



Český telekomunikační úřad

MONTHLY MONITORING REPORT

January 2014

CONTENT

- ♦ Situation on the electronic communication market . 2-3
- ♦ Market analyses 3
- ♦ Virtual operators..... 4-5
- ♦ Controlled by CTO..... 5-6
- ♦ Legislative changes..... 7
- ♦ EU regulations 7
- ♦ Radio spectrums 7
- ♦ THEME OF THE MONTH:
Complaints of subscribers
and users of services in Q4
2013 8-11

Executive summary

Frequency auction

Czech Telecommunication Office (hereinafter referred to as “the Office”) invited the successful bidders within the tender for frequencies for LTE networks to pay the price for the frequencies acquired by them. After the payment has been made (estimated in February 2014) the Office will decide on allocation of the radio frequencies.

Tender procedure – special prices

On 17 January the Office published in part 1/2014 of the Telecommunication Bulletin an announcement of a tender for businesses providing special prices within the universal service (businesses providing a publicly available telephone service which will be obliged to allow individuals with special social needs to choose from prices or price plans which are different from the price plans offered under standard commercial terms, so that these individuals have access to and can use partial services and the publicly available telephone service) pursuant to Section 38 (3) of the Electronic Communications Act. The potential bidders have not used their opportunity to submit questions to the Office until 22 January regarding the subject of the tender. Applications to the tender could be submitted until 5 February 2014. Within the specified period only Telefónica Czech Republic, a.s. filed the application, and the selection committee recommended in February to impose the obligation of “special prices” on this company.

The Office will provide training in antenna maintenance prior to the construction of LTE networks

Czech Telecommunication Office is preparing a number of measures in connection with the anticipated commencement of construction and operation of LTE networks in the frequency band 800MHz which are aimed at helping with the problem of interference, if any, with the reception of terrestrial digital broadcasting (DVB-T). Even now, before the operators launch their networks on the frequencies acquired, the Office is preparing steps to mitigate the negative effects of the interferences, including technical training of the maintenance companies provided by the Office staff.

Risk of interference with DVB-T is increased when:

- ♦ the TV set is located near the LTE base station working in the band 791 to 821 MHz or close to a subscriber's LTE terminal,
- ♦ the customer receives television signal in channels 59 and 60 (i.e., frequencies 774 MHz to 790 MHz),
- ♦ DVB-T signal coverage is lower in the area where the customer is lo-

cated,

- ♦ the customer uses an active indoor TV antenna; the customer uses any other alternative antenna,
- ♦ the customer uses a regular TV antenna with signal amplification, in particular with broadband amplification,
- ♦ the television antenna system is defective or is incorrectly configured.

The Office offers technical training of antenna installation and maintenance

companies. According to the estimates, the necessary modifications or repairs of DVB-T reception antenna systems are to be carried out after a prior decision of the Office on the source of interference.

In this context, the Office has offered the maintenance companies which were interested to provide technical training on the issue of electromagnetic interference between LTE and DVB-T systems, including the information on the method of rectification of defects.

The Office is also preparing an information campaign on this issue, primarily through local government bodies and DVB-T broadcasting network operators. At the same time, the Office will speed up the investigation by the supervisory bodies in order to deal with the individual cases of interference as quickly as possible.

Situation on the electronic communication market

Telefónica

Telefónica has changed the conditions of the use of the Blue Line (Modrá linka) 844 service and the White Line (Bílá linka) 840 – 842 service provided on subscriber residential lines. Starting 8 February 2014 it will not be possible with these services to redeem the free minutes included in the plan (Volání CZ 50, Volání CZ 80, Volání CZ 200, Volání CZ 500) or the supplemental package (O2 Pevná 50, Nonstop with Digital Line ISDN2, Nonstop Start with Digital Line ISDN2). The price of calls remains the same (with Blue Line CZK 1.20 per minute, for calls with White Line CZK 1.61 per minute) within the purchased plan (Volání CZ 50, Volání CZ 80, Volání CZ 200, Volání CZ 500). The same will apply from 17 March 2014 to subscriber lines for business purposes.

