public Administration held 2 meetings, where the Agency's representatives participated as working group members in the preparation of comments on the provisions of the Act on digital services and the Act on digital markets. The Ministry of Culture organised a debate on access and competitiveness of European audiovisual and media content, which the Agency attended and provided support. Because the AVMS directive was not transposed into Slovenian legal order only at the end of 2021 (15 December 2021), the Agency did not perform the activities this new legislation would bring under its authority. However, the Agency did prepare 6 Agency's draft general acts to the proposed amended Audiovisual Media Services Act (ZAvMS-B), which was submitted into debate to the National Assembly.

In the second half of the year the Agency also attended the public discussion on the problems with media concentration and the state of the media market in Slovenia, both at the national and the international level.

## 2.2.4 OTHER REGULAR TASKS

In the past year, the Agency concluded processing the application from the publisher of a radio station for awarding it the status of a local radio station of special importance. The publisher meets the conditions, however, the procedure was not yet concluded, as the Agency must obtain an opinion from the Ministry of Culture and the Broadcasting Council before awarding the status.

## 2.2.5 INTERNATIONAL COOPERATION: ERGA, EPRA, AND CERF IN MEDIA REGULATION

The Agency is a member of several groups of European regulators in audiovisual media services (European Regulators Group for Audiovisual Media Services – ERGA, European Platform of Regulatory Authorities – EPRA, and Central European Regulatory Forum – CERF) in which it participates in the development and updates to EU's legal mechanisms, in exchanging and monitoring legislative trends in the broader international environment, and transfers best regulatory practices in Slovenia. The AVMS directive requires member states to ensure a free flow of audiovisual media services between EU countries, requiring the harmonisation of how national media areas are resolved, at least in the part that is covered by the directive, and cooperation between countries in electronic media. The above-listed platforms for exchanging regulatory systems and practices are very actively cooperating on this. The Agency also participates in the Contact Committee of the European Commission, where it has the important role of resolving the disputes related to jurisdiction, while also providing the data for the MAVISE database on audiovisual services and their jurisdiction in Europe, managed by the European Audiovisual Observatory.

The conclusion of the reform of EU's single audiovisual legal framework was planned for 2020 with the implementation of the updated AVMS directive in all EU member states, however, in most of them it was extended into 2021. For this purpose, ERGA's working groups detailed all the areas required for its implementation that pertain to its authority.

The Agency's employees actively participated at all 4 working groups. There, they participated in the discussion on the implementation of the AVMS directive, and the introduction of the single European regulatory framework in all member states, the issues of disinformation on major online platforms in the light of strengthening democracy in the digital environment, and the implementation of memoranda on agreements between media regulators of EU member states. ERGA also monitored how the acts on digital services and digital markets are being adopted, and monitored the epidemic's economic effects of the epidemic on the operation of the media in member states. EPRA responded similarly, monitoring the response of regulatory bodies on harsher conditions. The Agency actively participated in 4 working groups, at the networking level, and plenary meetings of ERGA, as well as in numerous activities of the EPRA platform. The Agency's director voted at all EPRA electronic polls, making sure that information are exchanged at the highest level. The Agency also responded to 37 questionnaires from foreign regulators as part of its international cooperation. CERF international conference was cancelled last year.



## 3 POSTAL SERVICES

### 3.1 ANNUAL GOALS AND THE STATE OF THE MARKET

TABLE 6: KEY OBJECTIVE: ENCOURAGING COMPETITION AND MARKET

Key objective: Encouraging competition and market development					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Regulation of separate accounting</b>	Issuing approvals to price changes for the universal service.	Ensuring cost-orientation of the prices for the universal service.	Issuing a decision within 45 days of receiving the application.	●	All the approvals for price changes for the universal service were issued within 45 days of receiving the application.
	WACC calculation for Pošta Slovenije.	Ensuring compliance of the cost model.	WACC calculation by 31 December 2021.	●	WACC was calculated and put into public consultation by 31 December 2021.
<b>Encouraging competition</b>	Analysis of competition law aspects of online delivery and sales platforms from the perspective of their impact on the traditional market of postal services.	Ensuring transparency of the market and equal conditions for all providers.	Performing the analysis by 31 December 2021.	●	The first draft of the internal analysis was prepared in December 2021.

<b>Establishing state of the postal services market</b>	A comparative analysis of prices and quality in cross-border parcel delivery services.	Improving public information regarding the provision of the universal postal service at the required level.	Performing the analysis by 15 December 2021.	●	A comparative analysis and the survey were conducted and published in November 2021.
	A survey on user satisfaction/needs with postal services (general and business users).	Establishing actual user needs with regard to the continuing decline of letter mail and the growth of parcel shipping, especially resulting from e-commerce.		●	
	A survey on user satisfaction/needs with postal services after post office shut downs.	Obtaining statistical data from the postal services market and monitoring the market regarding new regulatory measures.	Performing the market analysis by 31 October 2021.	●	A draft analysis was prepared in October 2021, however, because the Agency is understaffed, the analysis was published only in December 2021.
	Analyses of the postal services market for the year 2019.				

### Key objective: Protecting users and ensuring the provision of the universal service

Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Regulation of the universal service</b>	Amendments to the general act on the quality of the universal service, based on the analysis.	Timely regulatory response to changes on the market and the new EU regulatory framework.	Performing the analysis, and if needed changing the general act by 31 December 2021.	●	Changes to the general act came into effect in 2021. Since then, there has not been a change to the EU regulatory framework.
	Processing applications for transforming or closing contact points.	Care for the interest of users in the transformation of the postal network.	Issuing the act within 2 months of receiving the complete application.	●	All the acts in the procedures on transforming or closing down contact points were issued within 2 months of receiving the application.
	Reviewing the methodology and the results of quality measurements of letter mail and parcel delivery.	Verifying whether the required quality of the universal service was achieved for all users of postal services on the whole territory of RS.	Within 3 months of receiving the report from PS.	●	The evaluation of the methodology and the measurement results of the delivery quality for 2020 was completed in cooperation with an external provider within 3 months of receiving the report from Pošta Slovenije.

TABLE 7: ADDITIONAL TASKS THAT WERE NOT PLANNED IN THE 2021 ACTION PLAN AND FINANCIAL PLAN

Task	Goals of the task	Description (permanent activities or projects)	Comment
<b>Upgrading Geoportal with the data on the postal services market</b>	Providing the data on the postal services market on the territory of the Republic of Slovenia.	The Agency upgraded its mapping system with the data on the postal services market.	The upgrade added additional features to the public geodata viewer Geoportal.
<b>Preparing the Analysis of the possibility for implementing new technologies for providing the universal postal service through regulation</b>	Verifying the impact of using new technologies for performing the universal postal service from the perspective of regulatory requirements.	The Agency has prepared the analysis that will serve as the subject of future discussions regarding the possibility for implementing new technologies for providing the universal postal service.	The analysis is internal and will serve as the basis for future debates.
<b>Attending the Union postale universelle (UPU) congress and supporting the activities of the Republic of Slovenia</b>	Providing support to the relevant ministry in supporting the positions of the Republic of Slovenia at the Union postale universelle (UPU) congress.	The Agency's representatives actively participated and provided support to the positions of the Republic of Slovenia for the duration of the congress.	The Agency provided support to the relevant ministry in the activities of the Republic of Slovenia in the scope of the UPU congress.

In 2021 the Agency pursued its goals in the regulation of universal service provision, namely:

- encouraging innovation and competition that follows the trends of the postal services market;
- ensuring users, both natural persons and legal entities, receive a high quality and accessible universal postal service;
- constantly monitoring the state of the market, recognising key challenges in postal services and promptly responding to them;
- helping to create national policies and the legislation in postal services and preparing and implementing appropriate general acts;
- helping to create European regulative policies through collaboration with the European Commission and work

in ERGP working groups.

In 2021 the Agency completed the most planned tasks in the regulation and supervision of the postal services market: There were some derogations from the 2021 Operational and financial plan in the activity "Amendments to the general act on the quality of the universal service, based on the analysis". The Agency did not perform this activity during 2021, as it identified the conditions on the postal services market that required changes to the general act, and began with activities already in the second half of 2020. On 1 July 2021 the new General act on the quality of the universal postal service provision already came into effect. The Agency's activities in the first half of 2021 were focused on preparing and implementing the new general act.

In 2021 the Agency placed special focus on adherence to the legal requirement for forming universal postal service prices and the general terms and conditions for performing the universal service that support competition. This was done as part of the procedures for issuing an approval to the changes of the prices of the universal postal service in domestic traffic, and to the changes of the general terms and conditions of the universal postal service with the aim of ensuring that the universal service is cost-based. The Agency issued an approval for changes to the prices of the universal postal service in domestic and international traffic, and an approval for the changes to the General acts for providing the universal postal service.

As part of the strategic objective of identifying key challenges in postal services, the Agency focused its activities in the regulation of postal service also on reviewing the question of permissibility and justification of charging for the costs of custom referral for shipments arriving from third countries following the elimination of VAT exemption for goods of up to EUR 22. The Agency actively collaborated with TIRS and FURS in resolving this issue, and actively informed end users who turned to the Agency with questions on this issue.

The surveys and analyses were also completed for the most part, however, some were pushed into 2022. Because the Agency is severely understaffed, some tasks were completed only because current employees were additionally tasked and with the exceptional support from other sectors. The Agency performed 4 studies: comparison of studies and deadlines for delivery, satisfaction and the needs with postal services (general and business customers) and a study on the satisfaction and the needs of users after contact points were closed.

Besides the above, the Agency also set out to actively participate in the international associations ERGP (European Regulators Group for Postal Services), and CERP (European Committee for Postal Regulation). Employees

actively participated in all 7 working groups (ERGP and CERP), and in one of them also prepared the documents, and attended all the meetings of the working group, the contact network and the plenary sessions of ERGP and the Postal Directive Board. The director attended both plenary meetings, which were held virtually in 2021, regularly participated in electronic polling and when exchanging information between the Agency, ERGP, and other regulatory bodies. As part of this it closely followed the EU's regulatory activities regarding the postal services market, and it provided written and oral explanations regarding postal services to the general public, businesses, and other European regulators.

The Agency also conducted several other activities aimed at ensuring sustainable, regular, and uninterrupted provision of the universal postal service at the prescribed quality level and affordable prices. It delivered 46,000 stickers on the prohibition of delivery to mailboxes for sale by consignment to Pošta Slovenije. It also held a supervision of derogations from delivery time and delivery to home, using a detached mailbox, and the availability and working hours of contact points, especially in the procedure of issuing an approval to the proposed changes or closures of contact points. The Agency analysed the options or a regulatory implementation of new technologies for the provision of the universal postal service, and prepared a new calculation of the weighted average cost of capital (WACC) for the provision of the universal postal service.

In 2021 the Agency began modernising the data collection system, needed for market analyses and for exercising its authority based on the Directive on cross-border parcel delivery services; however, because the public order procedure had to be repeated in 2021, the task was not completed, and the project of modernising the data collection system continues into 2022.

In order to publish the data on the postal services market

on the eAnalitik site the Agency prepared the databases for the past years. The Agency expects that the eAnalitik site will be fully upgraded with the data on the postal services market in the first half of 2022.

The Agency also performed additional tasks that were not planned in the operational program for 2021. In 2021 the Agency upgraded its Geoportal site with the data on the postal services market in the Republic of Slovenia, and prepared an analysis on the possibility of regulatory implementation of new technologies for providing the universal postal service, and started the analysis of online delivery and sales platforms from the perspective of their impact on the traditional market of postal services.

After the 27th congress of the Universal Postal Union (UPU) was cancelled in 2020 because of the COVID-19 pandemic, it was moved to 2021, and the Agency organised it. The Agency participated in preparing the positions of the Republic of Slovenia regarding the issues on discussion, and represented them at the congress. As part of the presidency of the EU Council, the Agency undertook the coordination of the whole congress, and provided support in the candidacy of the Slovenian representative for the Deputy Director General of the Universal Postal Union, who was then also elected to the post.

During Slovenia's presidency of the EU Council, the Agency provided expert support to the relevant ministries.

The postal services market displayed a continuation of the stable trend of the number of postal service providers. The number of employees with postal service providers grew by 1,16%, while with the providers who do not hold a decision, growth stood at 30%. The number of contact points for direct work with users of all postal service providers grew by 16%. There was a decline of the amounts of letter mail by 7.8% with a 9.95% decline in letters within the universal service. The growth of the parcel market stood at 37%, which is a record.

In 2021, the Agency entered 5 new providers in the register of postal service providers in 2020, issued one declaratory order to a provider of interchangeable postal services, and removed three providers, as they stopped providing postal services.

TABLE 8: NUMBER OF POSTAL SERVICE PROVIDERS ENTERED INTO THE OFFICIAL REGISTRY AS OF 31 DECEMBER 2021

Type of entry into the official registry	Number of providers
Universal postal service provider	1
Postal service providers	30
Provider of interchangeable postal services	6

In 2021 the Agency celebrated the 20th anniversary of its foundation, and held a virtual international conference titled "Regulation for the digital future". The conference also featured discussions on current challenges on the postal services market, as part of the panel "Opportunities and challenges of digitalisation for the postal and delivery industry". Special focus was on the discussion on the protection of the rights of the users of postal services, especially with online shopping, and the importance of the European Green Deal for the postal industry.

## 3.2 ACTIVITIES FOR ACHIEVING THE OBJECTIVES

### 3.2.1 REGULATION OF SEPARATE ACCOUNTING

In 2021 the Agency for the most part completed its goals in the regulation of separate accounting. With the help of an external contractor, and after holding a public consultation, the Agency in 2020 calculated the amount of the Weighted Average Cost of Capital (WACC) for the provision of the universal postal service by Pošta Slovenije, d.o.o., as at 31 December 2020, which amounts to 7.04%. The calculation was submitted into public consultation; however, the

Agency did not receive any comments.

The Agency concluded the procedure of verifying the calculation of the net costs of the universal postal service provider for 2018. After receiving the ruling of the Administrative court, the Agency relaunched the procedure of verifying the calculation of the net costs of the universal postal service provider for 2016. In 2021 the Agency received a new application from Pošta Slovenije for the calculation of the net costs of the universal postal service provider for 2020. The calculation for the years 2016 and 2020 will be concluded in 2022.

### 3.2.1 ESTABLISHING STATE OF THE POSTAL SERVICES MARKET

In this task the Agency also fulfilled its objectives. It obtained the relevant data, and conducted the annual analysis of the postal services market for 2020. It also conducted other analyses and surveys with the help of an external contractor, namely: a comparative analysis of the prices and delivery times of parcels in cross-border traffic, a survey on satisfaction/needs of users with post services after the closure of post offices, and an annual survey on satisfaction/needs of users with postal services (general and business users).

In 2021 the Agency resolved 2 disputes. The first was focused on data collection on the postal services market with a focus on the future, namely, what we can expect in this field. The second discussion focused on the presentation of the Analysis of the postal services market for the year 2020, and the findings of these analyses and studies.

### 3.2.3 FOSTERING COMPETITION IN THE POSTAL SERVICES MARKET

The Agency fulfilled its goals regarding fostering competition in the postal services market. As a continuation of the Analysis of economic incentives for ensuring effective competition with regulatory intervention in access to the parcel network, which was concluded in 2018, and reviewing the options for fostering competition on the market with access to parcel network elements at a voluntary basis, which was conducted in 2019, and the internal analysis of the options for regulatory implementation of new technologies for universal service provision, which was performed in 2020, the Agency began at the end of 2021 preparing an internal analysis of delivery and commerce online platforms from the perspective of their impact on the traditional market for postal service, which will serve as the basis for further discussions. The Agency also entered and removed postal service providers from the official records.

### 3.2.4 REGULATION OF UNIVERSAL POSTAL SERVICE PROVISION

In 2021 the Agency met its goals and achieved its planned results in the regulation of universal service provision. Users of postal services were provided with permanent and regular provision of the universal postal service at the required level of quality across the whole territory of the Republic of Slovenia. During the epidemic this was occasionally disrupted. The universal service was provided at prices that are affordable for all postal service users.

The Agency monitored how the measurements of the deadlines for transferring letter mail Pošta Slovenije, taking into account the requirements of the SIST EN 13850:2013

standard, and together with the external contractor SIQ conducted an assessment of the measurement results for 2020. The assessment confirmed that the results for 2020 are accurate and meet the prescribed quality requirements. Together with the contractor, the Agency also verified the results of measuring the quality of parcel delivery, based on the technical recommendation SIST-TP CEN – TR 15472:2007.

As part of pricing regulation in 2019 the Agency processed 2 requests from Pošta Slovenije for changing the price of a service from the range of universal services, of which one was for domestic and one for cross-border traffic. The Agency issued an approval for proposed price changes. In 2021 the Agency also received a request from Pošta Slovenije for changes to General terms for providing the universal postal service, and issued a partial approval of the proposed changes that came into effect at 1 January 2021, and which were required for the implementation of the changes to the quality of the transmission of letter mail shipments from the General act on the quality of providing the universal postal service, which also came into effect on 1 July 2021. The changes also occurred in the network of the universal service provider. The Agency issued 14 decisions with which it provided approvals for the transformation of contact points. The Agency issued all the decisions following the applications from Pošta Slovenije and taking into account the requirements from the General act on the quality of the universal postal service, which defines the threshold for the lower density of contact points, i.e., the lowest permissible number and distribution of contact points on the territory of the Republic of Slovenia. At the end of the year the Agency received a further 5 applications for transformations contact points and one application for closing down a contact point. The Agency will respond to these applications within the legally required deadline in early 2022.

## 3.2.5 INTERNATIONAL COOPERATION

The Agency actively participated in the international associations ERGP (European Regulators Group for Postal Services), and CERP (European Committee for Postal Regulation). The Agency's representatives attended several meetings of ERGP working groups in 2021, all of them remotely, over videoconferences. The Agency's representatives actively participated at all five ERGP working groups which focus on: (1) access and interoperability, (2) consumers and market indicators, (3) cross-border parcel delivery, (4) regulatory framework, and (5) sustainability. The Agency's representatives also actively participated in a special working group that was founded for developing the mid-term strategy on the postal services market. In these working groups the regulatory bodies formed common positions on the proposals for performing legal acts of EU bodies, collected information on national postal market regulation in member states, and exchanged statistical data on the development of these markets.

The Agency attended two ERGP contact network online sessions and two ERGP online plenary sessions. It also attended CERP's plenary meeting. In the scope of the European Commission the Agency attended the meeting of the Postal Directive Committee (PDC).

After the 27th congress of the Universal Postal Union (UPU) was cancelled in 2020, because of the COVID-19 pandemic, it was moved to 2021. The Agency participated in preparing the positions of the Republic of Slovenia regarding the issues on discussion, and represented them at the congress. A candidate from Slovenia was elected as the Deputy Director General at the congress. During Slovenia's presidency of the EU Council, the Agency provided expert support to the relevant ministries.

For statistical purposes the Agency reported to the European Commission, which since 2014 has had the authority to collect and process data on the postal services market. The Agency proactively participated in the professional discussions in the field of postal regulation.

Throughout the year the Agency actively cooperated with stakeholders and the public, providing appropriate support, and among other things by organising two consultations.

## 4 RAILWAY TRANSPORT

### 4.1 ANNUAL GOALS AND THE STATE OF THE MARKET

TABLE 9: KEY OBJECTIVES: ENCOURAGING COMPETITION AND MARKET DEVELOPMENT

Key objective: Encouraging competition and market development					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Analysis of the cost-base for usage fees</b>	After reviewing the descriptive and the accounting part of the methodology for setting the basis for calculating usage fees, the Agency planned to complete an external audit in 2021.	Ensuring compliance of setting the cost basis for calculating the usage fee for using public railway infrastructure (PRI) with the valid regulations, thereby ensuring that the usage fee is transparent, correct and non-discriminatory.	Establishing whether the market can sustain surcharges to the total coverage of the costs of the infrastructure administrator. By 31 December 2021.	●	The level of calculated WACC for the PRI manager is 5.9 %.



## Key objective: Encouraging competition and market development

Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Monitoring the market – train paths allocations, the charges for the use the PRI, and performing the efficiency regime</b>	Monitoring train path allocations and regular monthly analyses of the realization of allocated train paths by individual carriers.	Ensuring improved utilisation of allocated train paths and efficient use of PRI.	Performing analyses for every month (in 90%) before the end of the following month.	●	Regular monthly analyses of the realization of allocated train paths by individual carriers.
	Monitoring the correctness of the charged usage fee for access to PRI and calculating the efficiency regime.	Ensuring fair and legal usage fee billing for access to PRI.	Semi-annual verification of the usage fee billing by the end of the 1st month of the following half year.	●	Verification of the calculation of the usage fee for the first 6 months of 2021 was completed in July 2021.
			Semi-annual analysis of work performed on the PRI by the end of the 2nd month of the following half year.	●	The half-year analysis of the completed work on the PRI was completed in August 2021.
			Completing the annual report on the state of the market in 2020 in the first half of 2021.	●	The annual report on the state of the market in 2020 was completed in May 2021.
	Regularly verifying whether providers of access to facilities for additional service provide them to all carriers under equal conditions and set the prices in accordance with the valid regulation.	Ensuring non-discriminatory access to facilities where additional services are provided, and charging fairly for their use and/or for the services provided in them, thereby ensuring carriers equal conditions for the competition on the market.	Performing a half-year analysis of access to facilities by the end of the 2nd month of the following half year.	●	The half-year analysis of access to facilities was completed in August 2021.

TABLE 10: ADDITIONAL TASKS THAT WERE NOT PLANNED IN THE 2021 ACTION PLAN AND FINANCIAL PLAN

Task	Goals of the task	Description (permanent activities or projects)	Comment
<b>Upgrading Geoportal with the data on the railway services market</b>	Providing the data on the railway services market on the territory of the Republic of Slovenia.	The Agency upgraded its mapping system with the data on the railway services market.	The upgrade added additional features to the public geodata viewer Geoportal.
<b>Regulation on train path allocation, usage fee and efficiency regime</b>	Preparing the proposed changes and amendments to the Regulation on train path allocation, usage fee and efficiency regime.	Submitting the Agency's comments to the proposed changes and amendments to the Regulation on train path allocation, usage fee and efficiency regime.	The Agency actively participated in the proposed changes to the regulation, which is planned for adoption in 2022.
<b>Simulation of the economic balance test</b>	The simulation of preparing the assessment of potential economic effects on the existing agreement on performing the compulsory public service of transporting passengers in railway traffic.	The Agency started by preparing a simulation of the economic balance test with the objective of obtaining an insight into the procedure of preparing the assessment, if the request for preparing it were to be submitted when assigning a new train path for performing passenger railway services.	The Agency aims to use the simulation to obtain all the data it would require if the request for an economic balance test were submitted. The Agency will continue with the simulation in 2022, after obtaining all the required data.
<b>Review of the financial transparency of the public railway infrastructure manager</b>	Review of the financial transparency of the PRI manager from the perspective of legal requirement (Article 11 of ZZelP).	The Agency verified whether the payment of the balance profits of the manager is in accordance with the legislation, and whether the manager is giving or taking loans from the carriers.	The Agency did not establish any irregularities.

The European Union appointed 2021 as the European Railway year. In this spirit the Agency was very active in railway regulation in 2021.

The main strategic goals of railway regulation that the Agency aimed to achieve in 2021 were:

- ensuring equal terms and conditions for equal access to public railway infrastructure and charging fair usage fee for its utilisation;

- ensuring non-discriminatory access to additional services and charging fairly for them;
- strengthening competition and thereby increasing the quality of service in the railway services market;
- ensuring effective enforcement of the rights of railway passengers;
- constantly monitoring the state of the market, recognising key challenges in railway market regulation and promptly responding to them;

- helping to create national policies and the legislation in railway services and preparing and implementing appropriate general acts;
- helping to create the legal grounds at the EU level through collaboration with the European Commission in the ENRRB, RMMS and RFC working groups, and contributing to shape positions of the regulatory bodies to the proposals of legal acts of EU bodies and transferring best regulatory practices to Slovenia as part of participation in working groups of IRG-Rail.

These goals were achieved through the activities described in detail below. However, regular monitoring of the railway services market being essential for achieving the goals.

With the goal of ensuring equal terms and conditions for access to the public railway individual, the Agency regularly monitored the activities of the PRI manager in train path allocations by individual carriers, thereby verifying that all the carriers or applicants are ensured equal treatment when they are assigned train paths. Much like in the previous years, the Agency again put special focus on the Divača – Koper section, which has the status of overburdened infrastructure. This ensured that train paths are allocated to all the applicants without discrimination.

In the scope of its objective of monitoring competition on the railway transport services market the Agency managed in spite of lack of human resources to regularly monitor the realization of allocated train slots on the public railway infrastructure. Regular analyses of allocated train path realization that the Agency performed in 2021 again showed that a relatively high percentage of train paths is unrealised. It is the Agency's belief that besides the carriers' economic reasons, the main cause of underutilization is in late train path cancellation, and in 2021 the Agency once again alerted to this issue both the PRI manager and the Ministry of Infrastructure.

At the monthly level the Agency in 2021 also monitored the correctness of the charged usage fee for access to PRI and calculated the efficiency regime. In this manner the Agency ensured that fair and legal usage fee is charged to all carriers.

In the scope of performing the project of establishing the cost base of setting the basis for calculating usage fee for the use of PRI, the Agency for the first time prepared a weighted average cost of capital (WACC) calculation for the PRI manager, and it amounted to 5.9%.

By regularly verifying whether providers of access to facilities for additional service provide them to all carriers under equal conditions and set the prices in accordance with the valid regulation, the Agency strived to ensure equal access to facilities where additional services are provided, and that the carriers are charged fairly for using the services in them.

In order to fulfil the objective of fair usage fee charging for PRI, the Agency also monitored the correctness of the charged usage fee for access to PRI and calculated the efficiency regime at the monthly level. In this manner the Agency ensured that fair and legal usage fee is charged to all carriers.

In the scope of performing the project of establishing the cost base of setting the basis for calculating usage fee for the use of PRI, the Agency for the first time prepared a weighted average cost of capital (WACC) calculation for the PRI manager, and it amounted to 5.9%.

By regularly verifying whether providers of access to facilities for additional service provide them to all carriers under equal conditions and set the prices in accordance with the valid regulation, the Agency strived to ensure equal, non-discriminatory access to facilities where additional services are provided, and that the carriers are charged fairly for using the services in them.

The Agency also kept monitoring train delays. As part of its legal authority the Agency verified whether the PRI manager adheres to the provisions of ZZelP, and performed a supervision of the PRI manager's operation.

In accordance with the strategic goal of helping to form the national policy and legislation in railway services, the Agency in 2021 as part of its authority provided expert support to the Ministry of Infrastructure in the preparation of the Regulation on train path allocation, usage fee and the efficiency regime on PRI, and the draft Railway Passenger Traffic Act.

With the aim of helping shape the legal frameworks at the EU level, the Agency was also active on the international stage, especially in working groups of the European Commission and the Independent Regulators' Group – Rail (IRG-Rail), which is described in detail below. This way the Agency also ensured that best practices are brought over to Slovenia.

In 2021 the Agency's activities were also focused on informing the public on the market conditions, its authority and legal frameworks on this area. Regularly monitoring the state of the market, recognising key challenges in railway market regulation and promptly responding to them is also one of the Agency's strategic objectives.

In 2021 the Agency again resolved complaints from passengers in railway traffic, ensuring they are able to exercise their rights.

At the virtual international conference "Regulation for a digital future", which the Agency organised to commemorate its 20th anniversary in 2021, focus was also on the digitalisation of railway traffic, with a panel on the topic titled "Aspects of digitalisation of railway traffic". This showed how key the digitalisation of railway traffic is for the continued development of this sector; however, digitisation should not be just limited to infrastructure

managers or carriers in railway traffic, but also focus on end users, namely passengers.

