



NIX.CZ, z.s.p.o.
IČO 65990471
Lužná 591
160 00 Prague 6

Annual Report 2002



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1. Basic characteristics of the Association

Association NIX.CZ, z.s.p.o. was founded in 1996 and registered on October 1st, 1996 with the Register of Professional Legal Entities kept by the Department of Internal Affairs of the Municipal District Office of Prague 6 under reg. no. ZS/25/5/96.

Registered office: Lužná 591, 160 00 Prague 6
Business Identification No.: 65990471
Tax No.: 006-65990471
Telephone: +420 220 121 185
Fax: +420 220 121 184
e-mail: info@nix.cz
URL: http://www.nix.cz

Connection points:

NIX1
České Radiokomunikace
Mahlerovy sady 1
Prague 3

NIX2
GTS Telehouse
Vinohradská 190
Prague 3

Changes in membership base during the year 2002

New members

Company name	ICO	Since
Český mobil a.s.	25788001	1.3.2002
TransgasNet a.s.	26152436	1.3.2002
BroadNet Czech, a.s.	26201224	1.5.2002
TES Media, spol. s r.o.	18383891	1.6.2002
CE Com Czech s.r.o.	26147653	1.7.2002
INTERNET CZ, a.s.	26043319	1.7.2002
UTA Telekom s.r.o.	26475570	1.8.2002
České Radiokomunikace a.s.	60193671	1.10.2002
Globe Internet s.r.o.	25115804	1.12.2002

Membership termination

Company name	ICO	Date
Telenor ČR, s.r.o.	61856991	31.12.2002
KPNQWEST Czechia s.r.o.	48538701	31.12.2002



Membership base at 31.12.2002

Company name	ICO	AS
Aliatel a.s.	61058904	15485
AT&T Czech Republic, spol.s r.o.	25785435	2686
BroadNet Czech, a.s.	26201224	21435
BT (Worldwide) Limited	70802025	15494
Casablanca INT s.r.o.	25079832	15685
CE Com Czech, s.r.o.	26147653	24930
ČESKÉ RADIOKOMUNIKACE, a.s.	60193671	25248
Český Mobil a.s.	25788001	16019
CESNET, z.s.p.o.	63839172	2852
CL-NET s.r.o.	25011022	16246
Contactel, s.r.o.	25733621	1902
Czech On Line a.s.	63080150	6706
ČESKÝ TELECOM, a.s.	60193336	5610
ETEL s.r.o.	25630636	16075
EuroWeb Czech Republic, spol. s r.o.	48591319	5620
Equant Czech Republic, s.r.o.	49620037	8593
GlobalTel a.s.	26190516	15935
Globe Internet, s.r.o.	25115804	25234
GTS CZECH, a.s.	63999501	2819
INTERNET CZ, a.s.	26043319	24806
InWay, a.s.	25135198	8747
Ipex a.s.	45021295	9080
Mopos Communications, a.s.	26222396	8913
NEXTRA Czech Republic s.r.o.	25683691	6721
PRAGONET, a.s.	61059382	12767
SELFservis s.r.o.	18826016	12570
SkyNet, a.s.	25346687	5407
Radiomobil a.s.	64949681	13036
TES Media, spol. s r.o.	18383891	24828
Tiscali Czech Republic a.s.	26183951	25512
TISCALI Telekomunikace Česká republika s.r.o.	64788610	3257 (6740)
TransgasNet a.s.	26152436	9148
UPC Česká republika, a.s.	25621637	15512
UTA Telekom s.r.o.	26475570	8437
UUNET Czech s.r.o.	26174081	702

2. Mission of the Association

Activity of the Association

NIX.CZ, z.s.p.o. (Professional Association of Legal Entities) is an association of major Internet Service Providers (ISP) with activities on the territory of the Czech Republic. The goal of the Association is to operate a peering node of Neutral Internet Exchange enabling interconnection of the Internet Networks of the individual members (peering). Other activity of the Association is to protect common interests of the Internet network providers in the Czech Republic.