Telefónica stated in the price list for the O2 TV digital TV service valid from 1 January 2014 that starting 8 February 2014 it is entitled to charge the subscriber for early termination of the service (lump-sum indemnification) in the amount of one fifth of the sum of monthly fees (according to the current fee inclusive of VAT) remaining until the end of the agreed-upon term.

Telefónica has extended until 30 June 2014 the special offer O2 Internet Bundle with automatic prolongation as well as the special offer O2 TV with the existing Internet connection. Customers who newly purchased the digital TV service O2 TV with the O2 TV Flexi plan with the existing O2 Internet connection with the Internet Optimal plan or Internet Aktiv plan until 31 January 2014 will pay a monthly fee of CZK 151 for the use of the O2 TV Flexi plan while using the aforesaid Internet connection instead of CZK 202. The offer is conditional upon a commitment of continuous use of the digital TV service O2 TV and proper payment for it over the period of 12 months.

From 13 January 2014 Telefónica decided to increase the data limits in selected mobile data plans while

preserving the current prices. In the data service called 'Internet v mobilu S' the data limit is increased from 150 MB to 200 MB (the price for the data service remains CZK 151.25 per month), and in the data service called 'Internet v mobilu M' the data limit is increased from 1 GB to 1.5 GB (the price for the data service remains CZK 303 per month). The data limit increase also applies to the owners of fixed-fee plans, specifically Free O2 Plus, Free CZ and Free EU. In the Free O2 Plus plan the data limit is increased from 150 MB to 200 MB, and in Free CZ and Free EU plans it is increased from 1 GB to 1.5 GB.

In data packages designed for customers with prepaid card the data limit increase applies to the service called 'Internet v mobilu+ S' where the data limit is increased from 37.5 MB to 50 MB per week and to 'Internet v mobilu+ M' where the weekly data limit is increased from 250 MB to 375 MB. The price of Internet v mobilu+ S remains CZK 50 per week and the price of Internet v mobilu+ M remains CZK 90 per week. The weekly data limit is also changed in the package FREE CZ, namely from 250 MB to 375 MB. The price of the package remains CZK 225 per week.

In connection with the increase of data limit the data download speed after exceeding the data limit is changed from 8 February 2014. While in prepaid services the speed remains 200 kbit/s, in the fixed-fee services the download speed will decrease from the current 200 kbit/s to 64 kbit/s. The change of data limit also applies to mobile connection for tablet PCs and notebooks where the data limit is increased from 1 GB to 1.5 GB with the data service called 'Mobilní internet M' for CZK 303 per month. After the data limit is exceeded the data transmission speed will drop to 64 kbit/s.¹

Telefónica changed the conditions for the plan called [kúl:] (original name

O2 [kúl:]). The change applies to the customers of Telefónica who are already using the plan O2 [kúl:] separately or in combination with the 'Internet v mobilu' data service and to customers using the O2 Pohoda plan with the 'Internet v mobilu' data service. Customers using one of the above-mentioned plans will be transferred under the new conditions to the plan called [kúl:] starting 8 February 2014. They will also be able to choose between a commitment for 24 months for CZK 299 per month or an option without a commitment for CZK 449 per month. The plan [kúl:] newly includes free text messages (SMS) in own network, 120 free minutes for calls to all networks within the Czech Republic, and Internet v mobilu service with data limit of 200 MB. The price of a call beyond the free minutes is CZK 3.50 per minute, the price of an SMS to the other networks within the Czech Republic is CZK 1.50 per SMS.

The original plan O2 [kúl:] was only offered in a version with a commitment for 24 months with monthly fee of CZK 250 per month, 60 free minutes to all networks within the Czech Republic (on top of the free minutes CZK 4.60 per minute), free SMS within the network of Telefónica, and SMS to the other networks within the Czech Republic for CZK 1.60 per SMS.

The original plan O2 Pohoda was also offered only in a version with a commitment for 24 months for CZK 180 per month. The plan included 40 free minutes to all networks within the Czech Republic and 100 free SMS to all networks within the Czech Republic. The price of a call on top of the free minutes was CZK 4.60 per minute and the price of one SMS after exceeding the number of free SMS messages was CZK 1.60.