On the market of passenger railway transport services, these were in 2021 again conducted by a single carrier, SŽ-Potniški promet, which means that the majority of transport services was performed as part of its public service obligation of providing passenger transport in domestic and cross-border railway traffic. After the major decline in traffic in 2020, which was the result in full or partial shutdown of public passenger traffic, as part of the measures to limit COVID-19 infections, 2021 again marked an uptake in the number of transported passengers, as well as an uptake in the scope of the work (in passenger kilometres). In 2021, 11.9 million passengers were transported over the public railway infrastructure of the Republic of Slovenia, of which 11.5 million were in domestic traffic. The carrier SŽ-Potniški promet conducted a total of 542 million passenger kilometres, of which 491 million were in domestic traffic, and 51 million in international traffic.

There were 7 carriers on the railway cargo transport market in 2021, which is the same number as in 2020. In spite of the fact that the COVID-19 epidemic had a significantly lower impact on services in railway cargo traffic than on the services in passenger traffic, the Agency noted growth on this market as well. In 2021, 21.30 million tons of freight was transported on the public railway infrastructure of the Republic of Slovenia, and carriers made a total of 5,216 million net ton-kilometres. Taking into account the amount of transported freight (in tonnes), it increased by 3,7% compared to 2020. The increase in the scope of services provided by carriers was somewhat higher at 5.9% (in net tonne kilometres).

## 4.2 ACTIVITIES FOR ACHIEVING THE OBJECTIVES

### 4.2.1 ANALYSIS OF THE COST-BASE FOR USAGE FEES

In early 2021 the Agency completed the preliminary inspection of the descriptive and mathematical part of the new methodology for charging usage fee for using PRI (which will come into effect on 1 January 2023), and has then focused on the calculation of a reasonable profit for covering the infrastructure manager's costs. Namely, the usage fee for ensuring access over rails within objects needed for providing railway transport services, for ensuring services in these facilities and for additional and support services should not exceed the costs of their provision, together with a reasonable profit. In accordance with paragraph one of Article 34 of the Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area, the state may – if the market can bear it – impose surcharges for jointly covering the costs of the infrastructure manager, based on efficient, transparent and non-discriminatory principles, ensuring that it provides optimum competitiveness of market segments for railway traffic services. In 2021 the Agency calculated for the first time the level of the weighted average cost of capital (WACC) for the PRI manager, namely for SŽ – Infrastruktura, which can also be used for calculating the above-mentioned reasonable profit. The level of the calculate WACC is 5.9%.

### 4.2.2 MONITORING TRAIN PATH ALLOCATION, CHARGING USAGE FEE AND PERFORMING THE EFFICIENCY REGIME

In the scope of its tasks of monitoring competition on the railway transport services market the Agency regularly monitors the utilisation (realization) of allocated train slots

on the public railway infrastructure. In 2021 the Agency analysed the realization of allocated train slots by individual carriers based on monthly reports submitted by the public railway infrastructure manager, and compared them with the manager's monthly analyses. The Agency did not discover any derogations. After the Agency established that in 2020 the public railway infrastructure was less utilized than in 2019 because of the COVID-19 epidemic, the utilisation of the public railway infrastructure in 2021 reached comparable levels to that of 2019.

In railway cargo traffic the analyses again showed a relatively high percentage of carrier cancellations of allocated train paths, which points to a poor utilisation of the public railway infrastructure. Throughout the monitoring period the Agency finds approximately a third of allocated train paths have been cancelled, and according to the PRI manager, these were then re-allocated on an "ad hoc" procedure. The reason for this is supposedly delays resulting from obstacles on the networks of neighbouring railway administrations. Based on the number of allocated train paths over the past three years, and the number of cancellations, it can be assumed that the COVID-19 epidemic had a further impact on poor utilization of the infrastructure. Still, it can be assumed that carriers were better at adapting the orders for train paths to their actual needs, both in the regular requests for the timetable period, as well as in the "ad hoc" requests.

The COVID-19 epidemic had an even bigger impact on railway passenger traffic services, where the share of unrealised and cancelled train paths was negligible in the past, and which as not exceeded 2% of all assigned train paths during the whole monitoring period since January 2009. Because passenger transport services are for the most part provided as part of its public service obligation of providing passenger transport in domestic and cross-border regional railway traffic, and as there are significantly lower fluctuations, the comparison between 2019 and 2020 shows a nearly identical number of assigned train

paths (there were 0.33% more train paths assigned for 2020). However, because of the complete stop or limited provision of public passenger traffic between mid-March and early July, and again from mid-November, 30% of all assigned train paths were cancelled. The data for 2021 show that the carrier in the passenger railway traffic was allocated 5% more train paths than in 2019 and 2020, with a 2.84% share of unrealised or cancelled train paths. This shows that after 2020 when the COVID-19 epidemic significantly exceeded the performance of the public railway traffic, things are starting to improve.

In 2021 the Agency put special focus on monitoring the train traffic on the railway section between Divača and Koper, as this railway segment has been declared an overburdened infrastructure. Along with the high number of freight and passenger trains, we also had to take into account the number of machine trains headed towards Koper to return pushing locomotives because of the relatively high longitudinal gradient of the track. The analysis of train traffic included all freight, passenger and machine trains in both directions that actually ran on this section. With the start of the 2020/2021 timetable period, additional passenger trains were added on the section towards Koper, and there were fewer replacement bus rides. This resulted in an increase in the number of passenger trains during the months when there were no limitations on public transport. The number of freight trains on this section decreased somewhat in 2021, however the data shows that in certain months the COVID-19 epidemic did not have an impact on the number of freight trains, which is somewhat unexpected.

In the second half of 2021 the Agency also carefully monitored the allocation of capacities on the railway segment between Ljubljana and Brezovica, where renovation work is ongoing, resulting in significant delays. In 2021 the Agency also monitored whether carriers are charged the correct usage fee for access to the PRI for the minimal bundle of services. Based on the monthly reports

from the PRI manager, the Agency established whether usage fees are billed to the carriers without distinction and in accordance with the methodology and valid regulations. It did not find any irregularities. At the same time the Agency also monitored how usage fee is charged for removing trains in the part of TPK of Koper-tovorna station.

With the aim of ensuring optimum use of public railway infrastructure the Agency focused a part of its activities in 2021 to the efficiency regime, which encourages carriers in the railway traffic and the PRI manager to reduce disruptions to the railway network and to improve the quality of performing export services. As part of this the Agency monitored how monetary compensations from the efficiency regime are paid out and encouraged the stakeholders on the railway services market to announce any planned major investments on the railway infrastructure in due time.

## 4.3.2 MONITORING ACCESS TO FACILITIES FOR ADDITIONAL SERVICES AND THE SERVICES PROVIDED THEREIN

In accordance with the Commission Implementing Regulation (EU) 2017/2177 of 22 November 2017 on access to service facilities and rail-related services the Agency prepared and published at the end of 2019 the guidelines that define the procedures and measures for excluding the application of some provisions on the managers of facilities and devices. In 2021 the Agency did not receive any requests for exemption.

The Agency monitored the performance of the Implementing regulation in connection with the obligation imposed on manager of these facilities to prepare and publish descriptions of facilities for providing additional railway services, and proactively called on the relevant stakeholders to transparently publish information regarding the facilities for providing additional services, as well as

the services themselves. At the Agency's incentive the description of facilities for providing railway services in the Port of Koper was included in the manager's network program in 2021.

## 4.2.4 REVIEW OF THE OPERATIONS OF THE PUBLIC RAILWAY INFRASTRUCTURE MANAGER

Along with the supervision procedure, which are described below under the Supervision heading, the Agency also reviewed individual elements of the financial transparency of the PRI manager (as defined under Article 11 of ZZelP). It verified whether the payment of the balance profits of the manager is in accordance with the legislation, and whether the manager is giving or taking loans from the carriers. The Agency also completed the preliminary inspection of the PRI manager's information system. The Agency established that the manager does meet the legal requirements of the provision that it must ensure limited access to information pertaining to train path allocations, usage fee charging, timetable creation for the network, and traffic management. The Agency also established that in 2019 and 2020 the manager did not directly or indirectly lease or give loans to the carriers.

## 4.2.5 INTERNATIONAL COOPERATION EC DG MOVE AND IRG-RAIL

At the international stage the Agency's representatives actively participated in the working groups of the European Commission and its Directorate-General for Mobility and Transport (EC DG MOVE), and attended the annual meeting of the European Network of Rail Regulatory Bodies (ENRRB), as well as actively participated in the debates on current development events on the railway services market in individual member states. A special focus was placed on the process of implementing the advanced capacity

management (i.e., Timetable Redesign – TTR). In monitoring market development, the Agency actively participated in the working group for the Rail Market Monitoring System (RMMS) and provided the data on the development of the railway traffic market in Slovenia.

Because a large share of the Agency's international activities is related to its operations in working groups of the Independent Regulators' Group – IRG-Rail, the Agency's representatives attended several meetings of these working groups remotely, through videoconference. The Agency's representatives actively participated at all six working groups of IRG-Rail. Working groups are divided into: (1) monitoring legislation drafting, (2) usage fee charges (and subgroup: usage charges for additional services), (3) access to infrastructure and subgroup: access to additional services, and (4) market monitoring. In these working groups the regulatory bodies formed common positions on the proposals for performing legal acts of EU bodies, collected information on national railroad market regulation in member states, and exchanged statistical data on the development of these markets. IRG-Rail also prepared and published a report on the effects of the crisis from the COVID-19 epidemic on European railway markets in 2020. The Agency's director also attended both IRG-Rail plenary sessions.

The Agency signed an agency on mutual cooperation with the regulatory bodies of Poland, Slovakia and Hungary, where the Amber Rail Freight Corridor (RFC11) is located. The agreement defines the authority of regulatory bodies and the procedures of cooperation in the event of complaints from applicants, and when violations of individual infrastructure manager or the joint corridor office are detected.

In 2021 the Agency's representatives exchanged best practices and experiences on the topic of separate accounting records of PRI managers in both countries, regarding access to facilities for additional services and

services provided in them, and the protection of passenger rights with the representatives of the Croatian regulatory body.

Throughout 2021 the Agency prepared and updated the data to publish on its eAnalitik site, which will be upgraded with railway data in 2022.

## 4.2.6 OTHER REGULAR TASKS

In 2021 the Agency received two notifications on new services in railway passenger traffic, namely on the route Sežana – Ljubljana (for the international train path on the Milano – Ljubljana route) and vice-versa, and on the Šentilj – Ljubljana route (for the international train path on the Budapest – Ljubljana route) and vice-versa. In accordance with the provisions of ZZelP the Agency published the received notifications and informed the relevant parties to submit a request to the Agency for a test of economic balance. After publishing these notifications, the Agency did not receive any requests for performing the economic balance test. Even though, the Agency proactively began preparing a simulation of the economic balance test at the end of 2021. The Agency aims to use the simulation to obtain all the data it would require if the request for an economic balance test were submitted. The Agency will continue with the simulation in 2022.

In 2021 the Agency received a complaint from a carrier regarding the activities of the PRI manager in relation to a rejection of access to PRI, however the carrier later withdrew its complaint and the procedure was stopped.

Besides the above activities the Agency upgraded the AKOS Geoportal with the data on the railway services market in 2021. It now includes visual presentations of all railway stations in the Republic of Slovenia and railway stations with facilities for persons with reduced mobility. A special layer also represents railway stations where tickets in domestic or international traffic can be purchased. A visual representation of the characteristics of individual railway stations in Slovenia is also available, allowing users of railway services to check the capacity of the railway network.



# 08

## SUPERVISION

TABLE 11: KEY OBJECTIVE: ENCOURAGING COMPETITION AND MARKET DEVELOPMENT

Key objective: Encouraging competition and market development								
Task/Project	Activities	Objectives	KPI	Result	Comment			
<b>Supervision of electronic communications</b>	Verifying conditions for the provision of electronic communication services.	Ensuring equal conditions for the operation of all stakeholders for competition protection, the protection of communication privacy, the protection of end users, ensuring rational use of numbering space and the accuracy of the data and the registry of operators.	Holding approximately 450 supervisory procedures, of which about 40 were highly complex, relating to competition protection, which has the highest priority.	●	A total of 565 supervisory procedures completed.			
	Verifying the accuracy of operators' entries into the Agency's registries, rational use of numbering space.							
	Verifying how the obligations imposed by regulatory decisions are met.					At least 40 % of procedures were completed within 90 days, with issued decisions.	●	58 % of all the procedures completed within the deadline.
	Supervisory procedures in privacy protection and electronic communication confidentiality.					Ensuring that the share of tardy cases does not exceed 10%.	●	12.5 % of cases dragged past the deadline because of lack of human resources, a growing number of new cases, a growing number of complex and extensive procedures and actions of the parties in the procedures.
	Verifying the provision of services imposed on the universal service (USO) provider.							
	Verifying that the required quality of service provided to end users is met, and ensuring internet neutrality.							
	Verifying the accuracy of reporting to the Agency when collecting the required data.							

<b>Supervision in shared construction and shared use of PUI</b>	Inspection supervision of the published intentions for construction and the realisation of the market interest.	Improved coverage of the country with high-speed electronic communication networks.	Holding at least 12 preventive supervisions, i.e., 1 per month.	<ul style="list-style-type: none"> <li>● Launching 42 procedures, supervision of the published intentions for construction and the suitability of easement agreements.</li> </ul>
	Inspection supervision of record keeping and an analysis of the telecommunications infrastructure in the RS	The comprehensiveness and availability of information on the existing infrastructure in order to lower the prices of constructing new TC networks.	Holding at least 12 preventive supervisions, i.e., 1 per month.	<ul style="list-style-type: none"> <li>● Launching 120 procedures of the accuracy of recording telecommunication infrastructure.</li> </ul>
<b>Supervision of radio frequency spectrum</b>	The supervision of the utilisation of radio frequencies and resolving the issues of DARF holders during interference.	Ensuring uninterrupted use of radio frequencies to all DARF holders.	Launching approx. 40 supervisory procedures by 31 December 2021.	<ul style="list-style-type: none"> <li>● Launching 40 supervisory procedures.</li> </ul>
			Achieving a 90% share of the annual plan of supervisions.	<ul style="list-style-type: none"> <li>● Achieving a 100% share of the annual plan of supervisions.</li> </ul>
			Resolving 75% of the procedures within 3 months.	<ul style="list-style-type: none"> <li>● Resolving 70% of supervisory procedure in less than 3 months, partially also because of the lack of suitable human resources at the Agency.</li> </ul>
<b>Supervision of electronic media</b>	The supervision of fulfilling the conditions for the status of stations of special importance from decisions.	Ensuring equal conditions for the operation of all stakeholders on the market, and protecting the interests of the viewers and listeners of programming and users of media services.	Launching at least 20 supervision procedures by 31 December 2021.	<ul style="list-style-type: none"> <li>● Launching at least 39 supervision procedures.</li> </ul>
	Supervision of the scope of advertising.		Achieving an 80% share of the annual plan of supervisions.	<ul style="list-style-type: none"> <li>● Fulfilling the supervision plan 100%.</li> </ul>
	Supervision of product placement and sponsorship.		Resolving at least 60 % of all open cases within 60 days.	<ul style="list-style-type: none"> <li>● 45 % of cases resolved within 60 days. The share was not achieved due to several extensive and complex procedures that resulted in significantly longer resolution time. The pandemic extraordinary conditions and the lack of human resources additionally contributed to this.</li> </ul>
	Supervision of adherence to advertising rules in radio programming.		Verifying the shares of European audiovisual works. Protecting children from potentially harmful audiovisual programming content.	

**Supervision of postal services**

Supervision of the execution of the General act on amendments to the general act on exemptions in providing universal postal service.

Supervision of the provisions of the General act on the quality of providing universal postal service.

Preventive supervisions of derogations from delivery time and delivery to home, namely by delivery to a different appropriate location.

Preventive supervisions of suitability of contractual post offices and the appropriate number of mailboxes with the goal of ensuring a suitable density of the postal network and organization types of contact points for meeting reasonable needs of postal service users, and for the universal postal service to be provided in accordance with legislation.

Launching two supervision procedures by 31 December 2021.

Launching two supervision procedures of contractual post offices and two procedures of the installation of installed mailboxes by 31 December 2021.

● Launching 2 preventive supervision procedures regarding the exceptions from the provision of the universal service (permissibility of derogations from serving and delivering mail).

● Launching 2 preventive supervisions of the installation of mailboxes and 2 preventive supervisions of contractual post offices.

**Supervision of railway traffic services**

Supervision of the operations of the PRI (regarding charges for the use the PRI, and performing the efficiency regime).

Ensuring competitive conditions on the market of railway traffic services and the activities of the PRI manager.

Launching at least two supervision procedures by 31 December 2021.

● Launching the supervision for establishing potential irregularities in concluding framework agreements and the content of the network manager's programme.

# 1 SUPERVISION OF TELECOMMUNICATIONS

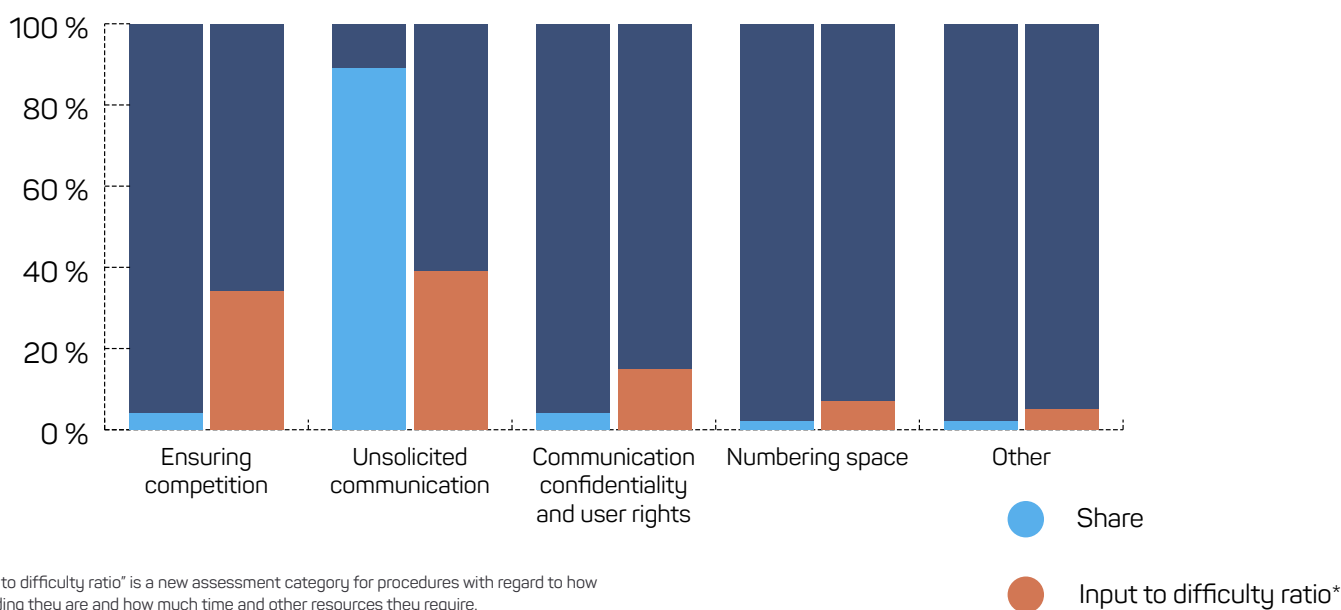
In spite of expectations, the European Electronic Communications Code (EECC) has not yet been transposed into the Slovenian legal order. Consequently, the Agency continued to adhere to the provisions of ZEKom-1 and its general acts in supervisory procedures in 2021. However, the Agency did receive numerous questions from stakeholders already on the market and those planning to enter the market about how the Agency will approach certain services and what legal requirements will have to be met in the future. The questions mostly related to the use of the numbering space and providing internet access services and specialised services. The Agency conducted more than 5 individual consultations with various stakeholders and then prepared written explanations to the posed questions.

As the number of Agency's employees remains the same, the Agency continues to operate at capacity, while the number and scope of issues continue to grow because of

the complexity of supervisory procedures. This is especially reflected in longer times required to resolve complex procedures on the one hand, and the procedures with the lowest priority on the other hand. The Agency was also understaffed in this sector.

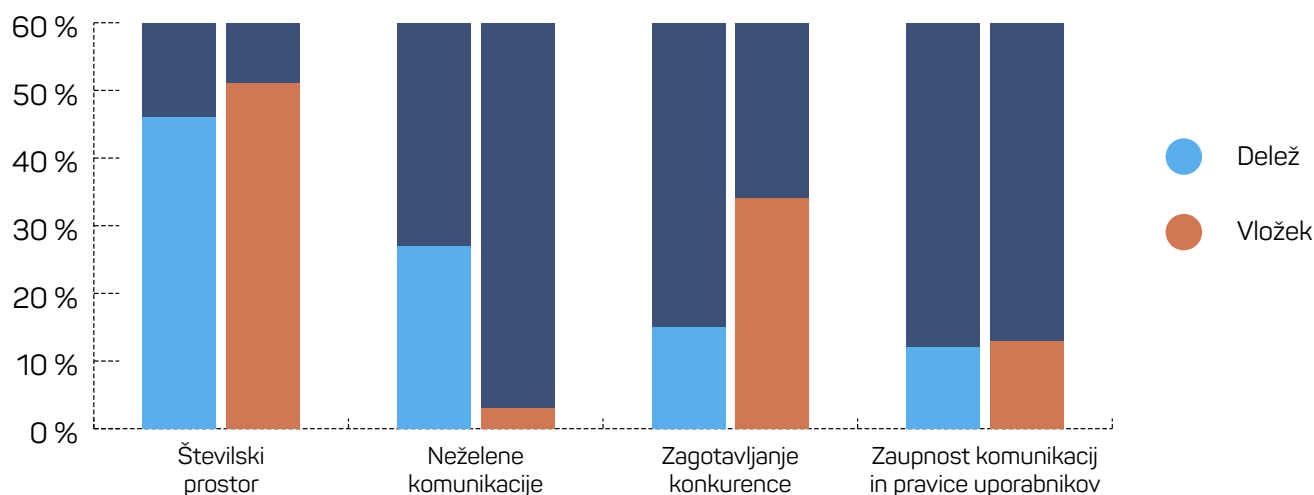
In 2021 the Agency conducted 565 supervisory and 26 small offence procedures in electronic communications. Much like in the previous year, the most demanding supervisory procedures in 2021 were those in competition protection, which are explained in more detail below. In 2021 once again most supervisory procedures were launched because of suspected breach of the provisions of ZEKom-1 regarding unsolicited communications. The number of resolved cases was significantly higher than the year before, at 83%, while in 2020 the number was just 63%. And this was achieved in spite of the significant effect of COVID-19 on work processes. The charts below traditionally show supervisory and minor offence procedures, categorised by subject of supervision and by procedure difficulty.

FIGURE 14: INSPECTION PROCEDURES



\* "Input to difficulty ratio" is a new assessment category for procedures with regard to how demanding they are and how much time and other resources they require.

FIGURE 15: MINOR OFFENCE PROCEDURES



\* "Input to difficulty ratio" is a new assessment category for procedures with regard to how demanding they are and how much time and other resources they require.

In 2021 the Agency also responded to 70 received questions from users, pertaining to different areas of ZEKom-1.

The number of supervisions of the use of numbering space in 2021 continued to grow, while the complexity of the procedures, especially establishing the actual condition. In 6 supervisory procedures the Agency supervised the legality of the use of the numbering space. The Agency did not establish any violations regarding the use of allocated numbers; however, the supervisory procedures did point to some issues that were not specifically enough detailed in the current legislation. The Agency will be able to resolve these issues in future executive acts, once the electronic communications legislation is updated.

In spite of numerous obstacles related to COVID-19 the Agency did manage to hold one consultation with all the operators and 7 individuals, when the confidential nature of the topic required such an approach.

The Agency wanted to provide a unified type of protection to end users regarding unannounced removals of channels from channel listings within subscription plans that the end users have selected. It detected highly divergent practices regarding compensation payments related to non-fulfilments of contractual obligations. To resolve this the Agency prepared a draft recommendation that would unify all the compensation payments from operators to end users, when they fail to provide the service from the selected channel listing, and also when these changes are not announced to end users within the legal deadline of 30 days. The Agency coordinated this draft recommendation for more than 7 months with all the operators that provide television services, however, in the end it withdrew it, because the operators were unwilling to cooperate in a constructive manner. This means that the Agency will continue to resolve all the violations related to announcing changes to the general terms and conditions or a subscriber agreement too late in minor offence procedures, and the users will have to continue resolving any such illegal encroachments on their

rights in relation with non-fulfilment of the agreement with their operator at an individual level by filing objections.

The Agency completed another supervisory procedure related to the protection of end users in 2021, related to the suspected violation of Article 130 of ZEKom-1. After the procedure was completed, the Agency established that the obligated party was only guilty of false advertising, as it advertised a longer period of tie-in than is legally permissible, while it concluded the subscriber agreements in accordance with Article 130 of ZEKom-1.

The Agency focused the most of its resources in supervisory procedures on supervising the measures related to the pricing regulation on relevant markets 3a (now market 1) and 3b. In the supervision of telecommunications this was the Agency's highest priority, as the decisions in these procedures have the most tangible impact on all significant stakeholders on the market. Because the collecting the required documentation, analysing the data and preparing the sizeable documents these procedures are demanding and extensive, and consequently their duration was relatively longer than with other supervisory procedures, as the Agency does manage to resolve 80% of them within the 3-month deadline. Even though the Agency issued 5 decisions in which it ruled whether the published wholesale prices of access on relevant markets 3a (now market 1) and 3b were appropriate, verifying them with the economic replicability test.

One of the most important and demanding procedures of last year was the minor offence procedure related to the established breach according to item 1 of paragraph 1 of Article 232 of ZEKom-1. The violating party did not inform

the Agency and the operators in due time on the changes to the existing Reference offer for broadband bitstream access, which was published on 1 June 2018, and which came into effect on 1 July 2018, with the new "Offer for long-term leasing of capacities to the operator's end users in relation to the services from the Reference offer for broadband bitstream access (BRO)", which came into effect on 1 September 2018.

Because of complaints from parties asking for access the Agency also performed a supervision procedure of the fulfilment of obligations from the Agency's regulatory decision, based on which the party has to ensure the use of the same information system and the same processes and accesses for reviewing, ordering and managing services as its retail unit, subsidiary or partner company is using.

Open internet access was again a demanding topic in 2021. The Agency once again verified whether the requirements from the General act on internet access services and related end user rights are being met, this time with a more detailed questionnaire.

The Agency participated in the discussion of the BEREC working group for open internet and actively monitored the working group's plans. As part of the working group the Agency again prepared its contribution to the BEREC report on the implementation of Directive EU 2015/2120. The Agency once again prepared and submitted to BEREC and the European Commission the National report on open internet for the May 2020 – May 2021 period within the deadline required by the regulation.

One of the bigger projects for European Union member states was establishing a secure cyber space for secure electronic communication services. In 2021 the Agency

<sup>9</sup> <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=60614>

once again co-chaired BEREC's working group on issues of cybersecurity in 5G networks. This group prepared the opinion to the European Commission's proposal on NIS – 2 directives. It participated with the European Court of Audit, which was preparing a Report on the implementation of 5G in the EU. The Agency's representative also participated at the meetings of the NIS Cooperation Group, which focuses on network and information security. In 2021 the Group once again focused a lot of attention on the implementation of the 5G Toolbox. Member states reviewed various key strategic and technical measures and their implementation into national legislation. Slovenia implemented the measures from EU's 5G Toolbox into the proposal of the new Electronic Communications Act, which was not yet adopted in 2021 by the National Assembly. Including appropriate measures into national legislation and their consistent implementation in practice by the electronic communication operators is a basic precondition to ensure the security of networks and services, and to consequently raise the level of trust and security of users when transitioning into a digital society.

On the basis of the Information Security Act the Government of RS adopted the Response plan to cyber incidents (RPCI), with the Office of the Government of RS for Information Security coordinating all of the activities with all the departments and subjects. Based on this plan the Agency is the liaison to electronic communication operators at the state level from the perspective of managing cybersecurity incidents and uninterrupted provision of key social and economic activities.

The Agency also monitored the activities of regulators in other member states and ENISA, which prepared numerous useful documents in 2021 to assist regulators and other relevant bodies and operators.

