



Czech Telecommunication Office

November 2020

Telegraphically

Completion of Migration to DVB-T2

The transition to the new standard of terrestrial digital television broadcasting, DVB-T2/HEVC, was successfully completed in the Czech Republic at the end of October in compliance with the [Government Order on the Technical plan for the transition to DVB-T2 standard](#), fulfilling the harmonization plan of the EU to release the 700 MHz band for mobile broadband networks.

Meeting with the sector

A postponed workshop with operators and associations on the comparison tool and the forthcoming data transfer decree took place on Monday, 23 November. The meetings of CTU with operators will continue in the coming months, discussing topics such as quality of service, transposition amendment to the Electronic Communications Act and the Electronic Data Collection System (ESD).

T-Mobile launched a 5G network

O2 [announced](#) the launch of commercial operation of a 5G network in June, Vodafone [launched](#) 5G in October, and T-Mobile [joined](#) them from November. It launched a fifth-generation network in the broader center of Prague and Brno, and plans to build 335 base stations by the end of the year. T-Mobile launches 5G network on frequencies currently used for 3G and LTE, with dynamic spectrum sharing between LTE and 5G, at frequencies in 2100 MHz and 1800 MHz.

The first contract cannot be concluded for more than 24 months

The judgment of the Municipal Court in Prague of 13 October 2020 confirmed the CTU-backed interpretation of [Section 63 Paragraph 7 of the Electronic Communications Act](#), according to which the first contract with consumer for an Internet access service may not be concluded for a definite period longer than 24 months.

In November 2018, the then CTU Council Chair confirmed a first-instance decision by which an unnamed company based in the Zlín Region was found guilty of committing an administrative offense by concluding the first contracts with consumers for an electronic communications service (Internet access service) for a definite period, when the term of the contracts was set for a period longer than 24 months.

The company did not dispute the fact that it had concluded the first contracts with consumers for a period of more than 24 months. However, it defended its actions by stating that the provision of Section 63 Paragraph 7 of the Act, part after the semicolon, provides for an “exception from the provisions of the whole paragraph”, and thus allows the conclusion of the first contract for a period longer than 24 months in the event that the user requests the conclusion of such a contract. It further argued that the ambiguities, if any, in the legislation could not be to its detriment and that it cannot be fined for an offence that is not clearly and intelligibly described in the law.

The company subsequently challenged the CTU's decision in an administrative action, which was dismissed by the Municipal Court in Prague and confirmed the contested CTU decision, as it agreed with it and its justification. The claimant's (company's) argument, that the Universal Service Directive does not prohibit the parties to the contract from agreeing on a different arrangement, did not stand. CTU complied with its obligation to interpret the relevant provisions of the Electronic Communications Act in a EU-conforming manner, since the interpretation contained in the cited decision meets the requirements laid down by the Universal Service Directive. Under this Directive, contracts concluded between businesses and consumers may not provide for an initial contract term exceeding 24 months, regardless of whether or not either party proposes to agree on a longer contract.

Market analyses and regulation

Market No. 1 - wholesale call termination services in individual public telephone networks provided at a fixed location, and market No. 2 - wholesale voice call termination services in individual mobile networks

At the beginning of November 2020, CTU completed the administrative proceedings concerning the imposition or cancellation of obligations related to price regulation on relevant markets No. 1 and 2 (fixed and mobile termination). In the relevant market No 1 CTU issued decisions addressed to undertakings with significant market power, namely 25 decisions imposing regulatory remedies and 25 decisions on price regulation. There was no change in the scope of obligations within these decisions; the obligations were newly imposed on 4 entities in market No. 1, in one case the existing obligations were canceled in the same market. As part of the price decision, CTU set the maximum regulated price for termination at CZK 0.033 (without VAT) per minute and issued one price decision revoking the price regulation previously imposed on the entity concerned.

In the relevant market No 2, CTU issued 4 decisions on regulatory remedies and 4 decisions on prices regulation on undertakings with significant market power. There was no change in the scope of the obligations either. As part of the price decision, CTU set the maximum regulated price for termination at CZK 0.248 (without VAT) per minute.