Vodafone has been providing since 24 January 2014 an extended offer of mobile Internet connection. Within Vodafone's plans the data li-

(continue on page 3)

¹ The decrease of the data transmission also applies to the Internet package called 'O₂ Mobilní Internet 1 den' with daily data limit of

100 MB for CZK 50. Here also, starting 8 February 2014, the data transmission speed will decrease to 64 kbit/s.

(continue from page 2)

mit was increased in the plan called 'Red do sítě' where the monthly data limit was increased from 150 MB to 250 MB. Also the data plans have changed, and they can now be purchased separately. In the plan called 'Připojení pro mobil standard' the monthly data limit was increased from 150 MB to 250 MB while keeping the same price of CZK 178.48 per month. Vodafone no longer offers the older mobile connection plans with data limit ranging from 300 MB per month to 1.2 GB per month and with monthly fee from CZK 251.08 per month to CZK 452.74 per month. The current offer of the "Mobilní připojení" plans currently applies also to 'internet v mobilu'. These are no-commitment plans Mobilní připojení 500 MB for CZK 249 per month, Mobilní připojení 1.5 GB for CZK 399 per month, Mobilní připojení 4 GB for CZK 519 per month.

Vodafone also introduced a new data plan called 'Mobilní připojení

Turbo' with the so-called smart data limit. The plan intended for sharing large files, audio and video streaming from the Internet is with data limit of 20 GB; after exceeding this limit the speed will drop to 64 kbit/s. For other applications and services the plan is without data volume limit.

The plan called Mobilní připojení Turbo can be purchased in a version without a commitment for CZK 999 per month or with a commitment for 24 months for CZK 499 per month. The offer is limited to 30 April 2014



UPC offered new customers, within a promo offer valid until 31 January 2014, price discounts on the digital TV services Klasik+, Komfort+ and Mini which are only applicable to on-line orders with a commitment of using the service for 12 months. With the

Klasik+ service customers will pay a monthly fee of CZK 200 instead of the standard price of CZK 400.57 and can get one of the packages Sport, Relax or Darwin free of charge. Within this plan it is possible to use more than 50 Czech and Slovak programs including 12 HD programs. With the Komfort+ service customers will pay a monthly fee of CZK 379 instead of the standard price of CZK 578.49 within this special offer, and during this time they can use more than 100 programs including 22 HD programs. Customers who ordered on line the digital TV service called Mini within this special offer will pay a monthly fee of CZK 154 for this service instead of the standard price of CZK 221.64 and will be able to watch more than 20 Czech programs including 7 HD programs within this special offer. The price for the set-up of the service is CZK 99.

Market analyses

Market No. 1 – access to public telephone network at a fixed location

On 17 January 2014 the public consultation on the proposed measure of general nature – analysis of market No. A/1/XX.2013-YY, market No. 1 – access to public telephone network at a fixed location. Suggestions on the proposed analysis were raised by two entities. In February 2014 the Office will publish the settlement of these suggestions and subsequently prepare a modified proposal of the analysis which will be submitted by the Office, after hearing in the Council, to the Office for the Protection of Competition for commenting.

Market No. 2 – call origin (origin) in the public telephone network at a fixed location

At its meeting on 10 January

2014 the Council of the Office discussed the proposals of the decisions which defined the undertakings with significant market power in relevant market No. 3. The Office subsequently opened the relevant administrative proceedings with 28 entities. In the period 24 January through 30 January 2014 there was a reduced public consultation on the proposed decisions. No objections were raised.

Market No. 6 – wholesale terminating segments of leased lines, irrespective of the technology used to provide leased or dedicated capacity

On 21 January 2014 the Council of the Office discussed the proposal of analysis of relevant market No. 6 which included the conclusions of the public consultation. The Office submitted the proposal to the Office for the Pro-

tection of Competition for commenting.

Market No. 7 - call termination on individual public mobile telephone networks

At its meeting on 10 January 2014 the Council of the Office discussed the proposals of the decisions which defined Telefónica Czech Republic, a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s., and Air Telecom a.s. as undertakings with significant market power in relevant market No. 7. The Office subsequently opened the relevant administrative proceedings with the four entities. In the period 24 January through 30 January 2014 there was a reduced public consultation on the proposed decisions. No objections were raised during the period within the public consultation.