Security in electronic communication networks was also one of the topics that the Agency presented at the event to commemorate its 20th anniversary at the panel discussion titled "Traps of digitalisation for end users". Other invited participants at this panel discussion were from SI-CERT and The European Consumer Organisation BEUC:

In relation to the security of networks and services the Agency issued one decision in 2021, imposing on a Slovenian operator to remedy the irregularities that led to abuse in premium SMS messaging that the users did not order.

As a member of the Institute for Corporate Security Studies the Agency participated with its representatives at both panel discussions that the Institute organised. It regularly attended the monthly meetings of its members and other events.

The Agency discovered and sanctioned those violating the legislation related to unsolicited communications. In 2021 users reported 313 cases of unsolicited communications. After performing supervisory procedures it issued 27 warnings, requiring the perpetrators to act in accordance with the provisions of Article 158 of ZEKom-1 in the future, as well as 20 decisions in which it imposed measures to remedy the established irregularities, while it combined 25 cases into a single procedure or handed them over to other relevant bodies, and issued 32 decisions on stopping the procedure, where it turned out that the obligated party did not violate any provisions of the law.

As the relevant body for supervising the execution of the provisions of Article 147 of ZEKom-1 the Agency detected increased questions from users on the permissibility of recording telephone communications in 2021. Because this

topic is so much in focus, the Agency began collaborating with the Information Commissioner in 2021 to prepare new or amended Guidelines on recording telephone calls, which was published in 2017. They will be published in 2022. In relation to recording and storing communications without a prior approval of the participants, the Agency launched 3 supervisory procedures.

In 2021 the Agency also supervised the accuracy of the operators' reporting based on quarterly and annual questionnaires and based on individual calls by the Agency, as these data are essential for monitoring the telecommunications market development. In the scope of this task the Agency was also making sure that all the subjects providing public communication networks or public communication services are entered in the correct records of the Agency. In relation to this the Agency launched a supervisory procedure in which it imposed on the subject to be entered into the record.

## 1.1 SUPERVISION OF SHARED CONSTRUCTION AND SHARED USE OF PUI

Monitoring infrastructure investments is in accordance with the provisions of Articles 15 and 111 of ZEKom-1 also the subject of inspection supervision under the Agency's authority, which acts as the minor offence body. In 2021 the Agency launched 36 supervisions of the accuracy of easement agreements, which is twice above the Agency's planned target value for 2021. It also launched 6 supervision procedures regarding fulfilment of obligations related to announced infrastructure construction. The biggest focus in supervision in the previous year was in verifying the accuracy of communication infrastructure entries into the record of infrastructure networks, where the Agency

launched 120 supervision procedures.

## 2 SUPERVISION OF THE RADIO FREQUENCY SPECTRUM

The Agency manages the radio frequency spectrum and supervises it in order to ensure uninterrupted use of radio frequencies. It supervises the radio frequency spectrum systematically on the basis of its annual plans, based on request for launching procedures, and within the scope of investigating reported radio interference. If there are any irregularities established, it takes action in accordance with its authority, based on ZEKom-1 or ZIN. It utilises the remote monitoring and measurement system that encompasses 12 locations and 3 special vehicles. In the scope of systematic radio frequency spectrum supervision, the Agency in 2021 conducted 42 inspections to investigate radio interference and based on reports. In 25 cases it issued a warning as part of a minor offence procedure, and in one case it issued a fine.

In the field of radio frequency interference, the Agency exercised its authority by searching for interference sources from devices and issued measures to remedy them based on its inspection authority. It launched 4 cases in this area.

## 2.1 MEASUREMENTS OF THE RADIO FREQUENCY SPECTRUM AND ELIMINATING INTERFERENCE

In 2021 the Agency conducted 10 measurement recordings of the radio (FM) spectrum, 11 measurement recordings of the television (DVB-T) spectrum, and 9 measurement recordings of the spectrum for digital radio (DAB+) at different locations across Slovenia. The results were the basis for international coordination between radio broadcasting stations, for new technologies on these bands,



as well as for issuing DARFs. It continued with systematic daily measurements of the radio frequency spectrum, as these results are needed in cases when a past event has to be established.

In 2021 the Agency investigated 63 reports of radio interference. The majority of these cases pertained to interference of mobile operators' transmissions (GSM and UMTS) by natural or legal persons using GSM repeaters that were not properly installed or configured, and other devices which were not operating correctly. Because of the lack of human resources, the resolution of some procedures too longer.

The Agency invested a lot of its time on resolving interference impacting the Slovenian weather radars due to RLAN connections. Through regular measurements it monitored the activities alongside the border, where foreign radio stations continue to cause interference for our stations. The Agency investigates radio interference in the reception of signals of Slovenian radio broadcasting stations and reports them, when it establishes the interference.

In 2021 the Agency focused its attention in this area to reporting interference on DAB+ technology, because in spite of numerous reports Italian stations occupy channels that were allocated to Slovenia. This decreases the quality of service in DAB+ multiplexes. It also monitored the condition in the FM spectrum through regular measurements. The Agency assists radio frequency spectrum users by advising them on how to resolve various technical issues. In 2021 it also continued with systematic monitoring of the use of the 1-10 GHz frequency band for fixed services.

## 2.2 MONITORING THE QUALITY OF SERVICE OF BROADBAND NETWORKS

Monitoring internet service providers and related user rights was one of the Agency's main objectives also in 2021. The Agency continued searching for and developing suitable hardware and software for autonomous measurements, and tested software that makes it possible to perform automatic periodic measurements, without the need for an end user to perform any actions, and reduces the impact of other secondary factors on the accuracy of measurements.

In 2021 the Agency continued to successfully collaborate with the two biggest providers of measurement equipment for performing QoS measurements. It improved the implementation of the RFC6349 standard in measurement instruments. It also participated in testing new upgrades to instruments. Using mobile instruments the Agency performed test measurements over various access technologies, and shared its experience and conclusions with the equipment manufacturers.

Because of the implementation of new access technologies (XGS-PON, NG-PON2...) and CPEs that come with 2.5 Gbps (2.5 GBASE-T), 5 Gbps (5 GBASE-T) and 10 Gbps connections, the Agency obtained suitable instruments that support measurements at these connections.

It was the Agency's goal to perform a supervision of whether the operators adhere to the EU regulation on open internet. Because the Agency is a member of SIX, RIPE NNC and thereby also LIR, the AKOSTestNet system connects to the internet through its own IPv4 and IPv6 addresses. In order to ensure sufficient capacities for the AKOSTestNet system and reliability of the measurements with high speeds, the

Agency upgraded the capacities to SIX to 100 Gbps. It also upgraded the connections to all the measurement servers to 100 Gbps. The AKOSTestNet system was also upgraded to be even more compatible with the tools from other national regulators. In 2021 more than one million measurements were completed using AKOSTestNet, of which approximately 400 thousand were made by end users.

The Agency upgraded the AKOSTestNet system into a comprehensive solution for monitoring and measurement across all broadband connections. The Agency upgraded some of its software to a new version that it developed together with the Austrian regulator RTR.

It also prepared and published the report on the measurement campaign of mobile coverage and QoS measurements that the Agency conducted on 3G and 4G public mobile networks.

## 3 SUPERVISION OF ELECTRONIC MEDIA

In 2021 the Agency's supervisory procedures in electronic media met the set goals and tasks across in all areas, where it had activities planned: station of special importance, shares of audiovisual works, television and radio advertising, protection of children and minors from potentially harmful content, and licenses for performing activities. It also continued with supervision procedures that were launched in 2020, and were not yet concluded by 2021.

With the objective of protecting the rights and protection of TV viewers, radio listeners and users of on demand audiovisual media services, ensuring legal operations of all the stakeholders on the market, and ensuring the achievement of the public cultural goals in electronic media, the Agency acted proactively and preventively. It also conducted some unplanned activities in other areas that

were launched after receiving reports.

In 2021 the Agency launched 50 supervisory procedures. In 49 cases these were inspection administrative procedures, and in one case a minor offence procedure. It completed 38 procedures, of which 15 were against television channel publishers, 3 against radio channel publishers, and 20 against the publishers of audiovisual media services. In the scope of all inspection procedures, it issued 8 improvement notices.

### 3.1 STATIONS OF SPECIAL IMPORTANCE

In 2021 the Agency continued leading the inspection procedures of system supervision of the 11 holders of the status of local and regional station of special importance, who received improvement inspection notices in the past, and met its goal. In 2021 three procedures were completed, 2 with a new improvement notice, while the Agency stopped the procedure against one publisher of a station of special importance, as it did not establish any irregularities. The remaining 8 procedures, of which 3 were launched in the last quarter, were carried over to 2022, as their complexity and the volume of other supervisory procedure related to the disaster conditions and waiting for the COVID-19 epidemic to end, made it impossible to complete them by the end of 2021. The data gathered in supervisory procedure showed that because of the epidemic the publishers of stations of special importance were not able to fulfil the public interest in their local media field that the status demands them to. There was a lack of local cultural, sports, arts, educational and other events that these media report and which they transmit. The publishers also had to deal with numerous sick leave absences of their content creators and had major difficulties with human resources that are already stretched at small local media stations.

By issuing an improvement notice the Agency also concluded the inspection supervision and imposed the publishers of local radio stations of special importance that are connected into a regional network to ensure a sufficient scope of in-house produced content.

## 3.2 SHARES OF EUROPEAN AND SLOVENIAN AUDIOVISUAL WORKS

Over the past year the Agency planned to regularly collect reports on achieved shares of audiovisual works. It received the reports from 14 out of 15 television channels on time, while one of the publishers submitted it subsequently during the supervision procedure. By launching 20 inspection supervisions the Agency also obtained the reports from on demand audiovisual media service providers, meeting its goal for 2021. The data from the reports showed that in 2020 all the publishers of television channels and all the providers of on demand audiovisual media services met the required shares. With this the Agency also concluded the inspection supervision procedure from 2020, which showed the accuracy of the submitted data from the report on the achieved shares of Slovenian audiovisual works on the two channels of RTV Slovenija.

## 3.3 TELEVISION IN RADIO ADVERTISING

In 2021, as part of its planned tasks the Agency regularly monitored the scope of advertising on the 12 most watched Slovenian television channels and 18 foreign television channels that target Slovenian audience with mostly Slovenian adverts and mostly also Slovenian subtitles, however, they do not fall under the jurisdiction of the Republic of Slovenia, as they are licensed in another EU member state. Only one minor offence procedure was launched, but was not completed in 2021.

In relation to the supervision of television advertising the

Agency encouraged the publishers to better adhere to the rules on product placement and sponsorship in domestic production television shows, also through the prism of rules on clear delineation of advertising from other editorial content. In one inspection procedure against a publisher of a television station the Agency established that they were using surreptitious audiovisual commercial messaging, and issued an improvement notice.

In the past the Agency performed numerous inspection supervisions of radio programming and detected some contentious advertising practices. In order to resolve this it, it set a goal to prepare the guidelines in this field or to hold a consultation with publishers as part of its preventive inspection operations. The Agency decided to hold a workshop on advertising transparency in radio programming in the autumn of 2021. At the meeting it called on the publishers of radio stations to make sure to appropriately separate advertising content from the rest of editorial content. With this the Agency met its goals for the past year in advertising on television stations and adherence to rules on advertising on radio stations.

## 3.4 PROTECTION OF CHILDREN AND MINORS FROM POTENTIALLY HARMFUL CONTENT

In accordance with the annual plan the Agency performed preventive tasks in the field of protection of children from potentially harmful content in audiovisual media services. It monitored the labelling on television programming and the publishers' use of the Gledoskop tool for rating and classification of audiovisual media content. In 2021 the Agency held 6 meetings of the Gledoskop coders' committee. It regularly communicated with each of them individually. This allowed the Agency to resolve some issues

regarding classification of content as they cropped up, ensuring appropriate labelling and scheduling of potentially harmful content for children. With this the Agency fulfilled the objectives it set in this field for 2021.

Following a complaint, it also launched an inspection supervision procedure for allegedly inappropriate labelling of potentially harmful content in an on demand audiovisual media service, however, it was not completed by the end of 2021.

### 3.5 RADIO AND TELEVISION BROADCASTING LICENSES

IN 2020 the Agency issued improvement notices to 18 radio stations connected into a radio network, because they did not meet all the programming obligations from their licenses for performing radio activities regarding local content in those parts of the programmes that are not part of the radio network. The deadlines for completing the improvements from these notices were set for 2021, when the Agency conducted a control analysis in order to verify this, and established that the publishers did meet the imposed obligations from all of the 18 improvement notices. With this the Agency achieved its objectives for 2021 in this area as well.

The Agency also completed the inspection supervision procedure of the license for radio broadcasting against two publishers of local radio station of special importance, who are connected in a network for publishing a joint regional programming. During the procedure the Agency established that they do not meet some programming requirements from their licenses that apply to a regional station in a network, so it issued an improvement notice to the publishers.

Following a report, the Agency also launched two inspection supervision procedures with the aim of verifying the fulfilment of requirements from the licenses for performing radio or television activities, however, these were not completed by the end of the year.

### 3.6 OTHER SUPERVISORY MATTERS RELATED TO RECEIVED REPORTS

Over the past year the Agency also launched some inspection procedures that were instigated ex officio following a report, however, they do not fall under any of the above categories.

The Agency issued a very important measure in the inspection supervision procedure, where it established that the publisher of a station or the host of its show violated the prohibition of encouraging racial inequality and calling for racial hatred and intolerance on a television programme. The publisher was tasked with removing this specific show from its programming and from the internet, and to inform all of the creators of this show about the Agency's decision, and to prepare guidelines for preventing encouraging inequality and hatred, and to inform all of its employees regarding that. The publisher complied with the imposed obligations.

In the beginning of the year the remaining 5 out of 8 inspection supervision procedures related to prohibited alleged participation of journalists or news anchors in advertising were completed. In two cases the publishers were issued with an inspection improvement notice, while in three it stopped the procedure with a decision.

The Agency also received a report related to a television advert that was allegedly insulting to children, and reviewed it in accordance with the provisions of ZAVMS that protect

human dignity and protect minors from causing them physical, mental or moral damage. After obtaining an expert opinion and reviewing the matter the Agency established that there was no violation of legislation.

The Agency also received a report about an alleged violation of the public right to view important events, however, because it does not have a valid list of important events, it did not launch an inspection supervision.

The Agency also reviewed two reports related to alleged violations of the provisions of ZAVMS regarding the right to brief reporting in television programming. In one case no irregularities were established, while in the other, they were immediately remedied after the Agency intervened.

## 4 SUPERVISION OF POSTAL SERVICES

In the scope of supervising the postal services market and in line with the set goals, the Agency conducted preventive supervisions according to determined priorities, and based on findings in regulative procedures or reports. In 2021 the Agency conducted 2 preventive supervision procedures regarding the provision of the universal service in accordance with the Postal Service Act and the General act on exceptions in the implementation of the universal service, and verified the permissibility of derogations from serving and delivering mail in certain geographic areas. The Agency planned and completed 4 preventive supervisions over the adherence to the General act on the quality of universal service provision, and 22 inspection supervisions based on initiative and reports from postal service users.

Besides the preventive supervisions and the supervisions based on reports the Agency in 2021 also launched other supervision procedure based on the detected activities

on the postal services market. In early 2021 the Agency launched an ex officio supervision procedure regarding the changes that came into effect on 1 January 2021 regarding the changes to the universal service provision. During the supervision procedure the Agency verified the new General terms and conditions for providing the universal postal service that came into effect on 1 January 2021, and issued the provider with a list of measures for remedying the irregularities.

Taking into account the fact that there was a growth in the volume of mail at the end of 2020, the Agency launched over the final quarter of 2021 an ex officio subscription procedure of the reception, routing, transporting and delivering parcels of up to 10 kg that fall under the category of the universal postal service.

## 5 SUPERVISION OF RAILWAY SERVICES

In 2021 the Agency launched and also concluded two supervision procedures of the operations of the manager, namely to establish potential irregularities in concluding framework agreements and the content of the network manager's programme. During the first procedure the Agency launched the procedure because of potential derogations from legally required provisions in the manager's activities, related to concluding framework agreements.

In the second supervision procedure the Agency verified whether the manager's network programme includes all the legally required ingredients, whether the network programme might include any discriminatory provisions, and whether it gives the PRI manager any discretionary authority that could be used to discriminate applicants.

# 09

## DISPUTE RESOLUTION

### 1 USER DISPUTES RELATED TO ELECTRONIC COMMUNICATIONS

*The growth in user disputes in electronic communications was again somewhat lower in 2021 than in the years before the COVID-19 epidemic. The epidemic and related measures did not only affect the increased needs of end users, especially for broadband internet (e.g., remote work and school), but also the related issues and disputes.*

. On the other hand, certain user habits changed during this period, including those that had in the past triggered typical user disputes. As there were for example fewer trips taken, there were consequently also fewer disputes related to undesired roaming charges in foreign operators' networks. The epidemic and related limitations did present certain limitations for the parties, for example with receiving and send out letters, parties being unprepared to attend oral hearings at the Agency and similar, however, the Agency strove to remedy them in the scope of its authority. Regardless of the limitations, the Agency did manage in 2021 to resolve many disputes within the prescribed deadline of 4 months. The sector's understaffing also affected the poor realisation.

In 2021 the Agency also received 567 disputes related to

electronic communications. At the same time, it continued resolving the disputes that were carried over from the previous year (there were 200), and based on the ruling of the Supreme Court of RS it had to return 1 user dispute into procedure. The total number of user disputes that the Agency handled in 2021 was therefore 768.

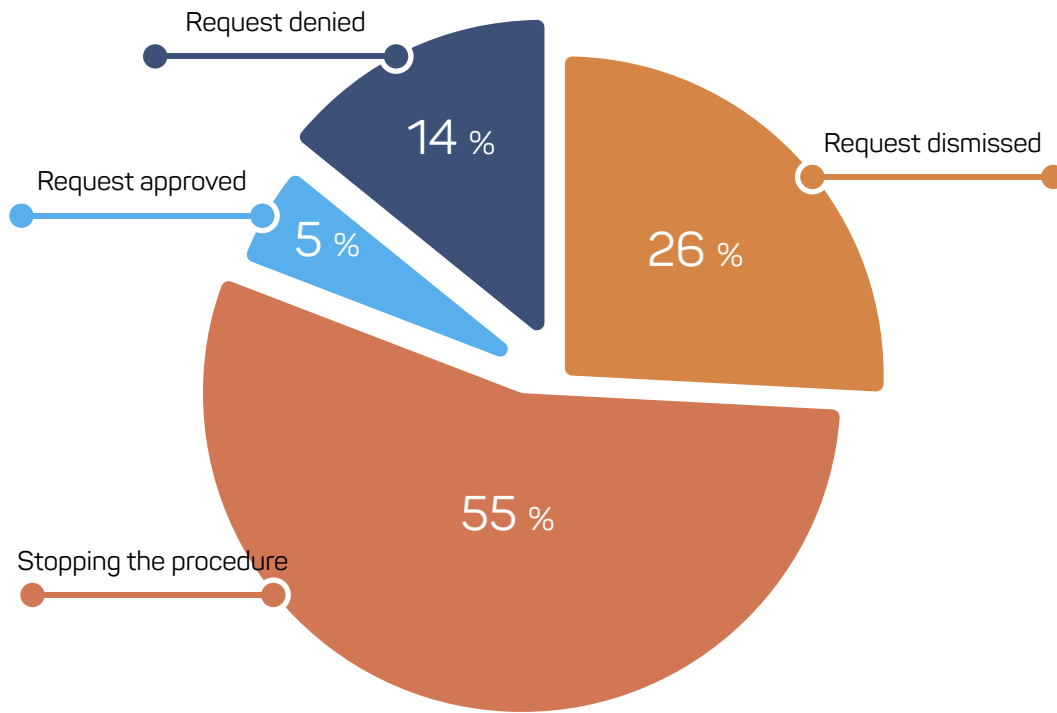
Of these, 647 were resolved by the end of the year, and the Agency will continue resolving the remaining 121 disputes in 2022.

In resolving user disputes in electronic communications, the Agency was working towards the provider and end user reaching an amicable agreement about the dispute resolution, which was followed by a decision to stay the procedure. Using this approach it resolved 355 cases, which is approximately 55% of all the resolved disputes in electronic communications. The share of amicably resolved disputes was approximately 4 percentage points higher than in 2020.

In 172 cases the Agency rejected the proposal for dispute resolution, when for example the end user did not complete their application, when the Agency did not have the authority, when the end user was too late in submitting the resolution proposal and similar.

In the remaining 120 disputes the Agency ruled on the claims with a decision, and in approximately 14% of cases rejected the proposal for dispute resolution, and in approximately 5% approved the end user's proposal.

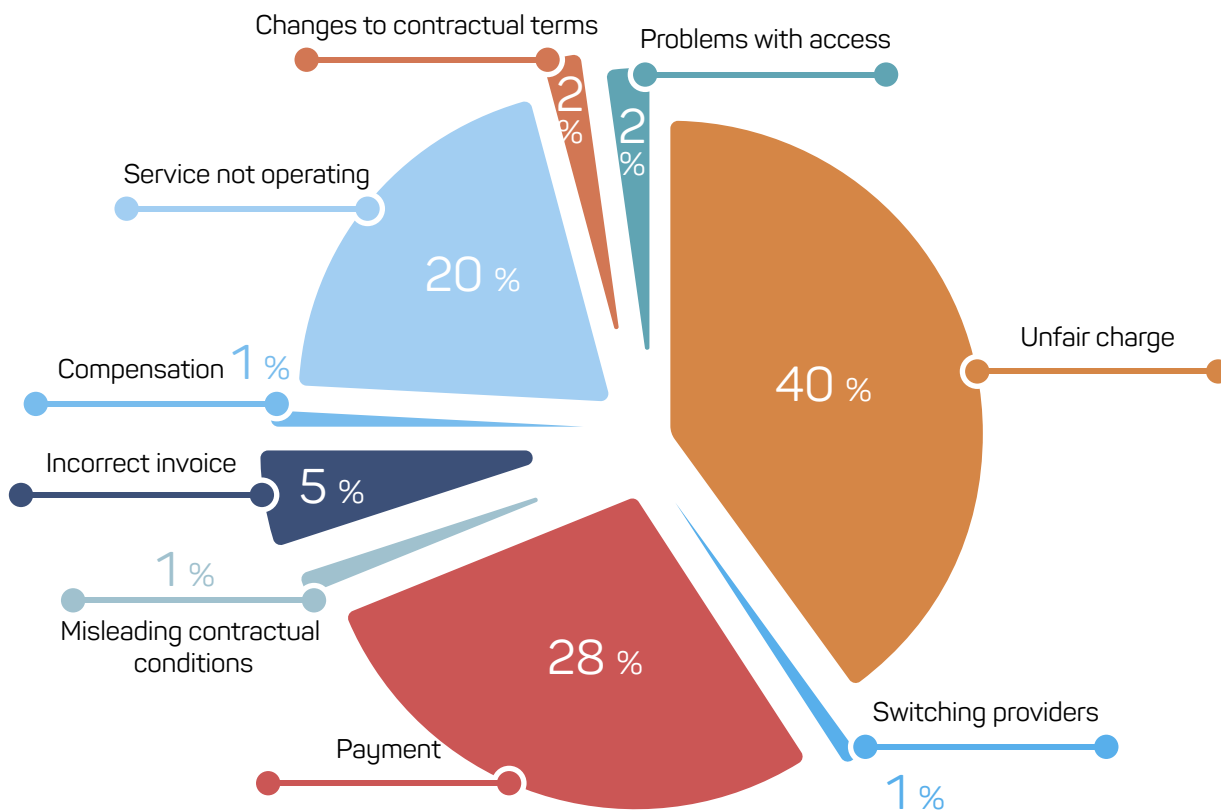
FIGURE 16: DISPUTES IN TERMS OF HOW THEY WERE RESOLVED



End users turned to the Agency most frequently over invoices which operators issued unfoundedly. These consisted of 40% of proposals for resolution. Somewhat fewer cases (31%) related to payments for services with users disputing the payment of contract penalties, i.e., costs related to terminating subscriber agreements.

These consisted of 28% of proposals for resolution. The share of cases where the reason for the dispute would be inoperation or poor operation of services stood at 20%, while 9% of cases were related to an incorrect invoice with incorrect data (most often billed amounts). More details are included in the chart below:

FIGURE 17: RECEIVED CASES BY SUBJECT OF USER DISPUTE

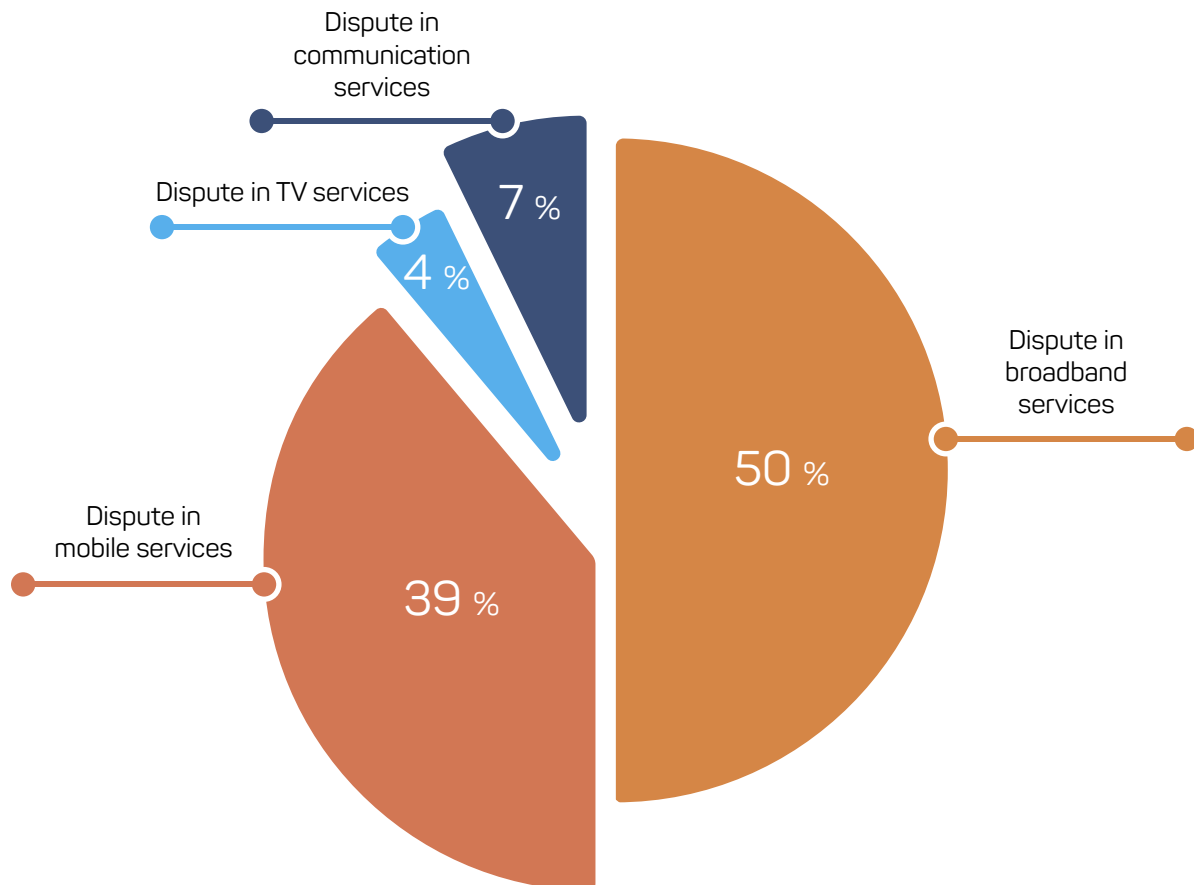


In terms of the subject of the dispute, 2021 was nearly identical to 2020, and dominated by disputes related to broadband services, marking about 50% of the total. Disputes related to mobile telephone services amounted

to 39%. The share of disputes related to communication services stood at 7%, the share of disputes over television services at 4%, while the Agency did not have any cases that would be related exclusively to fixed telephone services.