During the next year, these regulated prices will be replaced by rates that will be set by the European Commission by a regulation to be adopted until end of 2020 in accordance with Article 75 of Directive [2018/1972](#) establishing the European Electronic Communications Code. All these decisions are available [here](#) for relevant market No. 1 and [here](#) for relevant market No. 2.

Universal service

NET COSTS FROM THE PROVISION OF THE UNIVERSAL SERVICE

On 26 October 2020, CTU issued a decision on net costs for 2019 in the amount of CZK 25,548,613.83 and established that net costs represent an unbearable burden for universal service provider, O2. These net costs were incurred in 2019 in connection with the provision of partial services of the universal service, namely the services of public payphones (in municipalities with population up to 499 and in selected locations in municipalities with population up to 4,999) and the sale of specially equipped telecommunications terminal equipment. O2 submitted a request for the reimbursement on 23 July 2020 in the amount of CZK 25,553,251.35. CTU verified the submitted calculation both on the basis of the documents that were part of the request and of the additionally requested information from the accounting records. The identified deficiencies were corrected by O2 in a new calculation. The net costs will be reimbursed from the state budget through CTU. With regard to the outcome of the review of the obligation to provide a partial service of public payphones or other similar technical means enabling access to a publicly available telephone service pursuant to [Section 38 Paragraph 2 Point \(e\) of the Electronic Communications Act](#), this service will **not be made compulsory as part of the universal service** in 2021. The results of the review, including the settlement of comments on the intention not to impose this partial service, can be found [here](#).

SPECIAL PRICES

On 29 October 2020, CTU issued a decision on compensation for the loss from the provision of special prices for 2019 in the amount of CZK 67,788,436.65. O2 submitted a request for the reimbursement of the loss in the amount of CZK 67,863,789.28 on 23 July 2020. CTU checked whether the submitted calculation complies with the Government Order [No. 109/2008 Coll.](#), as amended, and whether the loss resulted only from the provision of discounts to disabled individuals, as defined in [the Electronic Communications Act](#). The identified deficiencies were rectified by O2 in an adjusted calculation. The loss from the provision of special prices will be reimbursed from the state budget through CTU.

SPECIAL TERMINAL EQUIPMENT

On 20 October 2020, CTU [launched](#), with regard to the expiry of the decision No. [ČTÚ-64 180/2017-610/XI. vyř.](#), a review of the grounds on which an obligation is imposed to provide within the universal service the partial service of

access of disabled persons to publicly available telephone service, directory enquiry service and directories, equivalent to that enjoyed by other end-users, particularly by means of specially equipped telecommunication terminal equipment pursuant to [Section 38 Paragraph 2 Point \(f\) of the Electronic Communications Act](#).

CTU discovered deficiencies in updating the operators' contract terms

Recently, CTU checked the incorporation of the changes resulting from the amendment to the Electronic Communications Act into the contract terms of operators. The most common deficiencies were the failure to incorporate a reduction in the amount of payment for early termination of a fixed-term contract.

In the [previous monitoring reports](#), CTU presented the most fundamental changes that were introduced by an important [amendment to the Electronic Communications Act No. 311/2019 Coll.](#) which is in effect since 1 April 2020. As part of its duties, CTU naturally also monitors how (and if at all) providers of electronic communications services have incorporated these new rules into their contract terms.

In this context, CTU has recently checked the contract terms of selected providers of electronic communications services. Three major providers of electronic communications services and 27 selected virtual operators using the mobile access network of these three largest operators were checked.

The key areas on which CTU focused in its inspection activities were the institutes most affected by this amendment, i.e., telephone number portability, termination of a fixed-term contract before the end of the agreed term, and extension of application of the existing provisions of the Electronic Communications Act to natural persons acting as entrepreneurs in addition to consumers (for more information on these provisions see the October [monitoring report](#) of CTU).