Virtual operators

CityMobile

At the beginning of January 2014 a new virtual operator CityMobile owned by City mobile s.r.o. entered the mobile call market, offering its services through Vodafone's mobile network. The operator offers its customers plans called "SEKUNDOVKA", "CITY MINI", "CITY STANDARD", "CITY MAX" and "CITY RODINA"¹ described in table No. 1. In comparison with the other plans, "SEKUNDOVKA" offers customers a lower price of calls within own "network" in the amount of CZK 1 per minute and call billing in one-second increments (1+1). The price of calls to the other mobile networks within the Czech Republic is CZK 1.8 per minute. The other plans offer a uniform price of calls to all networks within the Czech Republic in the amount of CZK 1.50 per minute with call billing in one-second increments after the first minute called (60+1).

In connection with the launch of the mobile services CityMobile started offering a discount for the first 500 customers in the amount of 50 % on the monthly price over the period of one year for the following plans: "CITY MINI", "CITY STANDARD", "CITY MAX" and "CITY RODINA" where the condition is advance payment of a lump-sum fee corresponding to the yearly plan amount.

In addition to the basic plans, the operator offers the possibility to purchase additional packages of 100, 200 and 3000 free minutes to own "network" for CZK 59/99/159 per month, and additional packages of 100 or 200 free SMS messages within own "network" for CZK 59 or 99 CZK per month. It also offers packages of 100 free minutes and 100 free SMS messages to all networks within the Czech Republic equally for CZK 89 per month and a package of 200 minutes of calls to all networks within the Czech Republic for CZK 149 per month. The operator also offers mobile Internet connection packages with data limit of 150 MB, 300 MB, 600 MB and 1200 MB in two price categories,

namely for the "SEKUNDOVKA" plan.

Skyfone

From 1 January 2014, a new virtual operator, Skyfone, operated by Mr. Ladislav Němec, launched its services. The operator which runs its services by means of Vodafone's mobile network offers to its customers four basic voice plans "SKY 60", "SKY 100", "SKY 150" and "SKY 100 +" as well as two group² voice plans "SKY RODINA" and "SKY RODINA +". The price of calls to all networks within the Czech Republic in all plans is CZK 1.80 per minute and the price of one SMS to all networks within the Czech Republic in these plans is set at CZK 1.25 per SMS. After the first minute called, the calls are charged in one-second increments (60+1). The plans "SKY 100 +" and "SKY RODINA +" include also data services with 150MB limit. The customer can also choose the service of daily Internet connection with data limit of 25 MB for CZK 19 per day.

The operator also offers three data plans with mobile Internet connection: "SKY DATA 300", "SKY DATA 600" and "SKY DATA 1200" with data limits 300 MB, 600 MB and 1200 MB for a monthly fee CZK 159, CZK 249 and CZK 369, respectively. Within these plans the calls to all networks within the Czech Republic are charged at CZK 1.80 per minute and one SMS to all networks within the Czech Republic costs CZK 1.25 per SMS. After the first minute, the calls are charged in one-second increments (60+1).

The operator also offers additional packages with free units in the amount of 100, 200 and 3000 minutes for calls within own "network" (the prices of the packages are CZK 55 per month, CZK 99 per month and CZK 170 per month), 100 and 200 minutes for calls to all networks within the Czech Republic (the prices of the packages are CZK 95 per month and CZK 160 per month). Within the additional packages the operator also makes it possible to use 100 or 200 free SMS messages within own "network" (the prices of the packages are CZK 55 per month and CZK 99 per month) and 100 free SMS messages to all networks

within the Czech Republic (the price of the package is CZK 95 per month). In the case of data services the customer may purchase additional data packages with a limit of 150 MB, 300 MB, 600 MB and 1200 MB for CZK 79 per month, CZK 129 per month, CZK 229 per month and CZK 349 per month, respectively.