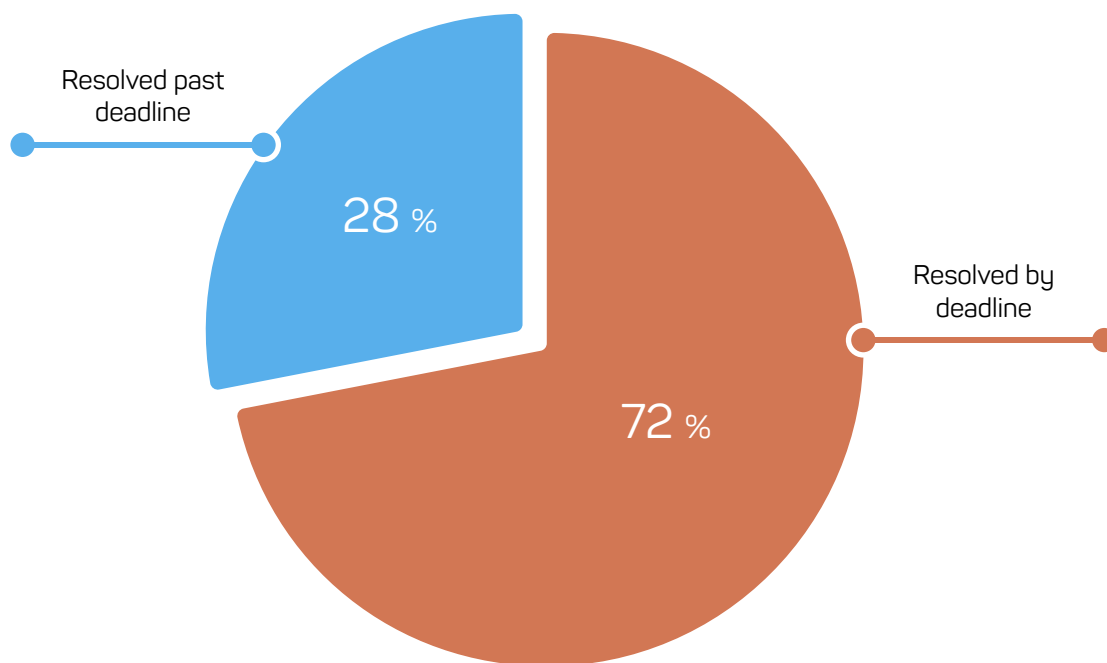
FIGURE 18: CASES BY SUBJECT OF USER DISPUTE



In 2021 the Agency managed to resolve 72% of the disputes within the 4-month prescribed deadline. It managed to significantly improve the results from the previous year, as only 58% of the cases were resolved

within the prescribed deadline in 2020. The Agency will continue to strive to increase the scope of resolved disputes within the prescribed deadline.

FIGURE 19: CASES BY TIME OF RESOLUTION



## 2 OPERATOR DISPUTES IN ELECTRONIC COMMUNICATIONS

In electronic communications the Agency resolves the disputes related to technical and commercial questions of carrier access and network interconnection, and disputes that occur because of efforts to lower the costs of electronic communication networks.

In 2021 the Agency received 4 disputes. Two were pertained to technical and commercial issues of carrier access and network interconnection (regarding contractual penalties for alleged delays in establishing connections on the relevant market 3b and setting prices for terminating SMS messages), and two to efforts to lower the costs of electronic communication networks (both were related

to access to existing physical infrastructure according to Article 93 of ZEKom-1).

The Agency also continued to resolve the four disputes that were launched in the past years.

In 2021 five disputes were resolved, including all the carrier disputes that were launched in the previous years. The Agency will rule on the remaining open disputes after it concludes declaratory procedures, and will strive, where possible, to have operators find an amicable resolution.

The resolved disputes related to the efforts to lower costs of electronic communication services pertained to access to the data on the exiting physical infrastructure, to access to the building physical infrastructure, including setting prices and to access to existing physical infrastructure. The remaining two resolved disputes pertained to technical

and commercial issues of carrier access and network interconnection, namely to the prices for leasing capacities on the relevant market 3b and on monthly subscription fees for leasing FTTH P2P optical fibres.

The Agency has also noted in carrier dispute resolution that these often form their requests in such a way that they cannot be resolved in a dispute resolution procedure. For example, they demand a change to a regulatory decision, or that the Agency sets rules of procedure in a general and abstract way, and similar. Because such cases are not an administrative matter that could be resolved in a dispute between two specific subjects, the Agency is obligated to reject such requests. Unclear requests of the submitting party and passivity of operators in submitting the requested data make fast and effective carrier dispute resolutions difficult. Much like in previous years, the longer dispute resolution in 2021 was the result of numerous requests by the parties to move the hearing and requests for extending deadlines, which the Agency for the most part agreed to in light of the measures for preventing the spread of COVID-19.

### 3 USER DISPUTES RELATED TO POSTAL SERVICES

In 2021 the Agency received 42 requests for dispute resolution with a provider of postal services from users of postal services, which is 82% more than in the past year (in 2020 it received 23 new requests in this area). In addition to the newly received disputes, the Agency continued with its resolution of 12 disputes that were launched in 2020. The total number of user disputes in postal services in 2021 was 54.

Of these 43 were resolved, while the remaining were carried over to 2022. In 21 cases the Agency achieved that the user and provider of postal services reached an amicable agreement, which was followed by a decision halting the procedure. In 12 cases the Agency rejected the request, as in 6 of them it did not receive additional information for the application, and in 6 cases it was not an administrative issue.

In the remaining disputes the Agency ruled on the claims of postal service users with a decision, and approving it in 7 cases, and rejecting it in 3.

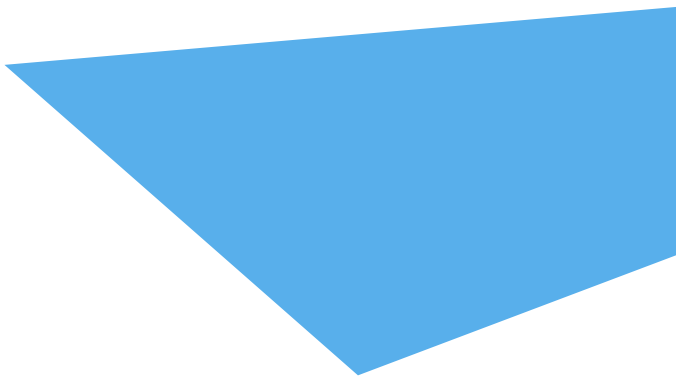
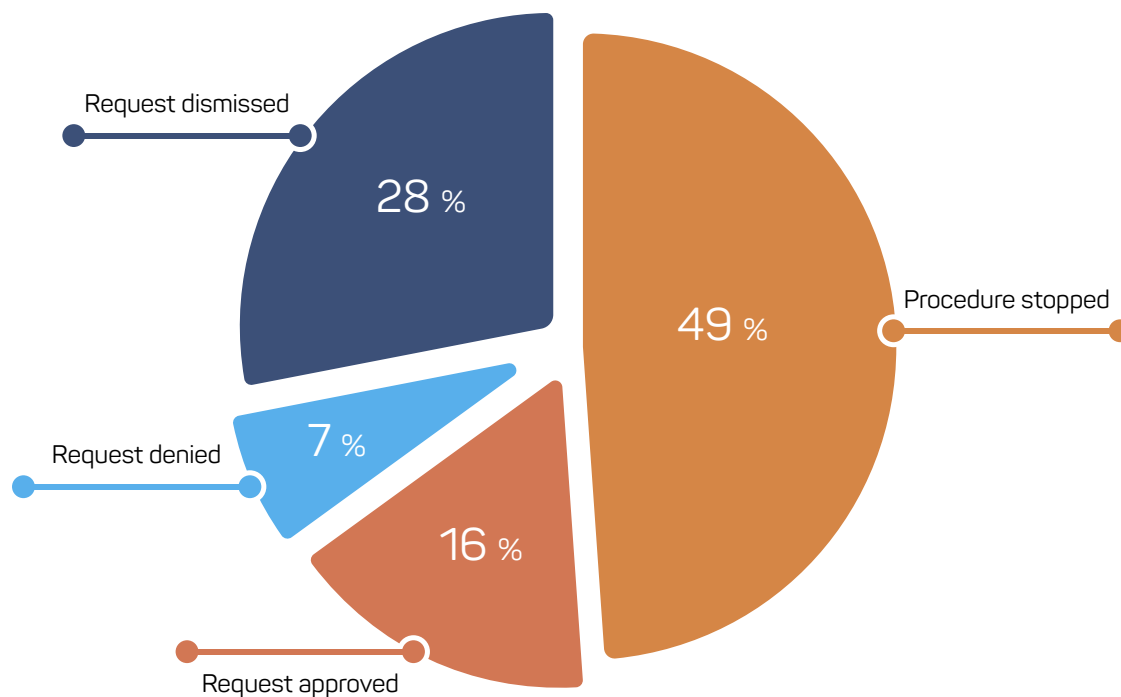


FIGURE 20: POSTAL SERVICES DISPUTES BY OUTCOME



The Agency resolved 72% of postal services-related disputes within the 4-month prescribed deadline.

The majority of disputes between the users and the providers of postal services in 2021 were related to irregularities in delivering post and disputes related to compensation for lost post in international traffic. In 2021 the Agency detected a growing number of complaints from postal services users related to charging for customs referral.

## 4 DISPUTES BETWEEN PROVIDERS OF POSTAL SERVICES

The Agency did not receive any proposal for resolving a dispute between postal service providers.

## 5 PASSENGER COMPLAINTS IN RAILWAY TRAFFIC

In 2021 the Agency received two complaints from passengers in railway traffic, and resolved both within the legal deadline of six weeks from receiving all the required information. The Agency stopped one complaint, because the passenger revoked their claim, and it ruled on the second one on the basis of valid Slovenian legislation and the provisions of Regulation (EC) 1371/2007 on rights and obligations of passenger railway traffic.

# 10

## CARE FOR END USERS

### 1 CONSULTATIONS WITH OPERATORS AND CONSUMER ORGANIZATIONS

In 2021 the Agency continued with the activities for raising the awareness of end users. It cooperated with relevant bodies in consumer protection, responded promptly to users' questions with written explanations and published notifications and warnings about potential threats on its website, and provided end users with information on how to resolve such issues, also through its call centre. It also published information related to changes in administrative procedures because of the COVID-19-related measures. It also provided useful information across its other online portals for end users (primerjajoperaterje.si, MIPI, Geoportal AKOS).

In 2021 the Agency prepared a leaflet titled Protection of the rights of end users in procedures with the Agency, in which it provided information about the areas it can provide support to users. The leaflet is available in print and online on the Agency's website.

In 2021 the Agency again collaborated in the network of public bodies for cross-border consumer protection (Consumer Protection Cooperation – CPC). In spite of not being able to improve its human resources in 2021 it managed to resolve all the requests from the mechanism of mutual assistance, coordinated investigation and execution (the

IMI platform) that it received from partner bodies in other EU member states. In every case the Agency reviewed the content of the report, the authority and a potential violation in the Republic of Slovenia. It also responded to the invitation from the relevant European Commission Directorate General (DG Just) to participate in information collection on the capacities for adhering to consumer legislation and product safety. It also filled out the questionnaire on this topic and responded to the questions received regarding the CPC and attended the online workshop on website removal in September 2021. In this month it also attended the international conference of the EPC network, where it presented the field of extra-judicial consumer dispute resolution. The Agency's representatives participated at the panel debate on the protection of end users from abuse at the conference to commemorate the Agency's 20th anniversary.

Because the Agency received a significant number of disputes related to charging for customs referral in 2021, it organised a meeting of between the representatives of the Financial Administration of the Republic of Slovenia and the Market Inspector of the Republic of Slovenia in December 2021, where they discussed the issues related to charging for customs referral services and charging import duties.

## 2 PORTAL FOR ACCESS TO OPERATORS' PLANS AND OTHER PORTALS FOR END USERS

In line with the goals defined by law, the Agency has been striving to provide useful information that can help end users when concluding subscriber agreements. In order to help select the right operator and the most optimum communication service it hosted and updated the portal for comparing operators' offers [primerjajoperaterje.si](http://primerjajoperaterje.si). In 2021 it successfully added another mobile operator to its portal.

The MIPI website is also intended for end users, promoting media and information literacy. The Agency used it within its authority and with the goal of protecting end users of electronic communications to inform the broader public on the importance of critical and deliberate use of media content and information technologies, influence of media, understanding different media messages and information, responsible creation and distribution of messages, as well as about the use of information technologies, their advantages and pitfalls.

In 2021 the Agency continued managing its AKOS Test Net website and mobile app. AKOS Test Net is a measuring tool for end users that allows them to verify the quality and throughput of their current broadband connection. Users of mobile phones can additionally measure the current radio signal strength of the base station or the local wireless network, and for example perform a test of additional network services, such as the transparency of the connection and the response speed of DNS servers.

The AKOS Geoportal is also important, as it provides the general and the professional public with a transparent insight into the data on electronic communications and other infrastructure. This provides end users the data on the infrastructure (electronic communications and other) that is available to them at their home address.

## 3 CALL CENTRE

The Agency has a call centre for user support, available at the toll-free number 080 27 2021, which operates every Monday, Wednesday and Friday between 9:00 and 11:00. By calling this number, end users can obtain basic information regarding electronic communications and postal services and instructions on entering the proposal for dispute resolution. The Agency received 396 calls in 2021, answering all of them.

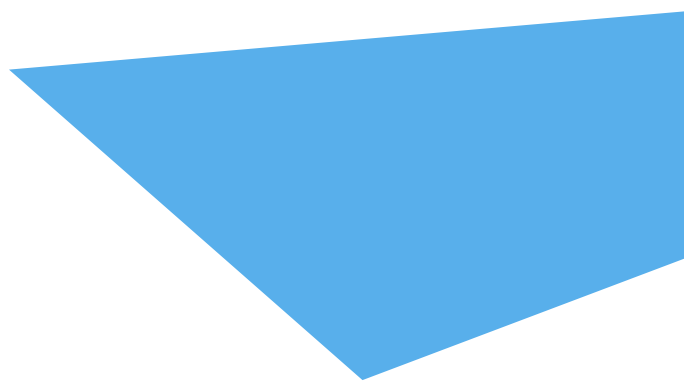
## 4 CLARIFICATIONS TO END USERS

Besides the above activities the Agency also responds to questions from natural and legal persons or provides them with information relating to its field of operations. It is obligated with the provisions of the Regulation on administrative operations which calls for responses within 15 days of reception.

In 2021 the Agency received 276 different questions from users for the clarification of a given situation, or for advice about a given problem. The growth in new issues was somewhat above plans, as the Agency estimated it would receive approximately 250 such questions. Most of the increase fell to postal services, as the number grew from 11 to 20.

The Agency prepared 265 written explanations. The Agency wrote 96 written explanations within the recommended deadline of 15 days.

In terms of the type of service that the user wanted an explanation about, 2021 was dominated by inquiries related to broadband services (40%) and questions related to mobile services (28%). These were followed by questions about the Agency's authority (22%), and by questions on communication services (6%). The share of disputes related to television services stood at 4%, and the share of disputes related to fixed telephone services was negligible (below 1%). Most questions related to postal services were focused on options of submitting a complaint to the postal service provider or for demanding compensation from the postal service provider (50%), and about charging for customs referral services (20%). In 2021 the Agency received 5 requests from passengers for advice regarding issues with the use of railway services, and responded to them within 15 days.



# 11

## LEGISLATIVE AND JUDICIAL PROCEDURES

TABLE 12: KEY OBJECTIVE: ENCOURAGING COMPETITION AND MARKET DEVELOPMENT

Key objective: Encouraging competition and market development					
Task/Project	Activities	Objectives	KPI	Result	Comment
<b>Preparing the Agency's general acts based on ZEKom-2</b>	Preparing the Agency's general acts that will be required by ZEKom-2.	Updating existing or preparing new general acts, thus contributing to the implementation of changes to the legislation.	Publishing the general acts in accordance with deadlines from ZEKom-2.	●	As ZEKom-2 was not yet adopted in 2021. However, the drafts of the planned general acts were prepared and submitted to the National Assembly for the requirements of the legislative procedure.
<b>Preparing the Agency's general acts based on ZAvMS and ZMed</b>	Preparing the Agency's general acts as required by ZAvMS and ZMed.	Updating existing or preparing new general acts, thus contributing to the implementation of changes to the legislation.	Publishing the general acts in accordance with deadlines from ZAvMS and ZMed.	●	The Agency prepared drafts of 6 Agency's general acts as attachments to the revised ZAvMS-B. As ZAvMS-B was only adopted on 15 December 2021, the Agency will issue the general act in the first quarter of 2022. ZMed was removed from the legislative procedure.
<b>Amending the General act on the frequency utilization plan (NURF).</b>	Preparing the amended NURF.	Amending the NURF in accordance with the new EU and CEPT regulations.	Publishing the adapted NURF by 31 December 2021.	●	The amended General Act was published on 3 December 2021.
<b>Providing expert support during the presidency of the EU Council</b>	Preparing the documents to support the presidency and holding one international event related to the Agency's area of operations.	Providing expert support to the ministries in the presidency of Slovenia to the EU Council in 2021.	Performing the tasks in accordance with the needs of the presidency between 1 July 2021 and 31 December 2021.	●	The Agency provided support to the presidency of the EU Council to all the relevant ministries and attended events and meetings, and prepared documents and responses.

### 1 REPRESENTING THE AGENCY BEFORE THE COURT

Representing the Agency at the Administrative court includes preparing responses to lawsuits, preliminary submission and participating at hearings.

In relation to individual final acts issued by the Agency, the parties to those procedures have ensured judicial protection. Parties to the procedure have judicial protection in accordance with the law that defines administrative dispute. In an administrative dispute the Administrative Court of the



Republic of Slovenia rules on the question of legality of the issued administrative act.

In 2021, the Agency received from the Administrative Court of RS 71 lawsuits that were lodged against its administrative acts. Even though the number of lawsuits was relatively low compared to the issued administrative acts (the Agency issued 4,492 in 2021), the number of new cases grew by more than 100%. The number of submitted proposals for issuing a temporary decision through which parties to the process attempt to halt the execution to the administrative act also grew.

In 2021 the court ruled in 23 administrative disputes. In 7 cases it ruled on behalf of the plaintiff. Of these, it ruled in 1 case that the Agency's decision is null and void, and stopped the procedure, while in the remaining 6 cases it cancelled the decisions and returned the issue to the Agency for a repeated procedure. In the remaining 16 administrative disputes that were resolved on behalf of the Agency, the Administrative Court of the Republic of Slovenia ruled 8 lawsuits as unfounded, rejected 6, and stopped 2 administrative disputes because the lawsuits were withdrawn.

The parties to the judicial procedure, who do not agree with an issued ruling or decision by the court, have the option to lodge revision or an appeal. The Supreme Court of the Republic of Slovenia rules on these legal remedies at the second instance. In 2021 a total of 6 appeals were lodged with the Supreme Court of RS, of which 5 were against decisions on rejecting the lawsuit, and 1 against a decision on costs. There was also one request for a revision. The Supreme Court of RS issued 6 rulings in 2021 on appeals, rejecting 4 as unfounded, dismissing 1, and granting 1. The

Supreme Court also granted 2 revisions (one submitted the previous year and one in 2021).

In 2021 The Agency also received from the Administrative Court of RS responses to a total of 17 proposals for issuing a temporary suspension, and it responded to them within the set deadline. The Administrative Court of the RS ruled a total of 17 of them, dismissing 10 and rejecting 7. 10 appeals were lodged with the Supreme Court of RS against the rulings of the Administrative court, of which two were amended. The Supreme Court of RS adopted 9 decisions related to them, and except in one case dismissed the appeals, and approved the Administrative Court's ruling. The Supreme Court has not yet ruled on 1 appeal from 2021, but it did rule on the appeal that was carried over from 2020, and also dismissed it.

The Agency also received a constitutional appeal related to a ruling of the Supreme Court of RS in 2021, however, the Constitutional court has yet to call on the Agency to submit a response, and rule on the appeal.

The Agency is pursuing the goal to have as many as possible of its decisions and other individual administrative acts stand the administrative-judicial control and come into effect. As the data shows, of the total 21 administrative disputes completed in 2021, 14 of the Agency's decisions passed judicial oversight before the Administrative Court, which is 69% of all administrative disputes resolved in this year. As the above data shows, the Agency's goal of having at least 80% of the contested decisions successfully pass through judicial oversight was not fully achieved, but it did significantly surpass 50%. The Agency had achieved similar rates of success in the previous years, and therefore this year's result, although not achieving the set goal, does not derogate from the past.

## 2 NORMATIVE ACTIVITY

In 2021 the Agency's representatives continued to actively participate in the inter-departmental working group that is preparing the new Electronic Communications Act (ZEKom-2). At the request of the relevant ministry, the Ministry of Public Administration, the Agency prepared several explanatory documents, which it then coordinated with the ministry's representatives at meetings and consultations with external stakeholders. The Agency strove to contribute with its expert support to the quality of solutions that would also be in line with the rules of the European regulatory framework for electronic communications. The legislative procedure related to ZEKom-2 was not completed in 2021. In spite of different plans and the prepared drafts of 33 general acts, the Agency was not able to begin the procedure of their adoption in 2021. ZEKom-2 is the exclusive basis for adopting these general acts, and until it is adopted and in effect, the Agency cannot formally launch the procedure for adopting the executive acts. ZEKom-2 was not adopted in the National Assembly of RS in early 2022.

In 2021 the Agency continued to provide expert support to the Ministry of Culture in the preparation of the changes to the of the Audiovisual Media Services Act (ZAvMS). The Agency's employees participated in providing comments to the proposals and in preparing the proposals to the amended articles of the new Act. The Agency submitted the comments based on the draft proposal of the revised ZAvMS-B to the Ministry of Culture, and the responses to the comments of the Government Office for Legislation regarding the proposed drafts of the Agency's general acts, and in two cases also submitted the comments to the proposed ZAvMS-B when it was discussed at the Committee on Culture in the National Assembly. The revised ZAvMS-B as adopted by the National Assembly on 15 December 2021, and it came into effect on 12 January 2022, and the Agency

began preparing 6 general act that it must adopt based on the revised Act.

The Agency's representatives participated in the working group for preparing the draft Accessibility of People with Disabilities to Products and Services Act, which aims to ensure access to audiovisual media service and electronic communications services to users with various types of disabilities. The Act falls under the authority of the Ministry of Labour, Family and Social Affairs and will define the supervisory bodies related to supervision of parties obligated to provide access to products and services, and related to the supervision of standardisation of access services to electronic communication services and audiovisual media services that the Agency covers as part of its authority. During the past year the Agency submitted three sets of comments on various versions of the draft proposal of the Act. The draft Act was still being drafted last year, and any potential new tasks for the Agency in this area will be revealed in 2022.

In 2021 the Agency also responded to the draft revised Consumer Protection Act (ZVpot-1) at the request of the Ministry for Economic Development and Technology. The Agency also carefully monitored the legislative procedure for the adoption of the new act in which the Government attempted to combine some regulatory agencies into two new public agencies. It prepared and submitted several written comments on this. The legislative procedure was completed in April 2021; however, the proposed act was not adopted in the National Assembly.

In relation to preparing European regulations the Agency provided support to the relevant ministry in preparing the positions regarding the proposed regulation of the European

Parliament and Council on the changes to the Regulation (EU) no. 910/2014 regarding establishing the framework for the European digital identity.

In the scope of its normative authority the Agency adopted and published in the Official Gazette of the RS the following acts:

- changes to the General act on the changes and amendments to the General act on radio frequency utilisation NURF-4b (Official Gazette of RS, no. 189/2021).
- changes to the General act on transfer speed suitable for functioning internet access (Official Gazette of the Republic of Slovenia, no. 21/2021)
- changes to the General act on the quality of the universal service (Official Gazette of the Republic of Slovenia, no. 21/2021).

In 2021 the Agency also began preparing two recommendations in 2021, namely:

- Recommendation on the procedures for providing mobile network coverage to areas with no or poor coverage
- Recommendation regarding shared use of physical infrastructure

The Agency will submit both recommendations into public consultation in the start of 2022.

### 3 EXPERT SUPPORT DURING THE PRESIDENCY OF THE EU COUNCIL

Slovenia presided the European Council in the second half of 2021, and the Agency cooperated with all the relevant bodies, providing expert support where needed, and the Agency's director attended several high-level events and meetings.

As part of Slovenian presidency of the EU Council the Agency's representatives participated in working groups for the preparation of comments on the following documents:

- The Directive on the measures Network and Information Security directive (NIS directive),
- the Digital Markets Act (DMA),
- the Digital Services Act (DSA),
- the Regulation on international mobile roaming (Roaming),
- the participation in the European Commission's working group for preparing the Connectivity Toolbox.

The Agency helped organise the debate on access and competitiveness of European audiovisual and media content. In this month it also attended the international conference of the EPC network, where it presented the field of extra-judicial consumer dispute resolution.

As part of the presidency of the EU Council, the Agency undertook the coordination of the whole congress, and provided support in the candidacy of the Slovenian representative for the Deputy Director General of the Universal Postal Union, who was then also elected to the post. The Agency participated in preparing the positions of the Republic of Slovenia regarding the issues on discussion, and represented them at the congress.

During Slovenia's presidency of the EU Council the Agency provided expert support to all the relevant ministries. The Agency's representatives attended several meetings and consultations, working groups and prepared numerous written responses and positions as part of the EU presidency term.

# 12

## INSTITUTIONAL ADMINISTRATION

### 1 ORGANISATION AND NEW HIRINGS AT THE AGENCY

*The Agency is not part of the staffing plan for entities governed by public law. The human resource plan is approved along with the operational and financial plan, and in the scope of this the Agency systematizes its work positions. In the approved operations and financial plan for 2021 the Agency planned to have 104 employees.*

Two positions are to be filled following the adoption of the revised Audiovisual Media Services Act, while one due to growing number of new cases related to the Regulation (EU) 2017/2394 of the European Parliament and Council on cooperation between national bodies.

At the end of 2021 the Agency employed 89 public servants for indefinite period, with one employee entitled to half-time employment by decision of the Pension and Disability Insurance Institute of Slovenia. The Agency also has an employee with a 70% disability and the status of a civilian war-disabled, who nonetheless works full time. In 2021 twelve public servants left their full-time positions with the Agency. Of these, 10 continued their careers with other employers, one was dismissed, and one employee retired.

In 2021 the Agency published job openings for 19 positions, however, it had to repeat them several times for some positions, so it published a total of 54 job

openings. It was especially unsuccessful in finding employees with appropriate know-how or experience in telecommunications and radio frequency spectrum management. It also had, and still does, problems finding employees for positions that are classified for the Agency's authorised persons. It was still partially successful in finding new employees, as it managed to employ 7 new colleagues for an indefinite period. These new employments allowed the Agency to replace those colleagues who left, and obtain new ones for positions that were not yet filled.

As the Agency has emphasised before, it is very difficult to attract qualified experts with required work experience that mostly comes from the private sector. Besides the high level of expertise, the Agency's employees are also expected to have a certain level of responsibility. As a public sector employer, the Agency is bound to the pay system and related non-stimulative financial awards and lack of flexibility in setting the pay, making it difficult to compete with the private sector, and occasionally even the public. Over the past few years the Agency's employees not only left for jobs in the private sector, but also for positions in public administration and other public administration institutions, as the Agency is losing its competitive edge compared to them. With job classifications the Agency is limited to the Regulation on classifying job positions in public agencies, public funds and public institutions into pay grades, and does not have a lot of manoeuvrability within this framework, as, unlike with other agencies, there are no special, specialised positions planned for the Agency. The Agency has also not obtained any approvals for promotion in higher pay grades for new

employees for some time now, and consequently they are stuck in the lowest range, and this is in spite of the fact that the legislation provides this option, and consequently the Agency is unable to offer a higher pay grade to new job seekers from the private sector than the entry level. The salary is often not interesting enough for job seekers with appropriate expert know-how. All of the above makes it difficult for the Agency to retain its employees who obtained a lot of experience and a high level of specific knowledge, and are therefore eagerly employed by others.