Regarding the adjustment of the terms of telephone number portability, only partial deficiencies were identified. Some smaller providers were found to still charge for porting of a telephone number, while some providers did not include into their contract terms the newly established "one stop shop" institute allowing the subscriber to request that all necessary matters related to the porting of a telephone number are completed by the receiving provider.

A relatively fundamental change concerning the reduction of the amount of payment for early termination of a fixed-term contract was not reflected in the contract terms of more than half of the inspected entities.

Even the relevant provisions of the Electronic Communications Act, which newly grant natural persons acting as entrepreneurs the same legal status as consumers, were not incorporated into the contract terms by the inspected providers in all cases. For example, the right to withdraw from a contract concluded remotely within the statutory period was not properly regulated by half of these entities.

In the case of identified deficiencies, CTU will launch proceedings on administrative offence connected with proceedings on imposition of an obligation to adjust the contract terms.

Checked by CTU in October...

...compliance with conditions of General Authorization No. [VO-R/12/12.2019-10](#) for the utilization of radio frequencies and operation of devices for broadband data transmission in the 2.4 GHz to 71 GHz frequency bands

CTU carried out a total of 26 inspections. Deficiencies were identified in 20 cases, in particular the effect of harmful interference with stations of priority radiocommunications services (meteorological radars) and the use of indoor frequencies outside a building, which were resolved by a call to eliminate the identified deficiencies and which will subsequently be addressed in administrative proceedings.

... use of radio frequencies without authorization

CTU carried out a total of 14 inspections focused on the use of frequencies without authorization. In 11 cases the inspections revealed use of frequencies without individual authorization; the cases were referred for resolution in administrative proceedings.

... sources of interference with the operation of electronic communications equipment and networks, the provision of electronic communications services or the operation of radiocommunications services

In October, CTU completed a total of 149 investigations, of which there were 93 cases of interference with television reception (of which 87 cases of interference with DVB-T2 reception), 15 cases of interference with GSM, LTE and UMTS public mobile communications networks, 30 cases of interference with a meteorological radar, three cases of interference with radio reception, and eight cases of interference with various systems (amateur service equipment, PPS converter, WiFi station, short-range devices and PMR station). The investigation of complaints about poor TV reception revealed that in 61 cases the defect was in the viewer's equipment, in six cases it was due to the effect of shading, reflections or reception of signal in a non-covered area, in 12 cases the interference stopped or occurred sporadically. 13 interference reports were cancelled by their submitters during investigation of the interference. In one case, interference from an LTE base station was detected (see the following paragraph).

... trial operation of LTE base stations in the 800 MHz band

As of 31 October 2020, 241 base stations were in trial operation, and 16,990 stations were in permanent operation. In October, an LTE base station was identified as a source of TV signal interference in one case. Defects of the reception equipment of television viewers were identified as the source of interference to mobile networks in six cases.

... cooperation between CTU and the Czech Trade Inspection Authority

When carrying out an inspection focusing on compliance with the General Authorization No. [VO-R/10/12.2019-9](#) to use radio frequencies and to operate short-range devices, by a vendor in Kyjov two devices (wireless doorbells) were found to be transmitting in a frequency band that was reserved in the Czech Republic for non-civil use by the Ministry of Defense of the Czech Republic. The identified deficiencies are addressed by the Czech Trade Inspection Authority within its scope of powers.

...inspection of postal services

In October, CTU carried out inspections of the delivery of D+1 postal items in accordance with [Section 3 Paragraph 2 Point \(d\) of the Postal Services Act](#). A total of 77 delivery post offices of Česká pošta, s.p. (Czech Post) throughout the Czech Republic were checked. Deficiencies were identified by 18 post offices. There is currently a time period for objecting to the inspection findings.

2029 – the number of **administrative proceedings initiated** in October concerning subscriber disputes between the person carrying out the communication activity and the subscriber. These are disputes over payments and objections to the settlement of a complaint about the billing of the price or the provided publicly available electronic communication service.

3649 - the number of **decisions issued** in October on the matter, of which 3,635 decisions concerned a dispute over payment (payment of the price for services).