FORTECH

From 1 January 2014 FORTECH, spol. s r.o. started offering mobile services through T-Mobile network in the form of a prepaid credit. The operator offers its customers mobile calls to all networks within the Czech Republic for CZK 1.21 per minute for a monthly fee of CZK 30.25. The calls are charged in one-second increments after the first minute of the call (charging 60+1). The price of one SMS to all networks within the Czech Republic is set at CZK 1.21. The operator also offers three data packages of mobile Internet connection with data limits 100 MB, 500 MB and 2000 MB for a monthly fee of CZK 59, CZK 159 and CZK 399 per month which is automatically deducted from the phone number credit.

Private Mobile

From January 2014 a new virtual mobile operator, Private Mobile owned by Private Mobile a.s., started offering its services. All services are provided based on prepaid cards using the Vodafone network. Private Mobile offers plans "STANDARD", "VIP" and "BUSINESS" based on a daily fixed fee with weekly billing³. Within the plan "STANDARD" with fee CZK 2 per day the customer calls within own "network" of Private Mobile for CZK 1.50 per minute and to other mobile and fixed networks within the Czech Republic for CZK 1.90 per minute. The calls are charged in one-minute increments (charging 60+60). One sent SMS within own "network" of Private Mobile costs CZK 1 per SMS and SMSs to the other networks within the Czech Republic cost CZK 1.80 per SMS. The operator also offers a "VIP" plan for a daily fee of CZK 6 with calls to own "network" for CZK

(continue on page 5)

¹ The basic plan package includes a maximum of 3 SIM cards, which can be extended to a total of 6 SIM cards for a one-time fee of CZK 70, and then CZK 40 per month for each new SIM cards in operation.

² Group plans "SKY RODINA" and "SKY RODINA +" include, in the basic package, 3 SIM cards with the possibility to get 5 SIM cards. Addition of the 4th and the 5th SIM card the additional monthly fee is CZK 45 per SIM.

³ The credit deduction takes place always at the beginning of each week (the particular day depends on the date of activation of the SIM card), i.e., the fixed fee is deducted from the customer's credit after each week.

(continue from page 4)

0 per minute⁴, calls to the other mobile networks within the Czech Republic for CZK 1.50 per minute and to the other fixed networks within the Czech Republic for CZK 1.60 per minute. The calls are charged in one-second increments after the first minute called (60+1). The price of one sent SMS to own "network" of Private Mobile is set at CZK 0.60 per SMS, and to the other networks within the Czech Republic for CZK 1.80 per SMS.

With the activation of the latter "BUSINESS" plan the customer will have the option to recharge the credit per invoice and also gets a 10% discount on the credit recharged with this recharging method. According to the price list valid from January 2014 the operator quotes

4 CZK 0 applies if the volume of outgoing calls within own "network" with plans "VIP" and "BUSINESS" does not exceed 25 % of the total number of calls made by the customer. If the volume of calls within own "network" is higher than 25 % of the total number of started calls the price of CZK 0.90 per minute applies.

the prices within the "BUSINESS" plan exclusive of VAT. For a regular fee of CZK 5.78 the customer can make calls within own "network" of Private Mobile for CZK 0 per minute⁴, to the other mobile networks within the Czech Republic for CZK 1.24 per minute, and to other fixed networks within the Czech Republic for CZK 1.32 per minute. The calls are charged in one-second increments after the first minute (60+1). The price of one sent SMS to own "network" of Private Mobile is CZK 0.49 per SMS and to the other networks within the Czech Republic CZK 1.48 per SMS.

With the voice plans ("STANDARD", "VIP", "BUSINESS") the customer may purchase additional data plans (Mobilní data FUP 150MB, Mobilní data FUP 300MB, Mobilní data FUP 500MB, Mobilní data FUP 1000MB) with a limit of 150 MB, 300 MB, 500 MB and 1 GB, or the customer may choose a package called 'Mobilní data FUP 25MB/24hodin' with a limit of 25 MB and price CZK