Despite the high level of education of the Agency's employees (nearly three-quarters have at least a university degree) the Agency strives towards the constant education and development of its employees, as an appropriately professional regulator operating in an industry that has developed, intensive and competitive human resources must constantly provide expert and specialist training to its employees. Focused employee development was planned for 2021 through individual and group training modules, prepared in cooperation with renowned external experts and organizations. Because of the measures related to the COVID-19 epidemic, the Agency was unable to realise all planned trainings, however, employees mostly participated in online trainings, where possible.

For preserving employees' health in accordance with legislation on work safety and health the Agency maintains regular temporary or goal-oriented periodical medical check-ups and training courses on work safety with the help of an authorized doctor and an external authorized expert on work safety. Employees in the risk group (those who conduct field measurements) received preventive vaccinations against tick-borne encephalitis.

The Agency successfully continued the activities for

promoting health at work in 2021, however, some activities were only performed in a limited scope. The Agency did make sure to complete the activities that were possible when the epidemic subsided, such as encouraging a healthy lifestyle and nature-based activities. It also encouraged its employees to participate in activities that were run remotely, for example exercising in the office, online courses on how to be safe from the coronavirus, ergonomics at the workplace. The Agency also provided its employees information by sharing articles on maintaining health and disease prevention through its whiteboard and by email. The Agency also prepared a leaflet and published it on the display on raising awareness and recognising mobbing in order to inform employees.

The Agency also adopted appropriate measures in accordance with the legislation and regulations to stop the spread of COVID-19 infections. As part of ensuring safe work conditions in 2021 the Agency adapted the work of public employees to the changing epidemiological conditions (work from home, grouping employees), and providing them with all the required protective equipment, such as masks and disinfectant. For some time, before the regulation on free testing points came into effect, it also provided free testing to its employees at the Agency's headquarters so that they could meet the recovered-vaccinated-tested (RVT) condition that came into effect on September 2021 for coming to work.

The Agency's organisation of work over the past year constantly adjusted to the national conditions, with the Agency providing its employees with written instructions and guidelines for ensuring a safe workplace environment, both at the Agency's offices as well as in work from home.

Throughout the year the Agency provided the required

support to all the stakeholders on the market, when they needed it to adapt to the adopted measures or because of the changed market conditions that resulted from the COVID-19 epidemic.

The Agency had an increased scope of work also at the international level, as it approached the preparation of numerous reports for monitoring situations and responses to the COVID-19-related situations across the EU and globally.

With extra effort and contribution from its employees, the Agency managed to operate without interruption and issues.

## 2 ENSURING PUBLIC TRANSPARENCY AND INFLUENCE

The Agency makes it possible for natural and legal persons to exercise their constitutional right to obtain and reuse public information from Article 3 of the Constitution of the Republic of Slovenia and in accordance with the Public Information Access Act.

The number of requests for access to public information was below plan, as only a total of 32 were received in 2021. In addition to the 32 requests received in 2021, the Agency continued with its resolution of the 3 requests that were carried over from 2020. Of these, 34 were resolved by the end of 2021, and the Agency will continue with the remaining request in 2022.

Any decision by the Agency in which it fully or partially rejects the applicant's request, can be contested at the body of second instance (Information Commissioner

of RS). In 2021 two appeals were lodged against the Agency's decisions, and a ruling was made in both cases. In one of the cases the appeal that a third party to the administrative procedure lodged was dismissed, however, they went on to lodge an administrative dispute with the Information Commissioner against this ruling, and the case has not been resolved yet. In the second matter the plaintiff's appeal was approved, and the Agency lodged an administrative dispute against the Information Commissioner's decision, however, the case is still pending.

The Agency faced extensive requests for access to public information in 2021, when for example parties requested access to extensive documentation and for periods spanning several years. Regardless of the scope and complexity of the cases, all the requests were resolved in the 20-work day prescribed deadline, or an extended period, as defined in the Public Information Access Act, as it allows the public body to extend this period for an additional 30 business days in such cases. In very urgent cases the Agency only seldom extended the prescribed deadline, however, never by more than 15 additional business days.

In 2021 the Agency also performed a comprehensive overhaul of the content in its catalogue of public information, which it updates on a regular basis.

The Agency responded to all the journalists' questions within legal deadlines. In 2021, it received 45 questions from the press, and 15 from other public entities, which was an expected growth. The total number of new posts on the Agency's website, and on the MIPI portal in 2021 was 279. In 2020 the Agency continued posting on its accounts on three social media networks, namely on LinkedIn, Twitter

and Facebook, making a total of 99 posts. Adding these to the posts on the Agency's website, the total number of Agency's publications across all media in 2021 amounted to 378.

In 2021 the Agency published 18 press releases, 35 newsletters, 101 news items for stakeholders in individual areas. In order to achieve a broader level of understanding and support for its decisions, the Agency also organized public consultations, workshops and press events in line with healthcare conditions and recommendations, and actively participated, mostly in hybrid fashion, by drafting texts and holding presentations at professional conferences and consultations hosted by other institutions both at home and abroad.

In order for the Agency's work to run without interruptions in spite of being understaffed for half a year, it required extensive engagement from the Agency's management and from other sectors.

## 2.1 THE AGENCY'S 20TH ANNIVERSARY

On 21 July 2021 the Agency celebrated its 20th anniversary. In 2001 the decision of the Government of the Republic of Slovenia came into effect on the establishment of the first autonomous and independent agency in charge for regulating and supervising the telecommunications market and for regulating and supervising the radio frequency spectrum of the Republic of Slovenia. The Agency commemorated this important date by organising a virtual international conference titled "Regulation for a digital future". The day-long conference brought together Slovenian and foreign experts who discussed current topics on a series of panel discussions, especially those

that focus on challenges of the future: digitalisation across all the areas under the Agency's authority. The conference also included discussions on encouraging connectivity, the opportunities that 5G technologies bring, the traps of digitalisation for end users, including cybersecurity, protection of audiovisual media service consumers and the role of regulators in light of the new Directive on audiovisual media services. The discussion also included the opportunities that digitisation brings for the postal and delivery sector and the perspectives of railway traffic digitisation. At this opportunity the Agency also prepared and published a brochure in which it presented the Agency's 20-year history all the way from its foundation, its development and key events and decisions.

## 3 INFORMATION SUPPORT

In 2021 the Agency continued to ensure that users of information technologies, both employees and external users of the Agency's portals, manage to work without interruptions through regular maintenance of the Agency's hardware and software. It updated the software so work could be accomplished easier and faster. It also automated some procedures, especially in relation to the distribution of software and other procedures, to speed up work processes.

With the help of external contractors, it renovated a room into the new server room, as the previous one did not have appropriate air conditioning and a fire extinguishing system.

Even though the Agency has an appropriate disaster recovery backup system and other information security safeguards that prevent data loss, it opted to prepare an optimum server room. In early 2021 the Agency began with the public order procedure and later to the actual renovation of the room. At the end of the year, it began with the first activities for moving the server and network equipment into the new server room, and plans to conclude the activities in 2022.

In 2021 the Agency planned to begin switching to a new business and information system, however, this was not possible, as the public order procedures were not successful. At the end of 2020 the Agency had prepared detailed and extensive technical specifications and had the whole tender documentation reviewed by an external contractor, then published the public order, however, it had to repeat it several times through 2021, always without a success. After initial unsuccessful publications it opened discussions with some potential providers, in accordance with the legislation in public procurement, however, every consecutive public order was again unsuccessful. In light of this, the goal was not met. In 2020 the Agency will again try to find a provider through a public order.

## 4 OTHER SUPPORT ACTIVITIES

As part of its activities directed at raising awareness about corruption and its consequences among employees, the Agency in 2021 performed all the required activities, and reported to the Corruption Prevention Commission in accordance with the law.

It also organized an online training course on lobbying for all employees.

In 2021 the Agency again ensured that the provisions of the General Data Protection Regulation (GDPR) are met, namely by supporting individuals in asserting their right to personal data protection, as well as by adopting measures for ensuring compliance of the Agency's operations in this area. Unconditional adherence to the security policy and the supervision of connecting and using information system resources were and remain the highest priority.

With the aim of further improving its operation in protecting personal data, an external contractor began reviewing the compliance of the Agency's operation with the provisions of the General data protection regulation. Even though they took the position that the Agency shows a fairly high level of compliance of personal data processing and information security, they also provided some recommendations that the Agency began to actively implement in 2021.

In 2021 the Agency pursued the goal of increasing the share of original materials in an electronic format. All the materials that the Agency either received or created in paper format was converted into electronic formats, which resulted in significantly faster work processes. It also performed other tasks, necessary for uninterrupted operations with the support of the Finance and Accounting department and other organisational units and the Agency's management, including economical regular maintenance of its office building and car fleet. In 2021 it began replacing weathered windows at its offices, which will continue into 2022 and 2023. At the end of the year it concluded the procedure to purchase a new vehicle. Work processes ran smoothly, and services and materials for



employees' work were provided on time. The sector was severely understaffed throughout the year, which required additional efforts from existing employees to complete at least the basic tasks.

## 5 INTERNAL AUDIT

Internal audits at the Agency are commissioned to a contractor in accordance with Articles 10 and 12 of the Rules laying down the policies for a coordinated function of public internal financial control system and the public procurement regulations. The Agency pursued the following objectives in 2019:

- to verify that internal controls are in place, and that these controls are effective in the various areas of the Agency's work, to identify any flaws or irregularities or their reasons, and to propose measures for improvements;
- to verify whether laws and regulations, standards and policies, and internal rules governing the Agency's work were obeyed in individual areas;
- to verify whether risks in individual areas of work are under control;
- to verify whether financial information (financial statements, internal/external reports) and information used in decision-making are correct, complete, reliable, and timely;
- to propose measures and recommendations for improvements based on audit findings;
- to check whether recommendations from the preceding audit are being implemented.

The Agency also performed an internal audit for the 2021 financial year, verifying the promotions of the Agency's employees in accordance with the valid legislation.

## 6 IMPACT OF THE COVID-19 EPIDEMIC ON THE AGENCY'S OPERATIONS

2021 was again strongly marked by the COVID-19 epidemic. The situation and the adopted measures were evident both in the Agency's organisation of work and the procedures, as well as in the activities of the stakeholders on the markets under the Agency's authority. The Agency's management promptly responded to the situation and adapted the Agency's operations to it, while also following the two main objectives: limit the spread of infections within the Agency, and ensure uninterrupted work. The Agency adapted the work to the epidemic and measures in force. The scope of work from home was extended, and the Agency also adapted by limiting physical visits and contacts at the Agency, by adapting how procedures are executed and similar. This did not result in a smaller scope of work and fewer meetings, as they were all moved into the virtual environment. The Agency prepared 30 instructions regarding organisation of work and notified the public of the changes through 5 press releases. Based on the adopted decision of the Government of RS the Agency, as one of the inspection bodies, conducted – on top of its regular and legally required tasks, and besides its plan for the year – intensified inspections of the subjects it otherwise supervises (post offices and telecommunications shops, operators' offices, electronic media publishers and similar) regarding the fulfilment of the adopted measures for preventing the spread of COVID-19 according to the Infectious Diseases Act (ZNB) (e.g., use of disinfectant, wearing masks, limiting the number of people per room, and verifying the RVT requirement). The Agency's inspectors performed 1292 inspection procedures in line with ZNB. The Agency prepared regular weekly reports to

the Inspection Council, and the Agency's director regularly attended the Council's meetings. In held 13 meetings, and the Agency prepared 37 reports.

## 7 SUPPORT FOR THE SLOVENIAN COMMITTEE FOR ELECTRONIC COMMUNICATION AND THE BROADCASTING COUNCIL

The Agency provides financial resources and administrative support to the Slovenian Committee for Electronic Communications (SEK) which has the function of a consulting body. SEK provides opinions, recommendations, and proposals regarding electronic communications issues, including the protection of consumers, persons with disabilities and users with special social needs in this area. In 2021 the Agency's representatives participated at all of SEK's meetings, with 11 regular and 2 correspondence meetings. It regularly responded to the questions and initiatives from SEK and provided clarifications. At the meetings it informed SEK with its activities. The Agency always carefully reviewed SEK's opinions and comments and took positions on them.

The Agency provides the funding for the work of the Broadcasting Council (SRDF) and provides technical, expert, financial and administrative support. The Agency's representatives attended all of SRDF's meetings, and held preparatory meetings of the Agency and SRDF beforehand. In 2021 there were 12 regular meetings. In 2020 the Agency cooperated with SRDF in public tenders for awarding radio frequencies for analogue audio broadcasting and in public tenders for awarding the license to disseminate radio programming on two regional and one local network in digital broadcasting technology. SRDF also provided the Agency with provisional opinions in the procedures of issuing or transferring licenses for radio or television activity and in the procedures of obtaining or revoking the statuses of a station of special importance. Both bodies also collaborated in other areas that fall under their authority.

# 13

## IMPLEMENTATION OF THE FINANCIAL PLAN

*The Agency drew up its 2021 Operational and Financial Plan in accordance with the relevant legislation, and set the tariffs for 2021 on accrual basis, and detailed notes on the structure of planned expenses for materials, goods, and services and other expenses by the type of activity are given in the chapter Financial plan realization on accrual basis.*

The Agency strove to realize the planned activities and financial targets from its operating and financial plan for 2021 in the areas it regulates. The planned expenditures were realised in the 81.9%, while planned revenue in 75.3%. The lower realisation on the revenue side by cash flow was especially the result of the delay in payments for the decisions for 2021, which will be paid in 2022, and because of lower revenue from administrative costs of the public frequency auction. The public frequency auction took that was planned for 2019 was held in 2021. All the tasks related to the public frequency auction were performed remotely because of the COVID-19 measures, which impacted lower expenditures for all the planned business trips at the Agency, as well as those of the consultants, which the Agency could not have predicted when making the plan. Because the selected auction format proved to be highly effective, the auction was concluded quickly, which also contributed to lower costs. Consequently, the revenue from the coverage of public auction administrative costs for the public auction are lower than planned. Another factor for lower expenditures with the COVID-19 epidemic was that there was no replacement hired after employees left, and

that planned employments were not completed according to plans. The planned investments were only partially realised, as the investments in the business information system eAkos and the HVAC system were moved into the next year, which also resulted in lower expenditures.

When recognizing revenue and expenses, the Agency complied with the rules on cash basis accounting. The Statements of Revenue and Expenses for specific users compiled on cash basis for the period between 1 January 2021 and 31 December 2021, shows that the Agency recorded EUR 5,496,239 in revenue, EUR 6,216,939 in expenditures, and a deficit of EUR 720,700. Notes regarding the changes in separate revenue and expense items that resulted in the deficit are presented below.

Revenue and expenditure account categorized according to the cash flow method for the year 2021 is shown in tables 13 and 14. Cash flow for the year 2021 is shown compared to the realisation for the year 2020 and the adopted 2021 Financial Plan.

TABLE 13: STATEMENT OF REVENUE AND EXPENSE FOR SPECIFIC USERS ON CASH BASIS FROM 1 JANUARY TO 31 DECEMBER 2021, 1ST PART

Classifi. by account		Account title	Label for ADP	in EUR (without cents)			
				Amount		2021 FP	Index current year/previous year
			Current year	Previous year			
1	2	3	4	5	6	7=4/5	8=4/6
	<b>I. TOTAL REVENUE (402+431)</b>	<b>401</b>	<b>5.496.239</b>	<b>6.786.880</b>	<b>7.297.595</b>	<b>81,0</b>	<b>75,3</b>
	1. REVENUE FOR PROVIDING PUBLIC SERVICES (403+420)	402	5.496.239	6.786.880	7.297.595	81,0	75,3
	A. Revenue from public funds (404+407+410+413+418+419)	403					
	a. Funds received from the government budget (405+406)	404					
part of 7400	Funds received from the government budget for current expenditure	405					
part of 7400	Funds received from the government budget for investments	406					
	b. Funds received from the municipal budgets (408+409)	407					
part of 7401	Funds received from municipal budgets for current expenditure	408					
part of 7401	Funds received from the municipal budgets for investments	409					
	c. Funds received from social insurance funds (411+412)	410					
part of 7402	Funds received from social insurance funds for current expenditure	411					
part of 7402	Funds received from social insurance funds for investments	412					
	d. Funds received from public funds and agencies (414+415+416+417)	413					
part of 7403	Funds received from public funds for current expenditure	414					
part of 7403	Funds received from public funds for investments	415					
part of 7404	Funds received from public agencies for current expenditure	416					
part of 7404	Funds received from public agencies for investments	417					
part of 740	e. Funds received from budgets associated with foreign grants	418					
741	f. Funds received from the government budget financed from EU budget	419					
	B) Other revenue for providing public services (421+422+423+424+425+426+427+428+429+430)	420	5.496.239	6.786.880	7.297.595	81,0	75,3

part of 7102	Interest received	422	289	1.373	1.000	21,0	28,9
part of 7100	Revenue from profit sharing and dividends, and surplus	423					
7103	Revenue from rents and leases, and other property income	487					
part of 7141	Other current revenue from providing public services	424	5.487.225	6.772.461	7.235.488	81,0	75,8
72	Capital revenue	425	7.742	230	450	3.366,1	1.720,4
730	Grants received from domestic sources	426					
731	Foreign grants	427					
732	Grants for natural disaster relief	428					
782	Other funds received from the EU structure funds budget	488					
783	Other funds received from the EU Cohesion fund budget	489					
784	Other funds received from the EU budget for centralised and other EU programmes	490					
786	Other funds received from the EU budget	429	983	12.816	60.657	7,7	16
787	Funds received from other European institutions	430					
	2. REVENUE FROM THE SALE OF GOODS AND SERVICES IN THE MARKET (432+433+434+435+436)	431					
part of 7130	Revenue from the sale of goods and services in the market	432					
part of 7102	Interest received	433					

The statement of revenue and expense for specific users compiled on a cash basis continues on the next page.

TABLE 14: STATEMENT OF REVENUE AND EXPENSE FOR SPECIFIC USERS ON CASH BASIS FROM 1 JANUARY TO 31 DECEMBER 2021, 2ND PART

		in EUR (without cents)					
Classifi. by account	Account title	Label for ADP	Amount		2021 FP	Index current year/previous year	Index current year/2021 FP
			Current year	Previous year			
1	2	3	4	5	6	7=4/5	8=4/6
	<b>II. TOTAL EXPENSES (438+481)</b>	<b>437</b>	<b>6.216.939</b>	<b>6.112.337</b>	<b>7.591.985</b>	<b>101,7</b>	<b>81,9</b>
	1. EXPENSES FOR PROVIDING PUBLIC SERVICES (439+447+453+464+465+466+467+468+469+470)	438	6.216.939	6.112.337	7.591.985	101,7	81,9
	A. Salaries and other employee benefits (440+441+442+443+444+445+446)	439	3.402.878	3.366.599	3.850.511	101,1	88,4
part of 4000	Salaries and premiums	440	3.080.724	3.106.870	3.451.350	99,2	89,3
part of 4001	Holiday allowance	441	94.588	86.024	112.477	110,0	84,1
part of 4002	Reimbursements and compensations	442	130.574	136.142	195.377	95,9	66,8
part of 4003	Performance bonuses	443	56.903	14.345	76.818	396,7	74,1
part of 4004	Funds for overtime	444	10.044	8.762	-	114,6	
part of 4005	Salaries of non-residents with contracts	445					
part of 4009	Other employee-related expenditure	446	30.045	14.456	14.489	207,8	207,4
	B. Social security contributions paid by the employer (448+449+450+451+452)	447	539.901	538.579	617.827	100,2	87,4
part of 4010	Pension and disability insurance contributions	448	273.227	275.460	312.243	99,2	87,5
part of 4011	Health insurance contributions	449	224.684	222.256	250.147	101,1	89,8
part of 4012	Unemployment insurance contributions	450	1.902	1.881	2.117	101,1	89,8
part of 4013	Parental protection insurance contributions	451	3.169	3.135	3.528	101,1	89,8
part of 4015	Premiums for collective supplementary pension insurance based on ZKDPZJU	452	36.919	35.847	49.792	103,0	74,1
	C. Expenses for goods and services associated with the provision of public services (454+455+456+457+458+459+460+461+462+463)	453	1.868.790	1.774.872	2.383.647	105,3	78,4
part of 4020	Office and general supplies and services	454	823.427	783.502	978.136	105,1	84,2
part of 4021	Special supplies and services	455	48.304	24.160	53.220	199,9	90,8
part of 4022	Energy, water, utility services, and communications	456	123.295	106.454	129.267	115,8	95,4
part of 4023	Transportation costs and services	457	24.675	29.246	35.240	84,4	70,0

part of 4024	Expenses for business trips	458	10.411	39.565	302.915	26,3	3,4
part of 4025	Regular maintenance	459	477.121	505.191	460.368	94,4	103,6
part of 4026	Operating rent and lease fees	460	112.436	76.363	149.090	147,2	75,4
part of 4027	Fines and damages	461					
part of 4028	Payroll tax	462					
part of 4029	Other operating expenses	463	249.121	210.391	275.411	118,4	90,5
403	D. Domestic interest payments	464					
404	E. Foreign interest payments	465					
410	F. Subsidies	466					
411	G. Transfers to individuals and households	467					
412	H. Transfers to non-profit organizations and institutions	468					
413	I. Other current domestic transfers	469					
	J. Capital expenditure (471+472+473+474+475+476+477+478+479+480)	470	405.370	432.287	740.000	93,8	54,8
4200	Purchase of buildings and premises	471					
4201	Purchase of vehicles	472	16.000	78.554	16.000	20,4	100,0
4202	Purchase of equipment	473	307.742	324.939	524.000	94,7	58,7
4203	Purchase of other operating fixed assets	474					
4204	Construction, reconstruction, and renovation	475					
4205	Major maintenance and renovation	476	70.032				
4206	Purchase of land and natural resources	477					
4207	Purchase of intangible assets	478	11.596	28.794	200.000	40,3	5,8
4208	Feasibility studies for projects, project documentation, supervision, project engineering	479					
4209	Purchase of reserves of goods and intervention stocks	480					
	2. EXPENDITURE FROM THE SALE OF GOODS AND SERVICES IN THE MARKET (482 + 483+ 484)	481					
part of 400	A. Salaries and other employee benefits from the sale of goods and services in the market	482					
part of 401	B. Social security contributions paid by the employer from the sale of goods and services in the market	483					
part of 402	C. Expenditure for goods and services from the sale of goods and services in the market	484					
	<b>III/1 SURPLUS (401-437)</b>	<b>485</b>	<b>-</b>	<b>674.543</b>	<b>-</b>		
	<b>III/2 DEFICIT (437-401)</b>	<b>486</b>	<b>720.700</b>		<b>294.390</b>		<b>244,8</b>

## 1 REVENUE

Based on cash flow the Agency generated EUR 5,496,239 in revenue in 2021, EUR 5,487,225 (ADP code = 424) of which was operating revenue in the framework of providing a public service, i.e. regular operating revenue (99.8%) from payments made by liable entities based on issued decisions, invoices, and other authentic documents, and EUR 9,014 from received interest, capital revenue and other received funds from the budget of the European Union (0.2%).

The Agency's operating revenue (ADP code = 424) decreased by EUR 1,285,236, i.e., 19%, in 2021 compared to the previous year. Significant changes are primarily the result of:

- lower revenue based on the notification in the value of EUR 1,843,902, i.e., 81.1%, because of the decrease in the value of the tariff by 25.1%, and holding a special declaratory procedure with some operators, where the Agency verified derogations between the data reported to the Agency and the data that the operators reported to AJPES. The Agency verified the data on international roaming. Because these cases were extensive and demanding, the Agency issued the decisions by the end

of the calendar year 2021, however, the payment is due in 2022;

- a EUR 81,466, i.e., 17.3% decrease in the revenue from decisions determining fees for providing postal services, mainly due to the tariff value decrease by 17.4%;
- a EUR 56,081, i.e., 11.1% decrease in the revenue from decisions determining fees for providing media services, mainly due to the tariff value decrease by 16.7%;
- a EUR 32,243, i.e., 4.3% decrease in the revenue from payments for the use of numbering elements primarily due to the tariff value decrease by 4.7%;
- a EUR 39,145, i.e., 9.6% increase in the revenue from railway services with no changes to the tariff, but new carriers entering the market;
- a EUR 27,160, i.e., 1.2% increase in the revenue from payments for the use of numbering elements primarily due to the tariff value increase by 9%; The amount of revenue from the payments for the use of radio frequencies was also impacted by the change to the General act on calculating the payment for the use of radio frequencies, as it reduced the number of points for DVB-T and the B factors for mobile services;
- and because of the charged administrative costs for the public auction in the amount of EUR 678,735.

TABLE 15: REVENUE ON CASH BASIS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2020

	2020	2021	FN2021	Index 2021/ FP2021
Revenue from the provision of postal services	469.997	388.531	384.256	101,1 %
Revenue from fees for numbering resources	757.068	724.825	732.000	99,0 %
Revenue based on notifications	2.274.141	430.239	1.695.437	25,4 %
Revenue from frequencies	2.330.936	2.358.096	2.723.400	86,6 %
Revenue from railways	407.799	446.944	446.944	100,0 %
Revenue from media services	503.819	447.738	457.451	97,9 %



	2020	2021	FN2021	Index 2021/ FP2021
Revenue from the public auction administrative costs	0	678.735	790.000	85,9 %
Revenue from sale of stickers banning the delivery of unaddressed mail to the mailbox	6.587	6.959	6.000	116,0 %
<b>TOTAL OPERATING REVENUE (ADP code = part of 424)</b>	<b>6.750.347</b>	<b>5.482.067</b>	<b>7.235.488</b>	<b>75,8 %</b>

Source: AKOS internal accounts

## 2 EXPENSES

Based on cash flow, the Agency's expenses in 2021 totalled EUR 6,216,939, of which EUR 3,942,779 (63.4%) were expenses for salaries and other employee benefits, and associated social contributions paid by the employer, EUR 1,868,790 (30.1%) were expenses for the purchase of materials, goods, and services, and EUR 405,370 (6.5%) were capital expenditure.

The Agency's expenses in 2021 were EUR 1,375,046, i.e., 18.1% below the financial plan, especially in the following three categories of expenses: salaries and other labour costs, expenses for the purchase of goods and services, and capital expenditure.

### 2.1 SALARIES AND OTHER LABOUR COST

The Agency's labour costs were EUR 525,559 or 12.6% lower than planned (ADP codes = 439 + 447), primarily due to the lower amount of salaries, compensations, associated social security contributions and other labour cost (reimbursements, holiday and other allowances) paid to employees.

The average number of employees per working hours (ADP code for revenue and expenses = 894) stood at 89 for 2021,

which is 15 employees fewer than the Agency planned. In 2021 the main reason for underutilisation is in the Agency's inability to replace the employees who left (retirement and termination of employment), unpaid severance and the fact that the hiring plan was not fully realised. Compared to the previous year, the average number of employees based on the hours worked in 2021 was lower by 2 public servants. The Agency's uncompetitive salary policy compared to the private sector and the limitations in the rewarding policy, which are the result of the legal frameworks of the public sector, as well as the lack of appropriate human resources with specific knowledge and experience from the fields regulated and supervised by the Agency. Consequently the hiring dynamics in 2021 were below plans, as finding suitable candidates took a long time, as is evident from the lack of new employees for certain positions.