Legislative changes

DECREE ON THE DIGITAL TECHNICAL MAP OF A REGION

On 6 October 2020, [Decree No. 393/2020 Coll.](#), on the digital technical map of a region, was published in Volume 159 of the Collection of Laws.

This Decree is a new legal regulation issued by the Czech Office for Surveying, Mapping and Cadastre to implement the Section 20 Paragraph 1 Point (i) to (m) of Act [No. 200/1994 Coll., on land surveying](#) and on the amendment of certain Acts related to its introduction, on the basis of its amendment carried out by Act [No. 47/2020 Coll.](#) It is Act No. 47/2020 Coll. that introduced into the legal order of the Czech Republic a comprehensive legal regulation of creation and management of digital technical maps.

The creation of digital technical maps should contribute to the effective fulfillment of the obligations arising for the Czech Republic from Directive [2007/2/EC](#) of the European Parliament and of the Council of 14 March 2007 establishing an Infrastructure for Spatial Information in the European Community (INSPIRE) and from Directive [2014/61/EU](#) of the European Parliament and of the Council on measures to reduce the cost of deploying high-speed electronic communications networks.

This Decree comes into effect on 1 July 2023, with the exception of the provisions of [Section 8](#) which comes into effect on 1 January 2023.

ACT ON ACCELERATING THE BUILDING OF TRANSPORT, WATER AND ENERGY INFRASTRUCTURE AND ELECTRONIC COMMUNICATIONS INFRASTRUCTURE

On 13 October 2020, Act [No. 403/2020 Coll.](#), amending Act [No. 416/2009 Coll.](#) on accelerating the building of transport, water and energy infrastructure and electronic communications infrastructure, as amended, and other related acts, was published in Volume 163 of the Collection of Laws.

This Act should enable faster and more efficient preparation of construction projects of transport, water and energy infrastructure, as well as electronic communications infrastructure, and therefore it

contains, for example, amendments to the Building Act, as well as the Expropriation Act and the Administrative Procedure Code as regards the issue of binding opinions in relevant proceedings pursuant to Act No. 416/2009 Coll. or the Building Act.

This Act comes into effect on 1 January 2021.

Price and quality comparison tool

As CTU has continuously informed in previous monitoring reports (see Monitoring Report [12/2019](#), [1/2020](#), [4/2020](#), [5/2020](#) and [7/2020](#)), it has been preparing, in compliance with [Section 66a of the Electronic Communications Act](#), a comparison tool for the prices and quality of different electronic communications services and a related decree setting out the scope, form and method for providing information by operators necessary to inform this tool. CTU planned a workshop with stakeholders on 14 October 2020 to introduce this tool and the method of providing information, which, however, was canceled due to the declared state of emergency. The workshop took place later on an alternative date on 23 November. CTU received a number of factual suggestions, which were evaluated. All comments and suggestions received on the draft decree in the inter-ministerial consultation procedure were settled by CTU and will be sent to all entities concerned.

Preparation for data collection for 2020

With regard to the current state of preparation of the new Electronic Data Collection System (ESD), CTU has decided that data for the period of 2020 will be provided by service providers and operators by means of the existing ESD system. For this purpose, CTU will also publish all information serving as a basis for the collection of data for 2020 on its website in the usual manner.

To discuss the preparation of data collection in the new ESD system, CTU intends to organize a workshop with stakeholders in March.

The number of complaints falling within the scope of the Consumer Protection Act is increasing

For the 3rd quarter of 2020, CTU registered 511 complaints of subscribers/users. Out of this number, 344 complaints were settled in accordance with the Electronic Communications Act, 31 could not be settled by CTU due to lack of jurisdiction and were forwarded to other competent authority, and 136 complaints were unfounded and the investigation thereof identified no violation of law. In the reference period, CTU received 23 complaints in the area of consumer protection; consumers contact CTU in situations where they consider the presentation of services offered to them to be inaccurate, misleading or outright deceptive.

In the 3rd quarter of 2020, CTU registered 13 more complaints than in the previous period. Year-on-year, compared to the 3rd quarter of 2019, CTU registers 19 more complaints.