25 per day with the "STANDARD" plan, CZK 22 per day with the "VIP" plan, and CZK 18.18 per day with the "BUSINESS" plan. The prices set for monthly use of the service with the plan Mobilní data with FUP limit of 150 MB are set at CZK 125 per month with the "STANDARD" plan, CZK 100 per month with the "VIP" plan, and CZK 82.64 per month with the "BUSINESS" plan. The plan Mobilní data with FUP limit of 300 MB costs CZK 200 per month with the "STANDARD" and "VIP" plans and CZK 165.29 per month with the "BUSINESS" plan. In the plan called Mobilní data with FUP limit of 500 MB the prices for monthly use of the data service are CZK 270 per month with the "STANDARD" and "VIP" plans and CZK 223.14 CZK per month with the "BUSINESS" plan. The data service called Mobilní data with FUP limit of 1000 MB is offered for CZK 425 per month with the "STANDARD" and "VIP" plans and CZK 351.24 per month with the "BUSINESS" plan.

Checked by the CTU in January...

... operation of communication activities without a license – the Office checked whether the providers of electronic communications services comply with the terms and conditions laid down in the certificate. In the period in question the Office discovered one instance of a provider carrying out communication activities without a license.

... observance of the terms and conditions of individual licenses to use radio frequencies – the Office carried out ten inspections of observance of the terms and conditions of individual licenses to use radio frequencies, mainly at the operators of VHF FM transmitters. No defects were found during the inspections.

... observance of the terms and conditions of general authorization No. VO-R/12/09.2010-12 for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2.4 GHz – 66 GHz bands – the Office carried out 104 inspections. In 55 instances it found

misconduct, requested rectification of the deficiencies discovered and subsequently open administrative proceedings on the subject.

... use of radio frequencies without a license – the Office carried out 38 inspections focusing on undertakings whose individual licenses had expired. It discovered ten cases of using frequencies without a license. These were mainly radio networks of terrestrial mobile service. The Office will open administrative proceedings in these cases.

... sources of disruption of the operation of electronic communication equipment and networks, the provision of electronic communication services or operating radio communication services – the Office carried out 110 in situ investigations of which 21 instances of interference with public networks of electronic communications (the investigations revealed six interfering GSM repeaters, three interfering active TV antennas) and 26 cases of disruption of meteorological radars caused

by the lack of discipline of businesses operating wifi equipment in 5GHz band in violation of the terms laid down in general authorization No. VO-R/12/09.2010-12. In the aforesaid instances the Office requested elimination of the sources of interference. In the case of the reported interference with TV signal it concerned mainly defects of the antenna equipment (unprofessional installations of antennas and wiring for TV sets).

Cooperation between the Office and Česká obchodní inspekce (Czech Trade Inspection Authority)

– In cooperation with the Czech Trade Inspection Authority the Office inspected the sales of "launching" equipment of fireworks in North Moravia. During the in situ inspection it discovered that the remote control of the launching device with the commercial name "TERORISTA" works in 315MHz band which is reserved for the Ministry of Defense of the Czech Republic and the Czech Armed Forces and cannot be operated in the Czech

(continue on page 6)

Checked by the CTU...

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Republic. The transmission equipment measured was not identified with the type or serial number. The vendor subsequently removed the equipment from the sale and the e-shop offer. An inspection in the vendors of telecommunication terminal and radio equipment within the cooperation between the Czech Trade Inspection Authority and the Office in Most, Česká Lípa and Semily revealed sale of radio-controlled car models working in the 32 MHz and 49 MHz bands and

wireless headsets working in the 86 MHz band. This radio equipment cannot be operated in the Czech Republic without an individual authorization for the use of radio frequencies. The inspection also revealed the sale of wireless door bells working in bands 314 to 333 MHz reserved for the Ministry of Defense in the Czech Republic and the sale of three radio-controlled models which did not meet the requirements of VO-R/15/08.2005-27. The defects discovered are dealt with by the Czech Trade Inspection Authority within its scope of powers.

The Office on the consumer's side

In January 2014:

- ♦ **the Office opened 6121 administrative proceedings** pertaining to subscriber disputes between a person performing communication activities, on the one hand, and a participant, on the other hand, concerning payments and motions for opening proceeding on objection against the settlement of a complaint about the billing of the price or publicly available service of electronic communications which the Office decides pursuant to Section 129 of the Electronic Communications Act.
- ♦ **the Office issued 11,522 decisions on the subject,**
- ♦ **of which 11,504 decisions on the subject of payment (payment of price for services).**

In January 2014 the Office evaluated the inspection of the contractual terms of the telephone service providers related to the incorporation of the measure of general nature No. OOP/10/10.2012-12 which lays down technical and organizational requirements for the implementation of phone number portability and the principles for charging prices between undertakings in relation to phone number portability (hereinafter referred to as "OOP/10/10.2012-12").