### 2.2 EXPENSES FOR GOODS AND SERVICES

The Agency's expenses for goods and services were EUR 514,857, i.e., 21.6% below the amount budgeted in the approved 2021 financial plan (ADP code = 453), primarily due to:

- EUR 292,504, i.e., 96.6% lower than planned expenses for business trips (ADP code = 458), primarily because of the intervention measures in force for limiting the spread

of the COVID-19 epidemic;

- EUR 154,709, i.e., 15.8% lower expenses for office and general supplies (ADP code = 454) as the result of postponing some activities to the next year, and savings created by obtaining better offers for certain services, contracting certain services to a smaller extent than planned and not requiring others, and partially also because certain tasks were not realized in the scope that was planned, and this also affected the related costs;
- EUR 36,654, i.e., 24.6% lower costs of business leases (ADP code = 460) because the planned conferences were not held or were held online, which meant that there was no need to rent a hall and the required technical equipment, and because of fewer business trips abroad, there was no need to rent parking spaces at the Jože Pučnik Airport Brnik;
- EUR 26,920, i.e., 9.5% lower other operating expenses (ADP code = 463), primarily because of lower costs of attendance fees, professional seminars and training, and the smaller extent of work provided by students, as the result of intervention measures for limiting the spread of the COVID-19 epidemic.
- EUR 10,565, i.e., 30%, lower transport costs (ADP code = 457), especially because of lower costs of the car fleet;
- EUR 16,753 or 3.6% higher cost of regular maintenance (ADP code 459); especially because of the increased need for communication equipment maintenance.

Detailed notes on the structure of planned expenses of materials, goods and services and other expenses by the type of activity are given in the chapter Financial plan realization on accrual basis.

## 2.3 CAPITAL EXPENDITURES

As part of capital expenditures, the Agency planned investments into intangible and tangible assets in the amount of EUR 740,000. By cash flow it realised capital expenditures in the amount of EUR 405,370, of which EUR 39,253 are investments in fixed assets purchased in 2020. In 2021 the Agency invested in fixed assets in the amount of EUR 366,116, i.e., 49.5% of planned investments. The Agency paid for all the fixed assets purchased in 2021.

The investment in windows was planned as part of purchases of equipment (account 4202), and was reassigned to investment maintenance and renovation (account 4205).

In 2021 the Agency's investment expenses were EUR 334,630, i.e., 45.2% below its plan (ADP code = 470), primarily as the result of the following planned major investments:

- the Agency budgeted EUR 180,000 for investments under infrastructure cost (activity ID 273), which were earmarked for an investment into a HVAC system. Because the public tender had to be repeated several times, and the last one audited, the contractor was only selected at the end of 2021, and the investment will be realised in 2022. As part of this task the Agency also planned an investment in replacement of doors and windows and the purchase of a car, which it fully realised;
- as part of maintenance and upgrades of ICT and user support (activity ID 497) the Agency planned investments for intangible assets in the amount of EUR 185,000. Of these, EUR 175,000 was earmarked for the

- new eAkos business information system, which was not completed in 2021, as the Agency repeated the public order three times, while EUR 10,000 was earmarked for unexpected breakdowns, of which EUR 1,281 was realised. In the scope of this task the Also available budgeted EUR 131,000 for building the server room, which was fully realised and the purchase of appropriate hardware and software for uninterrupted operation of network equipment and telephone services. Because the Agency purchased fewer computers and computer equipment, and repaired some equipment with its own resources, therefore avoiding the need to purchase new equipment, and because it did not use up the reserves for the purchase of essential equipment due to unexpected major breakdowns, the Agency's realisation is EUR 36,056 below plans;
- as part of the activity of upgrading and updating RSMS (activity ID 172), the Agency planned EUR 78,000 for the purchase of instruments for managing the radio supervision measurement system. The Agency realised the expenses by cash flow in the amount of EUR 106,843, of which EUR 70,143 was for expenses for purchases in 2021, and EUR 36,700 for purchases in 2020 that were due in 2021. Procurement was lower because of a better offer as part of the public order for the mobile measurement receiver and vector analyser;
  - As part of the activity Notifications on planned constructions online (activity ID 354) the Agency planned EUR 10,000 for the upgrade of the website for monitoring infrastructure investments. The planned upgrade was realised only partially in the amount of EUR 5,960. An error discovered in phase 2 caused a delay in the upgrade. The website will be upgraded in the first quarter of 2022.
  - As part of the activity Monitoring BB QoS (activity ID 302), the Agency budgeted EUR 70,000 for the purchase of measurement computers and other computer equipment, and for non-tangible assets. The realisation by cash flow is EUR 73,162, of which EUR 71,207 was for expenses for purchases in 2020 that were due in 2021, and EUR 36,700 for purchases in 2021.

FIGURE 21: SURPLUS CALCULATION BY FISCAL RULE

no.	Description	Amount
<b>1.</b>	Calculated surplus by cash flow	
<b>1.1.</b>	Revenue	<b>5.496.239,02</b>
<b>1.2.</b>	Expenses	<b>6.216.938,60</b>
<b>1.3.</b>	Surplus/deficit	<b>-720.699,58</b>

In accordance with ZIPRS the Agency does not have a surplus by fiscal rule.

# 14

# DECLARATION REGARDING THE RESULT OF THE PUBLIC FINANCE INTERNAL AUDIT



Agencija Republike  
Slovenije za javnopravne  
evidenčne in statistične

## IZJAVA O OCENI NOTRANJEGA NADZORA JAVNIH FINANC

AGENCIJA ZA KOMUNIKACIJSKA OMREŽJA IN STORITVE REPUBLIKE SLOVENIJE  
Stegne 7, 1000 LJUBLJANA

Šifra: 20401  
Matična številka: 1532899000

Podpisani se zavedam odgovornosti za vzpostavitev in stalno izboljševanje sistema finančnega poslovanja in notranjih kontrol ter notranjega revidiranja v skladu s 100. členom Zakona o javnih financah z namenom, da obvladujem tveganja in zagotavljam doseganje ciljev poslovanja in uresničevanje proračuna.

Sistem notranjega nadzora javnih financ je zasnovan tako, da daje razumno, ne pa tudi absolutnega zagotovitve o doseganju ciljev tveganja, da splošni in posebni cilji poslovanja ne bodo dosegani, se obvladujejo na še sprejemljivi ravni. Temelji na nepretrganem procesu, ki omogoča, da se opredelijo ključna tveganja, verjetnost nastanka in vpliv določenega tveganja na doseganje ciljev in pomaga, da se tveganja obvladuje uspešno, učinkovito in gospodarno.

Ta ocena predstavlja stanje na področju uvajanja procesov in postopkov notranjega nadzora javnih financ v / na AGENCIJA ZA KOMUNIKACIJSKA OMREŽJA IN STORITVE REPUBLIKE SLOVENIJE.

### Oceno podajam na podlagi:

\* oceno notranje revizijske službe za področje:

NAPREDOVANJA ZAPOSLENIH (JAVNIH USLUŽBENCEV)

\* samooценitev vodij organizacijskih enot za področja:

SEKTOR ZA REGULACIJO TELEKOMUNIKACIJ, SEKTOR ZA UPRAVLJANJE RADIOFREKVENČNEGA SPEKTRA, SEKTOR ZA EKONOMSKE ANALIZE, SEKTOR ZA NADZOR OPERATERJEV, SEKTOR ZA MERITVE IN NADZOR RADIOFREKVENČNEGA SPEKTRA, SEKTOR ZA ELEKTRONSKE MEDIJE, SEKTOR ZA SPREMLJANJE INFRASTRUKTURNIH INVESTICI, SEKTOR ZA REGULACIJO IN NADZOR TRGA POŠTNIH STORITEV, SEKTOR ZA REGULACIJO TRGA ŽELEZNIŠKIH STORITEV, SEKTOR ZA PRAVNE ZADEVE, SEKTOR ZA PODPORNE DEJAVNOSTI

\* ugotovitev (Računsko sodišča RS, proračunska inspekcija, Urada RS za nadzor proračuna, nadzornih organov EU... ) za področja:

/

V / Na AGENCIJA ZA KOMUNIKACIJSKA OMREŽJA IN STORITVE REPUBLIKE SLOVENIJE je vzpostavljen(o):

1. primerno kontrolno okolje

(predstojnik izbere eno od naslednjih možnosti):

- a) na celotnem poslovanju,
- b) na pretežnem delu poslovanja,
- c) na posameznih področjih poslovanja,
- d) še ni vzpostavljeno, pričeti smo s prvimi aktivnostmi,
- e) še ni vzpostavljeno, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

## 2. upravljanje s tveganji

### 2.1. cilji so realni in merljivi, tj. da so določeni indikatorji za merjenje doseganja ciljev

(predstojnik izbere eno od naslednjih možnosti)

- a) na celotnem poslovanju.
- b) na preložnem delu poslovanja.
- c) na posameznih področjih poslovanja.
- d) še niso opredeljeni, pričeli smo s prvimi aktivnostmi.
- e) še niso opredeljeni, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

### 2.2. tveganja, da se cilji ne bodo uresničili, so opredeljena in ovednotena, določen je način ravnanja z njimi

(predstojnik izbere eno od naslednjih možnosti)

- a) na celotnem poslovanju.
- b) na preložnem delu poslovanja.
- c) na posameznih področjih poslovanja.
- d) še niso opredeljeni, pričeli smo s prvimi aktivnostmi.
- e) še niso opredeljeni, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

## 3. na obvladovanju tveganj temelječ sistem notranjega kontroliranja in kontrolne aktivnosti, ki zmanjšujejo tveganja na sprejemljivo raven

(predstojnik izbere eno od naslednjih možnosti)

- a) na celotnem poslovanju.
- b) na preložnem delu poslovanja.
- c) na posameznih področjih poslovanja.
- d) še niso opredeljeni, pričeli smo s prvimi aktivnostmi.
- e) še niso opredeljeni, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

## 4. ustrezen sistem informiranja in komuniciranja

(predstojnik izbere eno od naslednjih možnosti)

- a) na celotnem poslovanju.
- b) na preložnem delu poslovanja.
- c) na posameznih področjih poslovanja.
- d) še niso opredeljeni, pričeli smo s prvimi aktivnostmi.
- e) še niso opredeljeni, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

## 5. ustrezen sistem nadziranja, ki vključuje tudi primerno (lastno, skupno, pogodbeno) notranje revizijsko službo

(predstojnik izbere eno od naslednjih možnosti)

- a) na celotnem poslovanju.
- b) na preložnem delu poslovanja.
- c) na posameznih področjih poslovanja.
- d) še niso opredeljeni, pričeli smo s prvimi aktivnostmi.
- e) še niso opredeljeni, v naslednjem letu bomo pričeli z ustreznimi aktivnostmi

6. notranje revidiranje zagotavljam v skladu s Pravilnikom o usmeritvah za usklajeno delovanje sistema notranjega nadzora javnih financ

(predstojnik izbere eno od naslednjih možnosti):

a) z lastno notranje revizijsko službo,

b) s skupno notranje revizijsko službo,

c) z zunanjim izvajalcem notranjega revidiranja.

Naziv in sedež zunanjega izvajalca notranjega revidiranja:	Revizor, Polona Gostan s.p., Golniška cesta 97, 4000 Kranj
Navedite matično številko zunanjega izvajalca notranjega revidiranja:	3095196000
Ali (sprejeti) finančni nabri (postopki), za leto na katerega se izjava nanaša, presega 2/186 mio evrov:	<input checked="" type="radio"/> DA <input type="radio"/> NE
Datum zadnjega revizijskega posejda zunanjega izvajalca notranjega revidiranja je:	15.02.2022

d) ni eni zagotovil notranjega revidiranja.

V letu 2021 sem na področju notranjega nadzora izvedel naslednje pomembne izboljšave (navedite: 1, 2 oziroma 3 pomembne izboljšave):

- na področju obvladovanja tveganj v procesu varovanja podatkov: priprava in sprejem Pravilnika o izvajanju konkurenčne prepovedi in sodelovanju na dogodkih za uslužbenec AKOS ter Postopkovnika o načinu dela s podatki in informacijami
- na področju obvladovanja tveganj v procesu upravljanja s človeškimi dejavniki: priprava in sprejem dopoljenega in prenovljenega Pravilnika o spremembah in dopolnitvah Pravilnika o notranji organizaciji in sistemizaciji delovnih mest;
- na področju obvladovanja tveganj v procesu varovanja osebnih podatkov: priprava in sprejem Pravilnika o informacijski varnosti ter sprejem prenovljenega Navodila o evidentiranju stitank
- na področju obvladovanja tveganj v zvezi z opravljanjem dela, ki ga zaposleni opravljajo na svojem domu: priprava in sprejem dopoljenega in prenovljenega Pravilnika o opravljanju dela na domu, sprejem Sklepa o zahtevi izpolnjevanja pogoja PCT, Protokola za preprečevanje širjenja okužb z virusom Sars Cov-2 in sprejete revizijske Ocene tveganja COVID19 – revizija 2.

Kljub izvedenim izboljšavam upravljam, da obstajajo naslednja pomembna tveganja, ki jih še ne obvladam v zadostni meri (navedite: 1, 2 oziroma 3 pomembnejša tveganja in predvidene ukrepe za njihovo obvladovanje):

- na področju obvladovanja tveganj poslovnih procesov – potrebna posodobitev posameznih registrov tveganj oziroma priprava enotnega registra Agencije
- na področju obvladovanja tveganj: izvajanja vseh poslovnih procesov zaradi težav pri zaposlovanju manjkajočih kadrov (ki po zasleditvi kljub trudu zmanjšanja tega tveganja v sedanjih pogojih ni odvisno zgolj od aktivnosti Agencije)

Predstojnik oziroma poslovodni organ proračunskoga uporabnika:

mag. Tereza Muha, direktorica

Datum potpisu predstojnika:







**FINANCIAL**  
**REPORT 2021**





# 15

## FINANCIAL STATEMENT

### 1 LEGAL FRAMEWORK, FORM AND CONTENT OF THE REPORT

The Agency has compiled this Annual Report in accordance with all the laws, rules and regulations, and their amendments that regulate the preparation and structure of financial documents:

- Public Finance Act (Official Gazette of RS 11/11 – official consolidated text 4, 14/13 – amendments, 101/13 and 13/18);
- Accounting Act (Official Gazette of RS 23/99, 30/02 – ZJF-C and 114/06 – ZUE; hereinafter referred to as ZR);
- Rules on drawing up annual reports for the budget, budget spending units and other entities of public law (Official Gazette of RS 115/02 and further);
- Instructions on preparing the annual financial statement of state and municipalities budgets and on methodology for preparing a report on the achieved goals and results of direct and indirect budget users (Official Gazette of RS 12/01 and further);
- Decision on the establishment of the Agency for Communication Networks and Services of the Republic of Slovenia (Official Gazette of RS 41/13 and 66/17);
- Slovenian Accounting Standards (Official Gazette of RS 118/05 and further).

In accordance with Accounting Act and Rules on the preparation of annual reports for the budget, budget users and other public bodies, this report comprises:

- The financial report, which comprises financial statements (a balance sheet and statement of revenue and expense) and notes to financial statements;
- The business report, which discloses the deviations and achievements from the reporting period i.e. the fulfilment of responsibilities and associated implementation of the financial plan (included in the first half of this annual report).

The content of information i.e. the accounting elements presented in these statements is defined by accounting regulations and standards. The Agency provided notes to the balance sheet and statement of revenue and expense in the form of mandatory appendices and statements, such as:

- Balance of and changes in intangible assets and tangible fixed assets,
- Balance of and changes in long-term financial investments and loans,
- A statement of revenue and expense for specific users, categorized by type of activity,
- A statement of revenue and expense for specific users compiled on cash basis,
- Statement of account of financial receivables and investments for specific users,
- Statement of account of financing for specific users.

The notes also comprise other accounting information that the Agency deems important for adequately and sufficiently disclosing the items on the balance sheet, and statement of revenue and expense.

On 4 December 2020, the Ministry of Public Administration as the line ministry approved the 2021 Operating and Financial Plan, while on 23 December 2020 the Government of the Republic of Slovenia approved the Agency's tariffs for 2021.

### 2 ACCOUNTING POLICIES

When compiling the financial statements and in its accounting the Agency followed the main goal of complying with regulations, as well as the goal of presenting the content of the financial statements and notes at the highest possible quality level. This means that it ensured, inter alia through appropriate internal accounting controls, that the financial statements are relevant, reliable,

understandable and comparable. The Agency made the plans on the accrual basis.

## 2.1 INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

The Agency initially recognized the intangible assets and tangible fixed assets at their original cost (historical cost). This cost comprises the purchase price, import and non-refundable purchase duties (e.g., VAT, which the Agency cannot claim as a deduction from the input tax, because it is not liable for VAT), and costs directly attributable to putting the asset in use (such as installation, commissioning, decommissioning costs, etc.). After the initial recognition these assets are carried at cost, less any amortization or depreciation in accordance with the selected cost model. The Agency records any subsequent cost related to tangible fixed assets as an increase of their historical cost, if it determines that the investment will increase future economic benefits compared to the initially estimated cost. The cost of repairs and maintenance for restoring or preserving future economic benefits are recognized as costs, i.e., operating expenses for the reporting period.

## 2.2 DEPRECIATION AND AMORTIZATION AND CHANGES TO HOW IT IS RECOGNIZED IN 2020

Intangible assets and tangible fixed assets are amortized or depreciated by the Agency according to the straight-line method and in accordance with the Rules on the method and rates of depreciation of intangible fixed assets and tangible fixed assets. Since 2017, when the Court of Audit audited the Agency's operations, and in accordance with their recommendation, the Agency has in accordance with paragraph 2 of Article 44 of the Accounting Act, been recognising the total cost of amortisation and depreciation as revenue (before that the Agency put the total cost

of amortisation and depreciation against liabilities for assets under management). This has led to a discrepancy in the assets for management, as the Agency included in the tariff also a part of the cost of amortisation and depreciation, and according to the Court of Audit policy it fully included it as a cost in the statement of revenue and expenditure. After receiving an opinion from the Ministry of Finance, the Agency changed how it recognises amortisation and depreciation for the year 2020. In 2021 the Agency recognises the part of the amortisation and depreciation of intangible assets that were purchased after 1 January 2017, or that was included in the tariffs against revenue (and recognizes the costs from this source), and for assets purchased before 1 January 2017 against the liabilities for intangible assets and fixed assets (for assets whose total historical cost was included in the tariff), as disclosed in chapters 3.1.4 Own funds and long-term liabilities and 3.2.2 Expenditures.

## 2.3 RECEIVABLES

The Agency recognizes receivables in amounts based on authentic accounting documents. The value of receivables is adjusted for impairments and the reversal of impairments. The Agency determines whether individual receivables are recognized at the correct value at the end of the accounting period based on the evidence of doubts regarding their recoverability. Allowances for receivables, which decrease the book value of receivables and increase revaluation operating expenses, are made separately for all uninsured accounts receivable overdue for over a year on 31 December, or for which there is a doubt regarding their recoverability.

## 2.4 LIABILITIES

The Agency recognizes liabilities in amounts based on authentic accounting documents, and in the case of short-term operating liabilities, which represent the major part of total liabilities, prove the receipt of goods, materials, or services or work done, i.e., the charged costs.

## 2.5 REVENUE

The Agency recognizes revenue in amounts based on issued decisions determining fees on the basis of notifications, for using numbering resources, for using radio frequencies, for the provision of railway services, for the provision of media services, and for the provision of postal services, as well as bills issued for stickers banning delivery of unaddressed mail to mailboxes. Revenue is calculated by multiplying the number of points for a specific type of fees and the value of that point, i.e., tariff, which is determined in the annual financial plan based on the planned structure and extent of expenses for that specific type of fee.

## 3 FINANCIAL STATEMENTS WITH NOTES

The financial statement presented below is based on original cost. It is denominated in euros (EUR) and rounded to the nearest integer.

## 3.1 BALANCE SHEET

TABLE 16: BALANCE SHEET AS AT 31 DECEMBER 2021

in EUR (without cents)					
Classifying group accounts	Title of the group of accounts	Label for ADP	Amount		Index current year/ previous year
			2021	2020	
1	2	3	4	5	6=4/5
	<b>A) LONG-TERM ASSETS AND ASSETS UNDER MANAGEMENT (002-003+004-005+006-007+008+009+010+011)</b>	<b>001</b>	<b>4.029.958</b>	<b>4.288.804</b>	<b>94,0</b>
00	INTANGIBLE ASSETS AND LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE	002	1.383.684	1.430.589	96,7
01	AMORTIZATION OF INTANGIBLE ASSETS	003	1.259.001	1.201.214	104,8
02	PROPERTY	004	5.225.327	5.155.296	101,4
03	DEPRECIATION OF PROPERTY	005	2.411.035	2.257.138	106,8
04	EQUIPMENT AND OTHER TANGIBLE FIXED ASSETS	006	5.824.745	5.600.247	104,0
05	DEPRECIATION OF EQUIPMENT AND OTHER TANGIBLE FIXED ASSETS	007	4.733.850	4.439.064	106,6
06	LONG-TERM FINANCIAL INVESTMENTS	008	-	-	-
07	LONG-TERM LOANS GIVEN AND DEPOSITS	009	-	-	-
08	LONG-TERM OPERATING RECEIVABLES	010	88	88	100,0
09	RECEIVABLES FOR ASSETS UNDER MANAGEMENT	011	-	-	-
	<b>B) SHORT-TERM ASSETS; EXCEPT FOR INVENTORY AND DEFERRED COST AND ACCRUED REVENUE (013+014+015+016+017+018+019+020+021+022)</b>	<b>012</b>	<b>5.166.983</b>	<b>4.903.287</b>	<b>105,4</b>
10	CASH IN HAND AND EASILY REALIZABLE SECURITIES	013	-	-	-
11	DEPOSITS IN BANKS AND OTHER FINANCIAL INSTITUTIONS	014	3.483.971	4.199.939	83,0
12	SHORT-TERM TRADE RECEIVABLES	015	1.425.134	88.816	1604,6
13	ADVANCES AND SECURITY DEPOSITS GIVEN	016	86	2.184	3,9
14	SHORT-TERM RECEIVABLES FROM USERS OF THE STANDARD CHART OF ACCOUNTS	017	32.671	6.358	513,9
15	SHORT-TERM FINANCIAL INVESTMENTS	018	-	-	-
16	SHORT-TERM FINANCIAL RECEIVABLES	019	-	-	-
17	OTHER SHORT-TERM RECEIVABLES	020	17.670	13.106	134,8
18	UNPAID EXPENSES	021	-	-	-
19	DEFERRED COSTS AND ACCRUED REVENUE	022	207.451	592.884	35,0
	<b>C) INVENTORIES (024+025+026+027+028+029+030+031)</b>	<b>023</b>	<b>-</b>	<b>-</b>	<b>-</b>
30	ACCOUNT PURCHASES OF MATERIALS	024	-	-	-
31	INVENTORIES OF MATERIALS	025	-	-	-
32	INVENTORIES OF SMALL TOOLS AND PACKAGING MATERIAL	026	-	-	-
33	UNFINISHED PRODUCTS AND SERVICES	027	-	-	-
34	PRODUCTS	028	-	-	-
35	ACCOUNT PURCHASES OF GOODS	029	-	-	-
36	INVENTORIES OF GOODS	030	-	-	-
37	OTHER INVENTORIES	031	-	-	-
	<b>I. TOTAL ASSETS (001+012+023)</b>	<b>032</b>	<b>9.196.941</b>	<b>9.192.091</b>	<b>100,1</b>

99	OFF-BALANCE SHEET ASSETS ACCOUNTS	033	16.443	13.477	122,0
	<b>D) SHORT-TERM LIABILITIES AND ACCRUED COSTS AND DEFERRED REVENUE (035+036+037+038+039+040+041+042+043)</b>	<b>034</b>	<b>445.472</b>	<b>675.890</b>	<b>65,9</b>
20	SHORT-TERM LIABILITIES FOR ADVANCES AND SECURITY DEPOSITS RECEIVED	035	-	17	-
21	SHORT-TERM LIABILITIES TO EMPLOYEES	036	287.921	280.036	102,8
22	SHORT-TERM LIABILITIES TO SUPPLIERS	037	74.438	277.604	26,8
23	OTHER SHORT-TERM OPERATING LIABILITIES	038	51.297	92.508	55,5
24	SHORT-TERM LIABILITIES TO USERS OF THE STANDARD CHART OF ACCOUNTS	039	1.557	2.621	59,4
25	SHORT-TERM LIABILITIES TO SOURCES OF FINANCING	040	-	-	-
26	SHORT-TERM FINANCIAL LIABILITIES	041	-	-	-
28	UNPAID REVENUE	042	-	-	-
29	ACCRUED COSTS AND DEFERRED REVENUE	043	30.259	23.104	131,0
	<b>E) OWN FUNDS AND LONG-TERM LIABILITIES (045+046+047+048+049+050+051+052-053+054+055+056+057+058-059)</b>	<b>044</b>	<b>8.751.469</b>	<b>8.516.201</b>	<b>102,8</b>
90	GENERAL FUND	045	-	-	-
91	RESERVE FUND	046	-	-	-
92	LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE	047	-	-	-
93	LONG-TERM PROVISIONS	048	-	-	-
940	RESTRICTED ASSETS IN PUBLIC FUNDS	049	-	-	-
9410	ASSETS IN OTHER LEGAL ENTITIES GOVERNED BY PUBLIC LAW, WHICH ARE OWNED BY THEM, FOR INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS	050	-	-	-
9411	ASSETS IN OTHER LEGAL ENTITIES GOVERNED BY PUBLIC LAW, WHICH ARE OWNED BY THEM, FOR FINANCIAL INVESTMENTS	051	-	-	-
9412	SURPLUS	052	-	-	-
9413	DEFICIT	053	-	-	-
96	LONG-TERM FINANCIAL LIABILITIES	054	-	-	-
97	OTHER LONG-TERM LIABILITIES	055	-	-	-
980	LIABILITIES FOR INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS	056	5.277.862	5.205.278	101,4
981	LIABILITIES FOR LONG-TERM FINANCIAL INVESTMENTS	057	-	-	-
985	SURPLUS	058	3.473.607	3.310.923	104,9
986	DEFICIT	059	-	-	-
	<b>I. TOTAL LIABILITIES (034+044)</b>	<b>060</b>	<b>9.196.941</b>	<b>9.192.091</b>	<b>100,1</b>
99	OFF-BALANCE SHEET LIABILITIES ACCOUNTS	061	16.443	13.477	122,0

The Agency's total assets on 31 December 2021 amounted to EUR 9,196,941, which is EUR 4,850, i.e., 0.1% higher than at the end of 2020. The increase in total assets is primarily the result of the surplus from 2021.

The structure of the Agency's assets is as follows:

- EUR 4,029,958, i.e., 43.8% of long-term assets (of which 96.9% are tangible fixed assets, 3.1% intangible assets and long-term deferred cost and accrued revenue, while long-term operating receivables represent a negligible share);
- EUR 5,166,983, i.e., 56.2% of short-term assets (of which 28.6% are short-term receivables from customers and users of the standard chart of accounts, and other operating receivables, 67.4% are balance in the account, and 4% deferred cost and accrued revenue).

The structure of the Agency's liabilities is as follows:

- EUR 8,751,469, i.e., 95.2% of long-term liabilities, which comprise liabilities for assets under management (of which 61.0% are for intangible assets and tangible fixed assets, and 39.0% are surplus);
- EUR 445,472, i.e., 4.8% of short-term liabilities (of which 28.6% are short-term trade liabilities and other operating liabilities, 64.6% short-term liabilities to employees, and 6.8% accrued cost and deferred revenue).

The Agency's off-balance sheet assets and liabilities comprise:

- a contingent claim toward employees in the event of the failure to meet obligations under the contract on education in the total amount of EUR 6,167;
- a bank guarantee in the amount of EUR 10,276 received as a performance guarantee for obligations arising from the Agency's property and liability insurance.

## 3.1.1 LONG-TERM ASSETS AND ASSETS UNDER MANAGEMENT

The balance of the Agency's long-term assets and assets under its management on 31 December 2021 comprises the balance of intangible assets and tangible fixed assets recorded at their book value, and the balance of long-term operating receivables.

### LONG-TERM DEFERRED COST AND ACCRUED REVENUE, INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

The class of accounts 0 (group of accounts from 00 to 05) comprises long-term deferred cost and accrued revenue, intangible assets, and tangible fixed assets received from the relevant ministry when the Agency was established as an independent legal entity, and additional assets purchased in the following years and until 31 December 2021.