Telecommunications regulation in the EU

Official Journal of the EU

On 9 October, Commission [Implementing Decision \(EU\) 2020/1426](#) on the harmonised use of radio spectrum in the 5 875-5 935 MHz frequency band for safety-related applications of intelligent transport systems (ITS) and repealing Decision 2008/671/EC, was published. This decision will play a role in achieving EU goals in road safety for 2021 – 2030, including 50% reduction of casualties and for the first time also reduction of serious injuries.

On 22 October, Council [Implementing Regulation \(EU\) 2020/1536](#) of 22 October 2020 of implementing Regulation (EU) 2019/796 concerning restrictive measures against cyber-attacks threatening the Union or its Member States, was published. Two natural persons and one body should be included in the list of natural and legal persons, entities and bodies, subject to restrictive measures set out in Annex I to Regulation (EU) 2019/796. Those persons and that body are responsible for or were involved in cyber-attacks with a significant effect which constitute an external threat to the Union or its Member States. The same step was also done in the pillar of the Common Foreign and Security Policy by publishing [Council Decision \(CFSP\) 2020/1537](#) of 22 October 2020 amending [Decision \(CFSP\) 2019/797](#) concerning restrictive measures against cyber-attacks threatening the Union or its Member States, by adding records to the relevant Annex.

On 27 October, Commission [Implementing Decision \(EU\) 2020/1562](#) of 26 October 2020 amending [Implementing Decision \(EU\) 2020/167](#) as regards harmonised standards for certain radio equipment concerning advanced surface movement guidance and control systems, primary surveillance radars, broadcast sound receivers, international mobile telecommunications equipment and fixed radio systems, was published. This implementing decision entered into force on day of its publication in Official Journal of the European Union, on 27 October 2020.

European Commission

On 19 October European Commission published its [Work Programme for 2021](#). The aim of this Work Programme is to make Europe healthier, fairer and more prosperous, while accelerating its long-term transformation into a greener economy, fit for the digital age. The Programme consists of new legislative initiative across all six headline ambitions.

1. A European Green Deal
2. A Europe fit for the digital age
3. An economy that works for people
4. A stronger Europe in the world
5. Promoting our European way of life
6. A new push for European democracy

The new Commission Work Programme confirms the Commission's resolve to lead the twin green and digital transition – a unique opportunity to move out of the fragility of the crisis and create a new vitality for the Union.

On 19 October, the Commission, at the invitation by EU Member States, has set up an EU-wide system to ensure interoperability of mobile apps – a so called “[gateway](#)”, to trace possible COVID-19 contacts across borders. The system goes live with the first wave of [national apps](#) now linked through this service: Germany's Corona-Warn-App, Ireland's COVID tracker, and Italy's immuni. The second group of apps will be linked next week. Also Czechia's eRouška is expected to join.

Cyber security

On 20 October, the European Union Agency for Cybersecurity (ENISA) has published the [8th annual ENISA Threat Landscape \(ETL\) report](#), identifying and evaluating the top cyber threats for the period 2019-2020.

BEREC

In mid-October BEREC has published two Opinions on the Commission's legislative proposals:

1. [BoR \(20\) 174](#) BEREC Opinion on the European Commission's Draft Recommendation on relevant product and service markets susceptible to ex-ante regulation
2. [BoR \(20\) 190](#) BEREC Opinion on the Draft Delegated Act setting single maximum Union-wide voice fixed and mobile termination rates

The [8th BEREC Stakeholders](#) forum was a virtual event due to uncertain situation caused by the COVID-19 pandemic. It took place on 19 October 2020. The main topic of the Stakeholder Forum was regulation of digital platforms. As in previous years, the Draft BEREC 2021 Work Programme was presented. Participants were invited to follow the thematic discussions relevant to the current challenges in the telecoms market with the current BEREC Chair, Mr Dan Sjöblom, and with the incoming BEREC Chair, Mr. Michel Van Bellinghen. The [video recording](#) of the stakeholder forum is available on BEREC websites.