The Office checked 637 providers of services of electronic communications, i.e., all who notified to the Office provision of publicly available telephone services. The Office investigated whether the providers actually offer the services of electronic communications in accordance with the notification and whether their published contractual terms comply with the electronic communications act. The inspectors focused mainly on the fact whether the contractual documentation of the providers complies with all requisites stipulated by the electronic communications act and

OOP/10/10.2012-12.

The investigation revealed a large number of defects and deficiencies such as a failure to publish the draft contracts in remote manner or failure to incorporate the newly defined conditions of phone number portability into the contractual documentation. The Office requested the providers in which deficiencies were found to provide remedy. In cases where any administrative offence was committed the Office will open administrative proceedings with the providers. A number of providers have already modified their contractual terms as desired after a notice from the Office.

Within the review proceeding, the Office issued a final decision by which it imposed a fine of CZK 40000 for administrative offence pursuant to Section 118 (1) d) of the Electronic Communications Act. The natural person – entrepreneur committed this offence by operating radio equipment without a valid individual authorization in violation of Section 17 (1) of the Electronic Communications Act.

Postal services

In January the Office carried out 25 local investigations of Česká pošta, s. p. within its inspection activity to check whether obligation to publish the postal conditions at every post office and also in a manner allowing remote access is complied with. At the same time, the Office checked mailboxes and their availability pursuant to Decree No. 464/2012 Sb. (Collection of Laws). It did not find any misconduct in this respect.

In January 2014 one decision on imposing a fine on Česká pošta came into effect. It pertained to a valuable package which was deposited by Česká pošta without first having made the obligatory attempt of standard delivery at the recipient's address.

In January the Office issued one certificate confirming the authorization to carry out business in the area of postal services. The current list of registered providers of postal services or international postal services is available at the Office's website in the search database.

On 21 January 2014 the Office cancelled, pursuant to section 15 d) of the tender documentation, a tender for a small-scale public contract entitled: "Audit of measurement of transport times of mailings for the year 2014". The text of the notice of cancellation of the tender is available at the Office's website, and the Office also published it under the respective contract on the contracting authority's profile. The contracting authority foresees a repeated tender for the public contract.

The Office also issued a final decision to impose a fine of CZK 2000 on a natural person – entrepreneur for administrative offence pursuant to Section 118 (13) c) of the Electronic Communications Act. This person committed the offence by failing to report to the Office the types of interface and their technical specifications which it offers for the connection of equipment, as required by the Electronic Communications Act.

Legislative changes

On 1 January 2014 the comprehensive legislation adopted in 2012 and 2013 in the area of re-codification of private law came into effect, being implemented in particular by the following laws, their implementing regulations as well as other related regulations:

- ♦ **Act No. 89/2012 Sb. (Collection of Laws), Civil Code,**
- ♦ **Act No. 90/2012 Sb. (Collection of Laws), on partnerships and cooperatives (corporations act),**
- ♦ **Act No. 91/2012 Sb. (Collection of Laws), on international private law.**

Act No. 255/2012 Sb. (Collection of Laws), on audit (audit rules) which replaces the currently valid Act No. 552/1991 Sb. (Collection of Laws), on state audit, as amended, came to effect on 1 January

2014. The new audit act represents a comprehensive piece of legislation for the performance of audit in particular when performing public administration as well as the rights and obligations of the audit bodies and the parties audited.

Also **Decree No. 462/2013 Sb. (Collection of Laws), on the determination of the amount and the method of reimbursement of effectively spent costs for wiretapping and recording of messages, for storage and provision of operating and localization data and for provision of information from the subscriber database of a publicly available telephone service** came to effect on 1 January 2014. Details are provided in the [Monthly Monitoring report No. 12/2013](#) of the Czech Telecommunication Office.