3. Statutory Body in 2002

Executive Committee

Changes in the year 2002 were brought by termination of member mandates. The following were members of the Board of Directors:

1.1.2002 – 27.11.2002	Mgr. Vojtěch Vrba	Chairman
	Mgr. Josef Chomyn	Member
	RNDr. Zbyněk Linhart	Member
27.11.2002 – 31.12.2002	Mgr. Josef Chomyn	Chairman
	Bc. Michal Krsek	Member
	Ondřej Filip	Member

4. Employees

Until February 28th, 2002, all activities of the Association had been outsourced or executed by the Executive Committee.

For this reason, a full-time employee was hired on March 1st, 2002 to serve as a Director of the Association. The Director assumes the administrative and operative functions of the Association, coordinates internal and external communication. In connection with the Executive Committee, he works on development and conception of the Association and prepares materials for member voting (on the Association Intranet), especially in the case of new members acceptance and major changes in the organization structure of the NIX Association.



5. Balance Sheet

(thousands CZK)

Year:	2002		2002
Assets total	3247	Liabilities total	3247
Receivables - subscribed owner's equity		Own resources	2025
Capital Assets	2323	Basic Capital	
Non-tangible Assets	0	Capital Funds	
Tangible Assets	2323	Retained Earnings	1277
Financial Investments		Last Year's Income	
Securities		Income from the Accounting Period	748
Floating Assets	924	External Resources	1222
Reserves		Reserves	
Long-term Receivables		Long-term Liabilities	47
Short-term Receivables	304	Short-term Liabilities	1175
Financial Assets	619	Bank credit	
Other Assets	1	Other Liabilities	0

6. Profit and Loss Statement

(thousands CZK)

Year	2000	2001	2002
Outputs and Sales	2185	1930	4818
Sales revenues	1835	1680	4818
Change in internal outputs ??	0	0	0
Activation	0	0	0
Output consumption and expenditures	1086	1654	1808
Added value	1099	276	3010
Personal expenditures	360	475	1381
Depreciation	214	272	727
Retained Earnings	0	0	0
Other operating revenues	20	23	0
Other operating expenditures	85	8	149
Operating income	-65	15	-149
Other financial revenues	6	9	3
Other financial expenditures	12	0	8
Income from financial operations	-6	9	-5
Income from regular activities	454	-447	748
Extra revenues	0	0	0
Extra expenditures	0	0	0
Extra income	0	0	0
Income	454	-447	748



7. Operations of the Association in the year 2002

Technical solutions

The overall aggregate data transmission through the Associations' connection nodes has increased from 300 Mb/s to more than 600 Mb/s, which represents more than double increase in volume. As this increase was expected, the Association had prepared for upgrade of their technologies accordingly.

After evaluation of possible alternatives, gigabit Ethernet switchboards (CISCO Catalyst 6006) have become the backbone technology of the of the NIX.CZ interconnection nodes. Thus the members are now able to log on a connection with capacity of 1 Gb/s. During the year 2002, 11 gigabit member connections have been implemented in total. The Association assumes that interest in gigabit connection will continue to increase, mainly due to the accessibility of the dark fiber or lambda leasing service from greater number of telecommunication service providers.

NIX.CZ interconnection technology remains at the Ethernet level. However, the Association assumes to install route collector and looking glass in order to improve the management of the operations. Also, the Association assumes that at the beginning of the year 2003, IPv6 protocol-based interconnection platform will be in service.

NIX.CZ has declared its interest in increasing the number of connection nodes into more access location. During the year 2002, three companies showed their interest: Redbus Interhouse, Pragonet and Sitel. Due to the fact that Redbus Interhouse has been liquidated, the NIX.CZ general assembly has assigned the Executive Committee to build new connection nodes only on the premises of Pragonet and Sitel before the end of February 2003. The new locations will allow the members better access selection, backup routes and also the possibility to benefit from competitive offers from various providers.

The Association has allowed the Internet community to monitor the condition and traffic on selected data connections through its server (<http://www.nix.cz>). It is possible to monitor switchboards and ports, overall volume through the connection nodes of the Association and traffic load on the connection of those members who have allowed to publicize such data. Members are able to monitor traffic load of all connections on the Intranet. This measure will allow for faster localization of all possible connectivity problems within the Association.