Intangible assets comprise mostly software and different software licenses, as well as long-term deferred cost. The historical cost of intangible assets and long-term deferred costs (ADP code = 002) decreased by a total of EUR 46,905 in 2021 compared to the year before. Changes in the cost are primarily the result of:

- reduced long-term deferred costs of the advanced payment for software leases in the value of EUR 20,389, and for deferred costs of the public auction in the value of EUR 38,114;
- increased of the historical cost of purchasing additional licences for the Špica T&S system and licenses for the EXFO FTB-1 instrument in the value of EUR 11,596;

TABLE 17: MAJOR INVESTMENTS IN INTANGIBLE FIXED ASSETS

classifying group accounts	Task ID	value in EUR	type of investment
<b>003 long-term assets</b>	302 Monitoring QoS BB	4.355 €	licence for the EXFO FTB-1
	354 Notifications on planned construction online	5.960 €	upgrade of the site for monitoring infrastructure investments
	497 Maintenance and upgrade of the ICT system and user support	1.281 €	license for T&S operator and access control for 50 users
	<b>total</b>	<b>11.596 €</b>	

The accumulated depreciation of intangible fixed assets (ADP code = 003) increased by a total of EUR 57,787 in 2021 compared to the year before due to depreciation at prescribed depreciation rates.

Tangible fixed assets comprise:

- property (building and agricultural land, offices, radio supervision and measurement stations, etc.);
- equipment and other tangible fixed assets (telecommunication and audiovisual equipment, computer hardware, equipment for heating and cooling premises, printing and copying equipment, security equipment, office furniture and equipment, vans, cars, etc.).

The historical cost of intangible assets (ADP code = 004) increased by a total of EUR 70,031 in 2021 compared to the year before, as result of replacing windows on the first floor of the headquarters, which was planned as part of the activity ID 273 infrastructure costs.

The accumulated depreciation of property (ADP code = 005) increased by a total of EUR 153,897 in 2021 compared to the year before due to depreciation at prescribed depreciation rates.

The original cost of equipment and other tangible fixed assets (ADP code = 006) increased by a total of EUR 224,498 in 2021 compared to the year before. Changes in the historical cost are the result of:

- an increase in the historical cost resulting primarily from the purchase of telecommunication equipment and wiring, and computer equipment in the total amount of EUR 284,489 (measurement systems, servers, computer hardware, etc.).
- a decrease in the historical cost due to write-offs of old, broken, and useless equipment based in the decision of the inventory commission, and sale of equipment no longer in use in the total value of EUR 59,990;

The accumulated depreciation losses for equipment and other tangible fixed assets (ADP code = 007) increased by a total of EUR 294,786 in 2021 compared to the year before. Changes in the accumulated depreciation are the result of:

- a decrease in the accumulated depreciation due to write-offs of old, broken, and useless equipment based on the decision of the inventory commission, and sale of equipment no longer in use in the total amount of EUR 59,630;
- an increase in the accumulated depreciation due to depreciation at the prescribed rates in the total amount of EUR 354,416.



TABLE 18: MAJOR INVESTMENTS IN TANGIBLE FIXED ASSETS – EQUIPMENT AND SMALL TOOLS

classifying group accounts	Task ID	value in EUR	type of investment
	172 Upgrade and updates to the RMMS	65.675 €	purchase of a mobile measurement receiver and vector analyser and other smaller telecommunication equipment
<b>040 equipment</b>	273 Infrastructure costs	16.000 €	purchase of a car
	302 Monitoring QoS BB	66.852 €	purchase of a measurement instrument for measurements on Ethernet networks and other computer and communication equipment
	497 Maintenance and upgrade of the ICT system and user support	124.416 €	purchase of equipment for server room with server cabinets, the SB-NPS-UPS switch array, UPS, monitoring and sprinkler system and AC
	501 Public tender with a public auction	3.828 €	purchase of computer equipment
<b>041 small tools</b>	145 Participation with the public	632 €	purchase of small audiovisual equipment
	171 RMMS maintenance	538 €	purchase of furniture
	172 Upgrade and updates to the RMMS	4.468 €	purchase of small telecommunications equipment
	497 Maintenance and upgrade of the ICT system and user support	2.080 €	purchase of small tools and equipment
	<b>total</b>	<b>284.489 €</b>	

The Agency purchased EUR 366,116 worth of new intangible and tangible fixed assets in 2021. These purchases were financed from the surplus generated in preceding years.

### LONG-TERM OPERATING RECEIVABLES

The Agency's long-term operating receivables recorded under the group of accounts 08 (ADP code = 010) comprise long-term receivables in the amount of EUR 88, based on decisions determining the fees after approved companies' compulsory settlement. The Agency's long-term receivables did not change compared to the year before.

## 3.1.2 SHORT-TERM ASSETS EXCEPT FOR INVENTORY AND

## DEFERRED COST AND ACCRUED REVENUE

The Agency's short-term assets on 31 December 2021 comprise deposits in banks and other financial institutions, short-term trade receivables, and receivables due from users of the standard chart of accounts, advances paid, securities given, and other short-term receivables and deferred cost and accrued revenue.

### DEPOSITS IN BANKS AND OTHER FINANCIAL INSTITUTIONS

The Agency's cash deposits on the sub-account of the treasury single account at the Public Payments Administration of the Republic of Slovenia, through which

the Agency's payment transactions are made, amounted to EUR 3,483,971 on 31 December 2021 (ADP code = 014). The Agency's deposits rose by EUR 715,968, i.e., 17% compared to the year before.

### SHORT-TERM TRADE RECEIVABLES

The Agency's short-term trade receivables recorded under the group of accounts 12 (ADP code = 015) comprise receivables from issued decisions on determining the fees on the basis of notifications, for using numbering resources, for using radio frequencies, for the provision of media services, for the provision of railway services and for the provision of postal services, and bills issued for stickers banning delivery of unaddressed mail to mailboxes in the total amount of EUR 1,513,731, and allowances for impairments in the total amount of EUR 88,597. Compared to 31 December 2020, the net amount of receivables increased by EUR 1,336,318, i.e. 1504.6%.

The total amount of trade receivables is EUR 1,226,545, the amount of overdue receivables of up to 30 days is EUR 13,789, overdue receivables from 60 days to 90 days is EUR 7,825, overdue receivables from 90 days to 180 days is EUR 12,864, overdue receivables from 180 days to 270 days is EUR 9,995, overdue receivables from 270 days to 365 days is EUR 129, and overdue receivables above one year is EUR 64,658.

The Agency made allowances in the amount of EUR 17,617 for all overdue, unpaid, unsecured, or unimpaired claims that were overdue for over a year as at 31 December 2021, or for receivables for which there is reasonable doubt that they will be repaid, and recorded them as revelatory operating expenses (ADP code for the Statement of Revenue and Expense = 886).

The Agency wrote off receivables from debtors against which bankruptcy proceedings were concluded or which were deleted from the court register and have no legal successor – acquirer from whom the Agency could demand

these receivables, in the total amount of EUR 71,101.

In 2021 the Agency issued overdue reminders and reminders about pending debt collection to debtors, and carried out e-collection proceedings based on authentic documents through the eFURS system.

### ADVANCES AND SECURITY DEPOSITS GIVEN

The Agency's advances and security deposits under the group of accounts 13 (ADP code = 016) comprise an advanced payment in the amount of EUR 86. Compared to 31 December 2020, the net amount of these liabilities increased by EUR 2,098, i.e., 96.1% because of the smaller scope of advances.

### SHORT-TERM RECEIVABLES FROM USERS OF THE STANDARD CHART OF ACCOUNTS

The Agency's short-term receivables from users of the standard chart of accounts under group of accounts 14 (ADP code = 017) comprise receivables from direct and indirect users of state and municipalities budgets based on issued decisions on determining the fees in the amount of EUR 32,671. Compared to 31 December 2020 the net amount of these liabilities increased by EUR 26.313, i.e., 413.9%. Overdue liabilities are in the amount of EUR 429.

### OTHER SHORT-TERM RECEIVABLES

The Agency's other short-term receivables under the group of accounts 17 (ADP code = 020) comprise mostly receivables from the Health Insurance Institute of Slovenia for refunding the sick leave pay for sick leaves exceeding 30 days and for child care allowance and for refunding school fees in the total amount of EUR 17,670. Compared to 31 December 2020 the amount of receivables from the Health Insurance Institute of Slovenia rose by EUR 1,462, i.e., 11.1% due to the increase in recognized unpaid receivables from refunds in 2021. The receivables for refunding school fees were in the amount of EUR 3,102, unlike on 31 December 2020.

## DEFERRED COSTS AND ACCRUED REVENUE

The Agency's deferred cost and accrued revenue under the group of accounts 19 (ADP code = 022) comprise short-term deferred cost in the total amount of EUR 207,451. Short-term deferred cost comprises mostly the cost of fees for IT support and software upgrades for an online application for recording, saving, archiving, and analysing television channels and audiovisual services on demand, fees for accessing databases, membership fees, insurance premiums, subscription fees, etc., all paid in advance for the period after the reporting date in the total amount of EUR 116,076 and EUR 91,375 of accrued revenue. The amount of deferred costs and accrued revenue decreased by EUR 385,433, i.e., 65% compared to 31 December 2020, especially because of using up costs from last year, related to the public auction that took place in 2021, as disclosed under 3.1.4.

## 3.1.3 SHORT-TERM LIABILITIES AND ACCRUED COST AND DEFERRED REVENUE

The Agency's short-term liabilities and accrued cost and deferred revenue as of 31 December 2021 comprise short-term liabilities for received advances and securities, liabilities to employees, suppliers and users of the standard chart of accounts, other short-term liabilities, and accrued cost and deferred revenue.

### SHORT-TERM LIABILITIES FOR ADVANCES AND SECURITY DEPOSITS RECEIVED

The Agency's short-term liabilities for advances and security deposits received under the group of accounts 20 (ADP code = 035) has a balance of zero as at 31 December 2021. Compared to 31 December 2018, the net amount of received advances decreased by EUR 17.

### SHORT-TERM LIABILITIES TO EMPLOYEES

The Agency's short-term liabilities to employees under the group of accounts 21 (ADP code = 036) comprise

mostly liabilities to employees for salaries for December 2021 in the total amount of EUR 287,921. Compared to 31 December 2020 the net amount of these liabilities increased by EUR 7,885, i.e., 2.8%, mostly because of liabilities for compensation.

### SHORT-TERM LIABILITIES TO SUPPLIERS

The Agency's short-term liabilities to suppliers under the group of accounts 22 (ADP code = 037) comprise liabilities to domestic suppliers in the amount of EUR 70,477 and to foreign suppliers in the amount of EUR 3,961. All the liabilities not past due, and were settled within the legal deadline in 2022. The Agency generally settles its liabilities to suppliers within 30 days of receiving the e-invoice. Compared to 31 December 2020, the net amount of these liabilities decreased by EUR 203,166 or 73.2%.

### OTHER SHORT-TERM OPERATING LIABILITIES

The Agency's other short-term operating liabilities under the group of accounts 23 (ADP code = 038) comprise mostly liabilities for social contributions paid by the employer and deductions from salaries for December salaries in the amount of EUR 47,791, and for VAT for goods and services purchased from EU states according to the December VAT return in the amount of EUR 3,506, for the total amount of EUR 51,597. Compared to 31 December 2020 the net amount of these liabilities decreased by EUR 41,211, i.e., 44.5%, especially because of decreased VAT liability for the purchase of services.

### SHORT-TERM LIABILITIES TO USERS OF THE STANDARD CHART OF ACCOUNTS

The Agency's short-term liabilities towards users of the standard chart of accounts under group of accounts 24 (ADP code = 039) comprise liabilities towards direct and indirect users of state and municipalities budgets for purchases of goods, materials and services in the amount of EUR 1,557. All the liabilities not past due, and were settled within the legal deadline in 2022. Compared to 31 December 2020, the net amount of these liabilities decreased by EUR 1,064, i.e. 40.6%.

## ACCRUED COST AND DEFERRED REVENUE

The Agency's accrued cost and deferred revenue under the group of accounts 29 (ADP code = 043) comprise the accrued cost of commissioned audit services, and accrued costs for employee bonuses for the last quarter of 2021 in the total amount of EUR 30,259. Employee bonuses for the final quarter of 2021 were paid in the salaries for January 2022 in February 2022. The amount of accrued cost and deferred revenue increased by EUR 7,155, i.e., 31% compared to 31 December 2020.

## 3.1.4 OWN RESOURCES AND LONG-TERM LIABILITIES

The Agency's own resources and long-term liabilities (ADP code = 044) comprise liabilities for assets under management in the amount of EUR 8,751,469, which comprise:

- liabilities for intangible assets and tangible fixed assets under the group of accounts 980 (ADP code = 056) in the amount of EUR 5,277,862 increased in 2021 year-on-year by EUR 72,584, i.e., 1.4%. New purchase of intangible and tangible fixed assets in the total value of EUR 366,116 and sale of intangible and tangible fixed assets in the total value of EUR 7,572 increased the value of assets under management by EUR 373,688. The amortisation and depreciation of intangible and tangible fixed assets purchased before 1 January 2017 in the value of EUR 300,743, and the carrying amount of the fixed asset written off in inventory notice in the value of EUR 361, decreased the value of assets under management by EUR 301,104.
- surplus under the group of accounts 985 (ADP code = 058) amounted to EUR 3,473,607 which is an EUR 162,684, i.e., 4.9%, increase compared to the year before, representing unallocated surplus from the current year in the amount of EUR 528,800 (ADP code for the Revenue and Expenditure Account =

891), and a surplus from the past years in the amount of EUR 2,944,807.

Compared to 31 December 2020 the net amount of these liabilities increased by EUR 235,568, i.e., 2.8%, mainly because of the achieved surplus in 2021.

In 2021 there were some corrections of comparison data from the alignment of costs and revenue (the auction) that affected deferred costs and accrued revenue in the amount of EUR 446,417, the total surplus in the amount of EUR 446,417, the costs of services in the amount of EUR 408,303, and an impact on the surplus from 2020 in the amount of EUR 408,303. These alignments will be included in the calculation of the tariff for 2023 with extra surplus.

## 3.2 STATEMENT OF REVENUE AND EXPENSE

Under the Rules on breaking down and measuring revenues and expenses of legal entities under public law the Agency, as a specific user of the standard chart of accounts, recognizes revenue and expenses and compiles separate financial statements:

- on accrual basis;
- on cash basis for the purpose of monitoring the changes in revenue and expenses, in which case revenue and expenses are recorded not when the cash is earned or costs incurred, but when cash or its equivalent is received or paid (including potential set offs).

In a separate Statement of Revenue and Expense for specific users, categorized by type of activity, the Agency presents only revenue and expenses from providing a public service, while the revenue and expenses from selling goods or services in the market are not recorded, because the Agency does not provide commercial services.

The Statement of Revenue and Expense for specific users

compiled on a cash basis is an obligatory note to the mandatory Statement of Revenue and Expenses for specific users (account statement), which the Agency takes into account when drawing up its financial plan and which is presented in the context of disclosing its implementation (section Implementation of the Financial Plan).

The Agency's Financial Plan is drawn up on accrual basis, and comprises all planned revenue and expenses (cost) based on the time or period when the business event occurs. Secondly, the Agency applied the cash principle.

When recognizing revenue and expenses, the Agency complied with the rules on cash basis accounting and not the rules from the accounting standards. Due to different regulatory bases, data from both accounts cannot be directly compared. With the purpose of allowing at least limited comparison and providing a higher quality level of disclosures, all the major permanent and temporary discrepancies between the two accounts are explained below:

1. Permanent discrepancies are primarily associated with outflows for capital expenditure (ADP code for the Statement of Revenue and Expense compiled on cash basis = 470), which are not recorded in the account statement of revenue and expenditure, and the revaluation operating expenses from the impairment of receivables (ADP code for the Statement of Revenue and Expense = 879), and the costs of amortisation and depreciation (ADP code for Statement of Revenue and Expense = 879), which are only an account category.
2. Temporary discrepancies are associated primarily with the dynamics of cash inflows and outflows, i.e. delays in the payment of more significant revenue and expense items between 2020 and 2021.

In recording on an accrual basis for the year 2021 the

Agency created a surplus in the value of EUR 528,800, while in the statement on the cash flow basis, i.e., statement of revenue and expense it created a deficit of EUR 720,700.

The statement of revenue and expense is EUR 1,249,500 lower than the account statement because of:

- the difference in revenue: the statement of revenue and expense has EUR 1,416,966 less revenue;
- the difference in expense: the statement of revenue and expense has EUR 1,416,966 less expenses;

Lower revenue in the statement of revenue and expense are especially the result of delayed payments from the fees for payment for notifications in the value of EUR 1,255,881, and from the fees for frequencies in the value of EUR 148,272.

The decisions were issued at the end of the year and are due for payment in the following accounting period.

Expenditure for goods and services in the statement of revenue and expense are lower by EUR 270,602, mainly due to dividing costs that pertain to 2021.

Investment costs which are in the statement of revenue and expense are EUR 140,014 higher than the amortisation and depreciation in the account statement.

Labour costs differ between the statements because the salary for December 2021 is included in the account statement for 2021, while the statement of revenue and expense includes the salary for December 2021, and because of the payment of compensation, which is included in the account statement for the year 2021, while in the statement of revenue and expense it will be included in 2022. The statement of revenue and expense has lower labour costs by EUR 19,261.

The statement of revenue and expense does not have any revaluation receivables, which are included in the account statement, and amount to EUR 17,617.

TABLE 19: REVENUE AND EXPENDITURE ACCOUNT FOR THE PERIOD FROM 1 JANUARY 2016 TO 31 DECEMBER 2021

in EUR (without cents)					
Classifying subgroups of accounts	Account subgroup title	Label for ADP	Amount		index current year/ previous year
			Current year	Previous year	
1	2	3	4	5	6=4/5
	A) OPERATING REVENUE (861+862-863+864)	860	6.890.112	6.786.701	101,5 %
760	REVENUE FROM THE SALE OF PRODUCTS AND SERVICES	861	6.882.891	6.780.486	101,5 %
	INCREASE IN THE VALUE OF INVENTORIES AND WORK IN PROGRESS	862	-	-	
	DECREASE IN THE VALUE OF INVENTORIES AND WORK IN PROGRESS	863	-	-	
761	REVENUE FROM THE SALE OF GOODS AND MATERIALS	864	7.221	6.215	116,2 %
762	B) FINANCIAL INCOME	865	359	1.412	25,4 %
763	C) OTHER REVENUE	866	22.734	44.430	51,2 %
	D) REVALUATION OPERATING REVENUE (868+869)	867	-	-	
part of 764	REVENUE FROM THE SALE OF OPERATING FIXED ASSETS	868	-	-	
part of 764	OTHER REVALUATION OPERATING REVENUE	869	-	-	
	<b>E) TOTAL REVENUE (860+865+866+867)</b>	<b>870</b>	<b>6.913.205</b>	<b>6.832.543</b>	<b>101,2 %</b>
	F) COST OF GOODS, MATERIALS, AND SERVICES (872+873+874)	871	2.139.390	1.456.411	146,9 %
part of 466	ORIGINAL COST OF MATERIALS AND GOODS SOLD	872	-	-	
460	COST OF MATERIALS	873	95.687	97.584	98,1 %
461	COST OF SERVICES	874	2.043.703	1.358.827	150,4 %
	G) LABOR COSTS (876+877+878)	875	3.962.040	3.921.813	101,0 %
part of 464	SALARIES AND WAGE COMPENSATIONS	876	3.080.503	3.115.331	98,9 %
part of 464	SOCIAL SECURITY CONTRIBUTIONS PAID BY THE EMPLOYER	877	556.280	547.942	101,5 %
part of 464	OTHER LABOR COSTS	878	325.257	258.540	125,8 %
462	H) DEPRECIATION AND AMORTIZATION	879	265.356	215.200	123,3 %
463	I) PROVISIONS	880	-	-	
465	J) OTHER COSTS	881	-	-	
467	K) FINANCIAL EXPENSES	882		173	0,0 %
468	L) OTHER EXPENSES	883	2	3.156	0,1 %
	M) REVALUATION OPERATING EXPENSES (885+886)	884	17.617	47.034	37,5 %
part of 469	EXPENSES FROM THE SALE OF OPERATING FIXED ASSETS	885	-	-	
part of 469	OTHER REVALUATION OPERATING EXPENSES	886	17.617	47.034	37,5 %
	<b>N) TOTAL EXPENSES (871+875+879+880+881+882+883+884)</b>	<b>887</b>	<b>6.384.405</b>	<b>5.643.787</b>	<b>113,1 %</b>
	O) SURPLUS (870-887)	888	528.800	1.188.756	44,5 %
	P) DEFICIT (887-870)	889		-	
part of 80	Corporate income tax	890	-	-	
<b>part of 80</b>	<b>Surplus for the period after income tax (888-890)</b>	<b>891</b>	<b>528.800</b>	<b>1.188.756</b>	<b>44,5 %</b>

<b>part of 80</b>	<b>Deficit for the period after income tax (889+890) or (890-888)</b>	<b>892</b>		<b>-</b>	
	Surplus from preceding years allocated to covering expenses from the accounting period	893	-	-	
	Average number of employees based on the hours worked in the accounting period (whole number)	894	89	91	97,8 %
	Months of operation	895	12	12	100,0 %

The statement shows that the Agency recorded EUR 6,913,205 in revenue and EUR 6,384,405 in expenses between 1 January 2021 and 31 December 2021, which is a surplus of EUR 528,800. Notes regarding the changes

in separate revenue and expense items that resulted in the deficit are presented below. The Agency shall put the surplus from 2021 towards lower tariffs for the following years in accordance with the decision from its founder.

TABLE 20: STATEMENT OF REVENUE AND EXPENSE BY FINANCING SOURCE FOR THE PERIOD FROM 1 JANUARY 2021 TO 31 DECEMBER 2020

<b>Yearly expenditure by financing source</b>	<b>2021</b>
from the provision of postal services	341.029
from fees for numbering resources	640.905
from notifications	1.526.167
from frequencies	3.053.093
from railway services	321.147
from media services	502.064
<b>Total (ADP code=887)</b>	<b>6.384.405</b>

Source: AKOS internal accounts

## 3.2.1. REVENUE

The Agency generated EUR 6,913,205 in revenue in 2021, of which EUR 6,890,112 was operating revenue (99.6%), and EUR 23,093 was other revenue (0.4%).

### OPERATING REVENUE

The Agency generates operating revenue by charging different fees used for covering the expenses incurred in carrying out different activities linked to the implementation of relevant laws, and the proportionate share of expenses of the Agency's common services.

Operating revenue comprises:

- revenue based on notifications, charged based on ZEKom-1;
- revenue from fees for using radio frequencies, charged based on ZEKom-1 and the General act on the method for calculating fees for radio frequency usage;
- revenue from fees for using numbering resources, charged based on ZEKom-1 and the General act on the method of calculating the charges for the use of numbering elements;
- revenue from postal service providers and the sale of stickers banning delivery of unaddressed mail to

mailboxes, charged based on ZPSto-2 and the Rules on the method for calculating fees for providing postal services;

- revenue from railway service providers, charged based on the Railway Transport Act;
- revenue from fees based on television broadcasting licenses and/or entries in the official register (revenue from the media), charged based on ZAvMS and Rules on the method of calculating fees based on television broadcasting licenses or entry in the official register of on-demand audiovisual media services providers.

Revenue is calculated by multiplying the number of points for a specific type of fees and the value of that point i.e., tariff, which is determined in the annual financial plan based on the planned structure and extent of expenses for that specific type of fee. When calculating the fees for 2021, the Agency applied the 2021 tariffs approved by the Government of the Republic of Slovenia in December 2020:

- tariff for annual fees charged based on notifications,

with the value of one point set at EUR 1.70;

- tariff for annual fees for using numbering resources, with the value of one point set at EUR 1.22;
- tariff for annual fees for using radio frequencies, with the value of one point set at EUR 0.60;
- tariff for annual fees based on television broadcasting licenses or entry into the official register of on-demand audiovisual media service providers, with the value of one point set at EUR 0.75;
- tariff for annual fees for providing postal services, with the value of one point set at EUR 7.60;
- tariff setting the value of the point, and specifying the share of the charged usage charge for public railway infrastructure to be paid for the operations of the railway regulator at EUR 22.25 and 2.26%, respectively.

The Agency calculated the fees in 2021 by applying the economic premises from the 2021 financial plan, primarily applying the accrual principle, and planning the payments based on the cost of the Agency's operations.

TABLE 21: AGENCY'S OPERATING REVENUE

	2020	2021
Revenue from the provision of postal services	465.152	384.459
Revenue from fees for numbering resources	746.913	714.681
Revenue based on notifications	2.289.671	1.686.120
Revenue from frequencies	2.324.985	2.506.368
Revenue from railway services	407.799	446.944
Revenue from media services	545.966	465.584
Revenue from the public auction administrative costs	0	678.735
Revenue from sale of stickers banning the delivery of unaddressed mail to the mailbox	6.215	7.221
<b>TOTAL OPERATING REVENUE (ADP code = 860)</b>	<b>6.786.701</b>	<b>6.890.112</b>

Source: AKOS internal accounts

The presented structure reveals that the Agency generated the largest share of its operating revenue from

fees for using radio frequencies (36.4%), and from fees based on notifications (24.5%), and the remaining part from



fees for using the numbering resources (10.4%), media services (6.7%), railway services (6.5%) and postal services, including stickers banning the delivery of unaddressed mail to mailboxes (5.7%). Revenue from the public auction administrative costs represents 9.8% of total operating revenue.

The Agency's operating revenue in 2021 increased by EUR 103,411, i.e., 1.5%, compared to the year before. Significant changes are primarily the result of:

- a EUR 181,383, i.e., 7.8% increase in the revenue from payments for the use frequencies primarily due to the tariff value increase by 9%;
- a EUR 39,145, i.e., 9.6% increase in the revenue from railway services with no changes to the tariff, but new carriers entering the market;
- a EUR 1,006, i.e., 16.2% increase in the revenue from the sale of stickers banning the delivery of unaddressed mail to the mailbox;
- a EUR 603,551, i.e., 26.4% decrease in the revenue based on notifications, primarily due to the tariff being cut by 25.1%;
- a EUR 80,693, i.e., 17.3% decrease in the revenue from the provision of postal services due to the tariff being cut by €4.34 or 17.4%;
- a EUR 80,382, i.e., 14.7% decrease in the revenue from the provision of media services due to the tariff being cut by 16.7%;
- a EUR 32,232, i.e., 4.3% decrease in the revenue from the provision of postal services due to the tariff being cut by 4.7%;
- revenue for the reimbursement of administrative costs of the public auction were realised in the value of EUR 6 for the year 2021.

## FINANCIAL REVENUE

The Agency's financial income in 2021 amounted to EUR 359 (ADP code = 865) and comprised primarily statutory interest on overdue receivables. The total amount of financial revenue decreased by EUR 1,053, i.e., 74.6%, compared to 2020.

## OTHER REVENUE AND REVALUATION OPERATING REVENUE

The Agency's financial income in 2021 amounted to EUR 22,734 (ADP code = 866) and comprised from reimbursements on audits, compensation for school fees, collected already impaired receivables and from reimbursements for costs of business trips in the EU. Compared to 2020, the value of other revenue decreased by EUR 21,696, i.e., 48.8%. The decrease is primarily the result of EU business trips being cancelled and consequently not being reimbursed.

## 3.2.2 EXPENSES

The Agency's total expenses in 2021 amounted to EUR 6,384,405, of which EUR 2,139,390 represented the cost of purchasing goods, materials and services (33.5% of total expenses), EUR 3,962,040 were labour cost (62% total expenses), EUR 265,356 amortisation and depreciation (4.2% of total expenses), EUR 17,617 revaluation expenses (0.3% total expenses), and EUR 2 EUR other expenses (0.0% total expenses). Expenses also include the input VAT, as the Agency is not liable for VAT.

The Agency's expenses rose by EUR 740,618, i.e., 13.1% in 2021 compared to the year before. Changes are primarily the result of:

- a EUR 682,979, i.e., 46.9% increase in the cost of purchasing goods, materials and services (ADP code = 871), especially because of the correction in recognising auction related costs, disclosure 3.1.4;
- a EUR 40,227, i.e., 1.1% increase in the labour cost (ADP code = 875), especially because of the increase in other labour costs, in spite of on the average smaller number of employees, based on work hours;
- a EUR 50,156, i.e., 23.3% increase in amortisation and depreciation cost (ADP code = 879) due to the amortisation and depreciation of assets purchased in 2020 and 2021;
- a EUR 173, i.e., 100%, decrease in financial expenses (ADP code = 882);

- a EUR 3,154, i.e., 99.9% decrease in other expenses.
- a total of EUR 29,417, i.e., 62.5% decrease in revaluation expenses and other expenses, for which there is a doubt to their recoverability because of illiquidity, start of bankruptcy or enforced settlement procedures of some debtors (ADP code = 884);

## LABOUR COST

The Agency's labour costs comprise the cost of salaries and compensations, and the associated social contributions paid by the employer, including expenses for the collective voluntary pension insurance for public servants, contributions for the disabled and accrued pension and disability insurance for older workers, meal, commuting, and holiday allowances, and other employee benefits, such as jubilee benefits, severance pay, bonuses, etc., for 89 public servants on average, based on work hours. The Agency calculated the salaries and other income from employment relationships in accordance with the relevant laws and regulations, which determine the basis for salaries

and performance bonuses, and in compliance with the Act Regulating Measures Relating to Salaries and Other Labour Costs in the Public Sector.

The Agency's labour costs rose by EUR 40,227, i.e., 1.1% in 2021 compared to the year before. The increase is from increased scope of work, from employee bonuses, which was charged in 2020 for just half a year, and in 2021 for the full year, from compensation payment and from increased holiday bonuses.

## COSTS OF GOODS, MATERIAL AND SERVICES

The costs of goods, materials, and services recorded by the Agency comprise the costs of purchasing office and general supplies and services (mostly costs of contractors), purchasing special supplies and services, purchasing energy, water, and utility and communication services, purchasing materials for regular maintenance, transportation costs and services, cost of business trips, operating rents and leases, and other operating expenses.

TABLE 22: COST OF GOODS, MATERIALS, AND SERVICES

Classification by account	REVENUE AND EXPENDITURE ACCOUNT FOR SPECIFIC USERS	ADP code	2020	2021
			1	2
	<b>F) COST OF GOODS, MATERIALS, AND SERVICES (872+873+874)</b>	<b>871</b>	<b>1.456.411</b>	<b>2.139.390</b>
<b>part of 466</b>	<b>ORIGINAL COST OF MATERIALS AND GOODS SOLD</b>	872	-	-
<b>460</b>	<b>COST OF MATERIALS</b>	<b>873</b>	<b>97.584</b>	<b>95.687</b>
4600	Office and general supplies		80.397	71.664
4601	Special supplies		17.187	24.023
<b>461</b>	<b>COST OF SERVICES</b>	<b>874</b>	<b>1.358.827</b>	<b>2.043.703</b>
4610	Office and general services		524.030	1.018.928
4611	Special services		9.442	29.597
4612	Energy, water, utility services, communications		99.756	115.529
4613	Transportation costs and services		22.570	24.219
4614	Expenses for business trips		39.852	24.701
4615	Regular maintenance		398.830	481.492
4616	Operating rent and lease fees		80.486	118.787
4617	Other Operating Expenses		183.861	230.450

Source: AKOS internal accounts

The structure of these costs shows that the major part of these expenses was spent on office and general supplies and services (51%), while the remaining part comprises purchases of supplies and services for regular maintenance (22.5%), other operating expenses (10.8%), purchases of energy, water, and utility and communication services (5.4%), operating leases and leases (5.5%), purchases of special supplies and services (2.5%), and transportation costs and services (1.1%), and business trips (1.2%).

## COST OF OFFICE AND GENERAL SUPPLIES AND SERVICES

The major share of these costs comprise the cost of contracting experts for preparing studies, models, analyses, impact assessments, background papers, and cost of accounting, auditing and legal services, etc. for high-budget projects, such as:

- hiring external experts for consulting service in the Public tender with a public auction for the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz frequencies (ID = 501 Public tender with a public auction);
- calculating WACC for the obligated party in the Division for the regulation and supervision of postal services (ID=115 Regulation of separate accounting);
- calculating WACC for the obligated party in the Division for the regulation of the railway services market (ID=500 Cost-basis of usage fee);
- conducting an internal audit on verifying the compliance of promotions of public servants in accordance with the valid legislation (ID = Bookkeeping, accounting and financial operations, and coordination of public orders);
- conducting an external audit of the financial statement and the annual report (ID = Bookkeeping, accounting and financial operations, and coordination of public orders);
- access to databases in the Department for regulation of telecommunications (ID=474 Market regulation);
- analyses of received data on television programming content, and for electronic measurements of the viewership of individual content and whole television programme, and the technical, expert and consultation support in using the software for data processing, the purchase of the study on behavioural patterns of monitoring TV programming in RS (ID=267 TV and AVMS activity monitoring);
- access to Slovenian radio stations' recordings with analysing software, and data on broadcast music (ID=270 RA activity monitoring);
- reviewing the methodology of letter mail for 2020 and reviewing the methodology for parcels for 2020 (ID=107 Regulation and supervision of USO);
- market analysis of 2020 and validation of the data on the state of the postal services market for the past years (ID=108 State of the postal services market);
- analyses of trends for broadband connections in the RS (retail and wholesale) and the survey on monthly household expenditures for electronic communication services (ID=486 Analysis of retail and wholesale prices of broadband connections in RS);
- maintenance, upgrades and design of the online GIS viewer (ID = 387 Mapping);
- representation in national and foreign courts;
- market regulation and following regulatory activities in other EU members (access to databases about the measures put in place, and European Commission's commentaries) on the postal, media and telecommunications markets;
- translations of the Agency's texts, publications in the Official Gazette of RS, cleaning and secure for facilities, lobby service, documentation storage, installation of secure containers, transportation, secure disposal.

Compared to 2020 the cost in this group increased by EUR 486,165, i.e., 80.4%, which can be primarily because of the correction to the recognition of costs for the public tender with a public auction, disclosure in 3.1.4.

## COST OF SPECIAL SUPPLIES AND SERVICES

Costs of special supplies and services comprise mostly the cost of media monitoring services (clippings) and the STA information service, cost of purchasing professional literature and small items, tools and devices for maintenance. The total amount of the group of expenses increased by 101.4%, i.e., 26,911 compared to 2020, mainly because of the costs of storing AKOS's archives which were listed in 2020 among costs of other service from external experts (account 4610), but are in 2021 because of more appropriate treatment listed among costs of special services (account 4611).

## COSTS OF ENERGY, WATER, UTILITY SERVICES AND COMMUNICATIONS

The majority of these costs were utility costs (heating fuels and heating, water, utility services, etc.) for the offices and radio supervision and measurement stations, while other costs comprised fixed and mobile communication services, postal services, and insurance premiums for buildings, equipment, and vehicles. The total amount of this group of expenses increased by EUR 15,773, i.e., 15.8% compared to 2020. The increase is the result of higher cost in separate categories of energy, water, utility services and communications cost.

## TRANSPORTATION COST AND SERVICES

These costs comprise cost of fuel and lubricants for company vehicles (measurement and other vehicles), cost of their maintenance, registration fees, costs of preventive medical check-ups for employees, and other potential costs. This is an increase of EUR 1,649, i.e., 7.3%, compared to 2020, which can be primarily attributed to a bigger scope of preventive medical check-ups in 2021.

## COSTS OF BUSINESS TRIPS

The cost of business trips primarily comprises the costs of purchasing airline tickets, as well as other costs of transport in Slovenia and abroad, accommodation costs, per diems for business trips in Slovenia and abroad, and any other costs related to business trips. When calculating employee reimbursements, the Agency complied with the Decree on the Reimbursement of Costs for Traveling Abroad on Official Mission, and the collective agreement for the public sector. Compared to 2020 the cost in this group increased by EUR 15,151, i.e., 38%, which is primarily because of fewer business trips abroad than in 2020, and because of the correction to the recognition of costs for the public auction, disclosure in 3.1.4.

## REGULAR MAINTENANCE COSTS

The major share of these costs are costs of managing and maintaining the offices and equipment at Stegne 7, regular maintenance of communication equipment and computers, and maintenance of the radio supervision and measurement system (buildings, equipment and devices). The regular maintenance costs increased by EUR 82,662, i.e., 23% compared to 2020, mainly due to higher cost of maintenance of offices and communication equipment. In 2021 all the required construction work was completed for preparing a new server room, and because of the correction of the recognition of costs related to the public auction, disclosure in 3.1.4.

TABLE 23: REGULAR MAINTENANCE COST REALISATION

Task ID	value in EUR	type of maintenance
171 RMMS maintenance	19.212	Regular software maintenance and maintenance and upgrades to the radio monitoring and measurement system
267 TV and AVMS activity – monitoring	9.699	Regular maintenance of the software for monitoring TV programming content
273 Infrastructure costs	146.554	The majority share of the maintenance expenses are costs related to the management, maintenance and insurance of the office building at Stegne 7
302 Monitoring QoS BB	22.236	maintenance and upgrades to the AKOS Test Net platform
506 Media literacy	6.700	maintenance of the Media literacy site
497 Maintenance and upgrade of the ICT system and user support	259.902	The majority share of the expenses are costs of software maintenance, network device maintenance, annual fees, ensuring support and maintenance of the virtual server environment and the archiving systems
<b>total</b>	<b>464.303</b>	<b>96.4% maintenance costs</b>

Source: AKOS internal accounts

## RENT AND OPERATING LEASE COST

These costs mostly comprise rents for offices and conference rooms, rents for land on which radio supervision and measurement stations are located, charges for the use of building land, and duties from fees paid to external contractors and attendance fees chargeable to the employer. Compared to 2020 the cost in this group increased by EUR 38,301, i.e., 47.6%, which is mostly because of higher costs of employee parking and higher costs of software leases, and because of the correction to the recognition of costs of the public auction, disclosure in 3.1.4.

## OTHER OPERATING EXPENSES

The majority of costs in this group comprises the cost of expert and general educational and training courses, the costs of monthly bonuses including benefits and travel expenses for the members of councils (the Agency Council, Electronic Communications Council, and Broadcasting

Council), and cost of membership fees for international and Slovenian organizations, and other operative costs. Compared to 2020 the value of other operative costs increased by EUR 46,589, i.e. 25.3%, mostly because of reimbursements of costs in judicial procedures, costs of representation at Slovenian and foreign courts, reimbursements of cost in the public order audit procedure and the preparation of the expert opinion – a total of EUR 27,034, and because of several completed training activities that mostly took place online, and because of the correction to the recognition of costs of the public auction, disclosure in 3.1.4.

## 3.2.3. REALIZATION OF THE FINANCIAL PLAN ON THE ACCRUAL BASIS

The Agency's Financial Plan for 2021 was prepared in accordance with the Agency's operational plan for 2021,

and comprises all planned revenue and expenses (costs) based on the time or period when the business event occurred. The unspent (accumulated) depreciation and amortization of fixed assets, procured after 1 January 2017, is thus also recorded as a source of investments in new fixed assets, in addition to the surplus from the preceding years.

The Agency worked towards realizing the planned activities and financial targets from its operating and financial plans for 2021 in the areas it regulates, however its financial operations were affected by certain new facts and circumstances, as well as unforeseen measures affecting both revenue and expenses. The Agency generated 94.7% of the planned revenue, while the discrepancy between the plan and realization was higher when it comes to expenditure, with spending amounting to 84.7% of the plan. The delay of the public auction for awarding frequencies and resulting delay of issuing the decisions for awarding these frequencies also impacted the realisation of planned revenue. The project was first planned to begin in 2019 and conclude in 2020, however, because of the delay in approving the Radio frequency spectrum management strategy and new strategic guidelines of the ministry, issued in April 2020, it was only completed in 2021.

Discrepancies in expenses were especially the result of:

- the Agency being unable to realise the scope of new employment in line with the human resources plan, which is the result of the Agency's uncompetitive salary policy and its limitations in rewarding policy

compared to the private sector, as well as the lack of appropriate human resources with specific knowledge and experience from the fields regulated and supervised by the Agency;

- the postponement of the performance of individual planned activities into 2022 because the Radio frequency spectrum management strategy was only approved in November, and consequently the public tender for a public auction for awarding frequencies for local use was not completed;
- smaller scope of the costs of services than planned due to obtaining better offers for services and consequent savings;
- smaller scope of realised individual tasks than planned, and the resulting lower incurred cost, due to the lack of supply for certain specialized services related to training and education;
- the delay in the adoption of ZEKom-2 and consequently the delay in preparing executive acts;
- no or lower demand for certain services, e.g., representation in legal disputes against Italian radio stations and representation in court (administrative disputes, legal procedures);
- measures for limiting the COVID-19 epidemic that stopped most business trips, as well as holding and attending planned conferences, seminars and trainings;
- policy changes in recognising amortisation and depreciation;
- correction of the recognition of costs from the auction, disclosure in 3.1.4, which were not planned in the Agency' Operational plan for 2021.

TABLE 24: STATEMENT OF REVENUE AND EXPENSE FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

Classifying subgroups of accounts	Account subgroup title	Label for ADP	Amount		
			Current year	2021FP	Index current year/2021 FP
1	2	3	4	5	6=4/5
	A) OPERATING REVENUE (861+862-863+864)	860	6.890.112	7.235.488	95,2 %
760	REVENUE FROM THE SALE OF PRODUCTS AND SERVICES	861	6.882.891	7.229.488	95,2 %
	INCREASE IN THE VALUE OF INVENTORIES AND WORK IN PROGRESS	862	-	-	
	DECREASE IN THE VALUE OF INVENTORIES AND WORK IN PROGRESS	863	-	-	
761	REVENUE FROM THE SALE OF GOODS AND MATERIALS	864	7.221	6.000	120,4 %
762	B) FINANCIAL INCOME	865	359	1.000	35,9 %
763	C) OTHER REVENUE	866	22.734	60.657	37,5 %
	D) REVALUATION OPERATING REVENUE (868+869)	867	-	450	0,0 %
part of 764	REVENUE FROM THE SALE OF OPERATING FIXED ASSETS	868	-	450	0,0 %
part of 764	OTHER REVALUATION OPERATING REVENUE	869	-	-	
	<b>E) TOTAL REVENUE (860+865+866+867)</b>	<b>870</b>	<b>6.913.205</b>	<b>7.297.595</b>	<b>94,7 %</b>
	F) COST OF GOODS, MATERIALS, AND SERVICES (872+873+874)	871	2.139.390	2.383.647	89,8 %
part of 466	ORIGINAL COST OF MATERIALS AND GOODS SOLD	872	-	-	
460	COST OF MATERIALS	873	95.687	128.310	74,6 %
461	COST OF SERVICES	874	2.043.703	2.255.337	90,6 %
	G) LABOR COSTS (876+877+878)	875	3.962.040	4.468.336	88,7 %
part of 464	SALARIES AND WAGE COMPENSATIONS	876	3.080.503	3.528.167	87,3 %
part of 464	SOCIAL SECURITY CONTRIBUTIONS PAID BY THE EMPLOYER	877	556.280	568.035	97,9 %
part of 464	OTHER LABOR COSTS	878	325.257	372.134	87,4 %
462	H) DEPRECIATION AND AMORTIZATION	879	265.356	674.860	39,3 %
463	I) PROVISIONS	880	-	-	
465	J) OTHER COSTS	881	-	-	
467	K) FINANCIAL EXPENSES	882			
468	L) OTHER EXPENSES	883	2		
	M) REVALUATION OPERATING EXPENSES (885+886)	884	17.617	10.000	176,2 %
part of 469	EXPENSES FROM THE SALE OF OPERATING FIXED ASSETS	885	-	-	
part of 469	OTHER REVALUATION OPERATING EXPENSES	886	17.617	10.000	176,2 %
	<b>N) TOTAL EXPENSES (871+875+879+880+881+882+883+884)</b>	<b>887</b>	<b>6.384.405</b>	<b>7.536.843</b>	<b>84,7 %</b>
	O) SURPLUS (870-887)	888	528.800		
	P) DEFICIT (887-870)	889		239.248	
part of 80	Corporate income tax	890	-	-	
<b>part of 80</b>	<b>Surplus for the period after income tax (888-890)</b>	<b>891</b>	<b>528.800</b>	<b>-</b>	
<b>part of 80</b>	<b>Deficit for the period after income tax (889+890) or (890-888)</b>	<b>892</b>		<b>239.248</b>	
	Surplus from preceding years allocated to covering expenses from the accounting period	893	-	-	
	Average number of employees based on the hours worked in the accounting period (whole number)	894	89	104	85,6 %
	Months of operation	895	12	12	100,0 %

## REVENUE

In 2021 the Agency generated a total of EUR 6,913,205 in revenue. The Agency generated EUR 384,390, i.e., 5.3% less in total revenue than originally planned, with the operating revenue coming at EUR 345,376, i.e., 4.8% below the plan, and other revenue at EUR 39,014, i.e., 62.8% below the plan, with the biggest discrepancies in the following categories:

- EUR 217,032, i.e., 8.0% lower revenue (than planned) from frequencies, especially because the Radio frequency spectrum management strategy was not approved and the resulting delay in holding the public auction for frequencies in the 700 MHz, 1500 MHz, 2100 MHz, 2300 MHz, 3600 MHz and 26 GHz bands was not held, and therefore they were awarded behind schedule;
- EUR 111,265, i.e., 14.1% lower revenue (than planned) from administrative costs of the public auction in 2021, because of the lower value of the administrative costs of the auction;
- EUR 17,319, i.e., 2.4% lower revenue (than planned)

from the utilisation of the numbering space, especially because numbering elements were returned or revoked;

- EUR 9,317, i.e., 0.5% lower revenue (than planned) from payments based on notifications;
- EUR 8,133, i.e., 1.8% higher revenue (than planned) from issuing decisions on defining payments based on licenses for performing television activities or entry into the official record because of achieving a higher number of points;
- EUR 39,014, i.e., 62.8% lower other revenue (than planned), especially from received EU funds for reimbursements of travel expenses for EU meetings, as the healthcare situation and imposed measures for limiting the COVID-19 epidemic made it impossible to realise all the planned business trips.

Other categories of revenue from the sale of goods and services as part of providing public services and other revenue did not significantly change compared to the year before.

TABLE 25: COMPARISON OF REALIZED AND PLANNED OPERATING REVENUE ON ACCRUAL BASIS

	2021	2021 FP	Index 2021/ 2021 FP
Revenue from the provision of postal services	384.459	384.256	100,1
Revenue from fees for numbering resources	714.681	732.000	97,6
Revenue based on notifications	1.686.120	1.695.437	99,5
Revenue from frequencies	2.506.368	2.723.400	92,0
Revenue from railway services	446.944	446.944	100,0
Revenue from media services	465.584	457.451	101,8
Revenue from the public auction administrative costs	678.735	790.000	85,9
Revenue from sale of stickers banning the delivery of unaddressed mail to the mailbox	7.221	6.000	120,4
<b>TOTAL OPERATING REVENUE (ADP code = 860)</b>	<b>6.890.112</b>	<b>7.235.488</b>	<b>95,2</b>

Source: AKOS internal accounts



## EXPENSES

The Agency's expenses in 2021 amounted to EUR 6,384,405, which is EUR 1,152,438, i.e., 15,3% below the financial plan in which the Agency did not budget the cost of the auction that occurred over the past few years in the amount of EUR 446,417, as disclosed under 3.1.4.

## WAGES AND SALARIES

The Agency's labour costs were EUR 506,296, i.e., 11.3% lower than planned (ADP codes = 876 + 877 + 878), primarily due to the lower amount of salaries, compensations, associated social security contributions and other labour cost (reimbursements, holiday and other allowances), due to only partially realized hiring plan, and not replacing the employees who left the Agency (retirement and employment contract termination). The average number of employees per working hours in stood at 89 for 2021, which is 15 employees, i.e., 14.4% fewer than the Agency planned in its human resources plan (104). Unused funds, planned for salaries and wages and

accompanying employer social security contributions are mostly the result of the Agency's uncompetitive salaries compared to the private sector and the limitations in the rewarding policy, which are the result of the legal frameworks of the public sector, as well as the lack of appropriate human resources with specific knowledge and experience from the fields regulated and supervised by the Agency.

## COSTS OF GOODS, MATERIAL AND SERVICES

The Agency's expenses for goods and services were EUR 244,257, i.e., 10.2% below the plan (ADP code = 871), primarily due to EUR 211,634, i.e., 9.4% lower cost of services (ADP code = 874), mainly because of fewer business trips and attendance at conferences, seminars, and trainings, which mostly the result of the healthcare situation and the measures to halt the spread of the COVID-19 epidemic, as well as not performing or only partially performing certain tasks and projects.

TABLE 26: COMPARISON OF REALIZED AND PLANNED COST OF GOODS, MATERIALS AND SERVICES (ACCRUAL PRINCIPLE)

Classification by account	REVENUE AND EXPENDITURE ACCOUNT FOR SPECIFIC USERS	ADP code	2021	2021 FP	INDEX 2021/2021 FP
			1	2	3=1/2
	<b>F) COST OF GOODS, MATERIALS, AND SERVICES (872+873+874)</b>	<b>871</b>	<b>2.139.390</b>	<b>2.383.647</b>	<b>89,8</b>
<b>part of 466</b>	<b>ORIGINAL COST OF MATERIALS AND GOODS SOLD</b>	872	-	-	
<b>460</b>	<b>COST OF MATERIALS</b>	<b>873</b>	<b>95.687</b>	<b>128.310</b>	<b>74,6</b>
4600	Office and general supplies		71.664	113.310	<b>63,2</b>
4601	Special supplies		24.023	15.000	<b>160,2</b>
<b>461</b>	<b>COST OF SERVICES</b>	<b>874</b>	<b>2.043.703</b>	<b>2.255.337</b>	<b>90,6</b>
4610	Office and general services		1.018.928	864.826	<b>117,8</b>
4611	Special services		29.597	38.220	<b>77,4</b>
4612	Energy, water, utility services, communications		115.529	129.267	<b>89,4</b>
4613	Transportation costs and services		24.219	35.240	<b>68,7</b>
4614	Expenses for business trips		24.701	302.915	<b>8,2</b>
4615	Regular maintenance		481.492	460.368	<b>104,6</b>
4616	Operating rent and lease fees		118.787	149.090	<b>79,7</b>
4617	Other Operating Expenses		230.450	275.411	<b>83,7</b>

In relation to higher realisation of expenses for office and general supplies and services in the total amount of EUR 112,456, i.e., 11.5% of the plan (groups of accounts no. 4600/4610), the Agency would like to highlight:

- higher costs because of the correction to the recognition of auction costs in the amount of EUR 409,113, as disclosed in 3.1.4;
- lower costs of office supplies, especially because of the prevalent remote work resulting from COVID-19 measures;
- higher costs because of the correction to the recognition of auction costs in the amount of EUR 409,113, as disclosed in 3.1.4;
- lower costs of electricity, as higher costs were expected when moving to new premises;
- lower costs for event organisation because most of them are held online;
- lower costs related to the public frequency auction in the 700 MHz band, which was held remotely because of COVID-19 measures, reducing costs;
- lower costs because of not holding the public tender for a public auction for awarding frequencies for local use;
- unused funds for support in preparing the executive acts, because ZEKom-2 was not adopted;
- unused funds for payments of court procedure costs, as court cases were not heard, and for preparing a legal opinion/study, because there was no need for it, and because test broadcasting was not performed (the relevant ministry's public order was not completed);
- lower costs for mapping because the Agency had a

limited access for external contractors who perform work at the headquarters, and so they only completed essential work and updates. Most of their work was taken over by the Agency's employees;

- lower costs because a better offer than planned was obtained for calculating WACC.

In addition to the lower cost of office and general supplies and services, expenses for goods and services were also different than planned, due to:

- EUR 400, i.e., 0.8% higher cost of special materials and services (ADP code = 874 and 874);
- EUR 13,738, i.e., 10.6% lower cost of energy, water, utilities and communications (ADP code = 874);
- EUR 11,021, i.e., 31.3% lower cost of transport and transport services (ADP code = 874); There were fewer business trips because of COVID-19, and consequently less use of company vehicles and lower costs for gas and maintenance and repair;
- EUR 292,302, i.e., 96.5% lower cost of business trips (ADP code = 874). Most business trips are done in the spring (March, April and May) and autumn (September, October and November), when the strictest limitation interventions for halting the COVID-19 epidemic were in force. Urgent business meetings were held over video conferences, and some business trips were postponed or cancelled. Because of the correction to the recognition of costs for the auction, as disclosed in 3.1.4, the value of business trips is EUR 278,214, i.e., 91.8% lower.
- EUR 14,999, i.e., 3.3% higher cost of regular maintenance (ADP code 874), especially because of less need for communication equipment maintenance. The costs were planned based on existing agreement, however, new agreements for 2021 increased the costs, and because of the maintenance of AKOS Test Net, which was planned as part of general services (account 4610), it was classified under current maintenance of communication equipment (account

4615). Because of the correction to the recognition of costs for the auction, as disclosed in 3.1.4, the value of current maintenance is EUR 21,124, i.e., 4.6% higher.

- EUR 42,550, i.e., 28.5% lower costs of business leases (ADP code = 874) because the planned conferences were not held or were held online, which meant that there was not need to rent a hall and the required technical equipment, and because of fewer business trips abroad, there was no need to rent parking spaces at the Jože Pučnik Airport Brnik; Because of the correction to the recognition of costs for the auction, as disclosed in 3.1.4, the value of business leases is EUR 30,303, i.e., 20.3% lower.
- EUR 49,805, i.e., 18.1% lower other operating expenses (ADP code = 874), primarily because of lower costs of attendance fees, professional seminars and training, and the smaller extent of work provided by students. Trainings were not held because of the measures to halt the spread of COVID-19 or because of unsuitable programmes (did not help employees with their work). There were also fewer expert trainings than planned because the providers did not respond to the public order, even though it was repeated several times. Lower prices than planned also affected the realisation. Because of the correction to the recognition of costs for the auction, as disclosed in 3.1.4, the value of operative costs is EUR 44,961, i.e., 16.3% lower.

## DEPRECIATION AND AMORTIZATION

Because of the changes to the accounting policy of recognising amortisation and depreciation in 2021, the Agency only recognised the amortisation and depreciation for fixed assets purchased after 1 January 2017 in the amount of EUR 265.35 (ADP code = 879), while it recognised amortisation and depreciation of fixed assets purchased after 1 January 2017 against liabilities for intangible assets and fixed assets. Because of the above, and because of the investments that were not realised in 2021, the Agency only realised 39.3% of the planned

amount of the amortisation and depreciation cost.

## REVALUATION OPERATING EXPENSES

In 2021 the Agency created EUR 17,617 expenses from revaluation operating expenses (ADP code = 884), i.e., 76.2% above plans, as the Agency formed corrections for values of claims for all unpaid, unimpaired claims for which there is reasonable doubt that they will be repaid (compulsory settlement, launch of bankruptcy proceedings).

## 4 OTHER DISCLOSURES

In relation to the lawsuit from A1 Slovenija against the Agency and the Republic of Slovenia, in which A1 Slovenija demands payment in the amount of EUR 3,309,051.21 with , plus statutory interest accruing from 24 May 2018, and the payment of cost of the proceedings plus the statutory interest. The reason for the lawsuit states that areas were determined incorrectly, leading to incorrect determination of locations at public tender with the public auction for awarding radio frequencies, which was announced in the Official Gazette of RS no 114/13 of 31 December 2013. The court of first instance ruled on 24 September 2020 to reject the lawsuit. A1 Slovenija appealed this. Ljubljana Higher court approved the appeal by a ruling on 25 May 2021, overruling the judgement of the court of first instance, and returned the case to the court of first instance. In the repeated procedure the court conducted an inquiry with GURS and ordered two hearings, with the next one scheduled for 21 April 2022. The Agency did not make any provisions in the form of long-term accrued cost or expenses based on Article 18 of the Accounting Act.

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No.: 450-12/2022/5

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