During the month of August 2003, the city of Prague was affected by heavy floods. This event did not directly affect the activities of the Association, as the nodes were located outside of the flooded area. However, the flood caused company Redbus Interhouse to go out of business in the Czech Republic, which affected the extension of the total number of nodes controlled by the Association.



Membership base

In total, 9 companies joined the NIX.CZ Association during the year 2002 (Broadnet Czech, CE Com Czech, České Radiokomunikace, Český Mobil, Globe Internet, Internet CZ, Tes Media, TransgasNet, UTA Telekom). On December 31st, 2002 two companies terminated their membership: KPNQwest and Teleglobe.

During the year, the total number of members of NIX.CZ has thus increased to 35.

Annual membership fee for the services for the year 2002 was 105.000.00 CZK. Annual fee for the year 2003 has been set to 144.000.00 CZK for each member.

Organization structure

The new director of the Association, Ing. Tomáš Maršálek, was hired on March 1st, 2003. Members' meeting in November 2002 voted for a new Executive Committee with a three-year mandate. The Executive Committee members are Ondřej Filip, Mgr. Josef Chomyn, Chairman, and Bc. Michal Krsek.

The Articles and the Operation rules of the Association have been modified to allow the utilization of NIX.CZ services to non-members as well as a service to customers. This change now allows for connection of foreign subjects, whose membership in similar associations creates an organizational as well as legislative problem, although they are still interested in services of the connection center.

The Members meeting approved the conception of the Association for the years 2003 - 2004.

The members have approved NIX.CZ to join the European Internet Exchange Association Euro-IX, (<http://www.euro-ix.net>). NIX.CZ will benefit from the membership by gaining access to knowledge and experience of other Internet Exchange Centers, by standardization of its operations and also by compatibility after the accession of the country to the EU.

A NIX.CZ representative has been nominated to the Steering Committee of the Forum for New Models of Dial-up Internet. The role of the Forum is to prepare final documentation for the Czech Telecommunication Authority ruling with regards to the future technical and economic model of commuted Internet access.

Presentation of the Association

In 2002, the presentation of the Association concentrated into two areas: the first area is informing of the expert community about the activities of the Association within the Czech market. The Association web presentation served as the main communication tool, together with press releases by the Association.

The second area of interest was informing of foreign ISP about the activities of the Association. The goal was to bring those subject as customers for the Association.



Again, the Association web presentation served as the main communication tool, as well as current presentations at RIPE conferences within the EIX-WG work-group.

8. Strategic goals for the years 2003-2004

Association NIX.CZ will maintain at least two independent circuit connection nodes under full contractual control by NIX. Those nodes will maintain mutual interchangeability in the event of short-term service blackout and elementary competition amongst the data circuit providers.

There is a possibility to expand access points to other locations. All new NIX access nodes will maintain the same service quality standards as the NIX circuit nodes.

NIX Association will offer its services to foreign subjects or to subjects who do not intend to become NIX members. Such services will be provided for a fee and will include connection within the NIX node or access point into the common NIX segment. The technical and operational requirements for such customers will be the same as for the members.

Technical development, with respect to requirements of members during the years 2003-2004 will include acquisition of full redundancy technology for the existing NIX equipment, which will allow direct and secure interchangeability of technologies in the event of blackout.

The Association will continue to follow the current trends in collocation technologies and services and will adjust the best price/output ratio, development strategy, changes, diversification of activities and services provided to members and to customers. Due to the current trend of members requiring gigabit Ethernet ports, we plan to acquire technology allowing all members to connect with a gigabit capacity connection before the year 2004.

In order to simplify members routing, NIX.CZ is able to operate two routers allowing for BGP peering. Each router will propagate its own AS NIX (AS6881) and should have connection to the routers of the individual members. Each NIX.CZ router will maintain several BGP connections (according to the number of members) and, at the same time, each member's router will operate only two BGP connections (with each NIX.CZ router), and not BGP connections with routers of other members.