Collection of data from businesses

At the beginning of January 2014 the Office published on the portal of Electronic Data Collection at <https://monitoringtrhu.ctu.cz> forms of category ART (EK13, P132, M132, B132), OOP (K3-5, K314) and ZEK (PL13) for business active in the field of electronic communications and forms of category POST (CP13 and OP13) for the holders of postal license and providers of postal services. The businesses were supposed to submit the form PL132 by 31 January 2014, forms P132, M132, B132 have a standard submission deadline on 28 February 2014, form EK13 by 14 March 2014, and forms K3-5, K314, CP13 and OP13 by 31 March 2014. An overview of all forms published in 2014 is provided also in the program of detection in 2014.

Telecommunication regulation in the EU

In the period from 1 January 2014 to 30 June 2014 the Council of the European Union is presided by Greece. Since 1981 when it joined the European Communities it is its fifth presidency.

In the telecommunications sector the Greek presidency will focus on the support of all measures leading to the creation of a single framework of digital market.

The priorities of the Greek presidency include the support of the proposal for a Regulation of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market (e - Idas).

In addition to that, the presidency will strive to promote the proposal for a regulation on measures to reduce the costs of implementation of the networks of high-speed electronic communications. It will also promote the proposal for a Regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent, and amending Directives 2002/20/EC, 2002/21/EC and

2002/22/EC and Regulations (EC) No 1211/2009 and (EU) No 531/2012.

The work program of the Greek presidency includes a revision of the Digital Agenda for Europe. The presidency will also review the objectives of the "Europe 2020" strategy and will be preparing the European positions at the conference of government commissioners of the International Telecommunication Union (ITU).

In the area of satellite services the presidency will put special emphasis on international relations and on the conditions of access to the public regulated service offered by the global satellite navigation system based on the Galileo program.

Program of the Greek presidency in the Council of the European Union.

On 15 January 2014 the European Commission decided not to raise objections against the merger of PPF Group/Telefónica Czech Republic/Telefónica Slovakia. The basis of this decision is the provision of article 6 (1) b) of the Council Regulation (EC) No. 139/2004. Full wording of the decision is available only in English and will be published after the information constituting trade secret, if any, has been deleted from it.

Radio spectrum management

On 15 January 2014 the Council of the Office approved a measure of general nature – part of the plan of utilization of radio spectrum No. PV P/9/01.2014-1 for frequency band 39.5–43.5 GHz. In the new edition of this part of the plan the decision makes the band 40.5–43.5 GHz accessible for the implementation of high-capacity fixed links of the point-point type using channel width up to 112 MHz. The measure comes into effect on 15 February 2014.

Allocations of radio frequencies

In January the Office issued a decision on the change of allocation of radio frequencies for the provision of public mobile network of electronic communications in the UMTS standard by T-Mobile Czech Republic a.s. The purpose of this change is to ensure technological neutrality when using the allocated frequencies 2149.9–2169.7 / 1959.9–1979.7 MHz and 29312.5–29368.5 / 28304.5–28360.5 MHz.

Complaints of subscribers and users of services in Q4 2013

Electronic communications services

♦ For the 4th quarter 2013 the Office registered 603 complaints by subscribers/users.

♦ 329 complaints (54.5 % of all complaints) were handled by the Office according to the Electronic Communications Act. The Office informed complainants of how to proceed according to the Electronic Communications Act (e.g., about the right to make a warranty claim with a service provider), or that a complaint is the basis for further investigation or the basis for conducting a state audit.

♦ 59 complaints were not within the Office's remit and the Office referred these to the competent body (9.8 % of all complaints). These complaints concerned e.g., deceptive advertising, unsolicited business communications, unethical customer acquisition, protection of personal data, etc.

♦ The Office found 215 complaints (35.7 % of all complaints) to be unfounded. The Office informed the complainants of the fact that no obligation laid down by the Electronic Communications Act, the Consumer Protection Act, the implementing regulations for these acts or decisions of the Office.

In comparison with the total number of complaints in the 3rd quarter 2013 there was a slight decrease by 16 complaints (i.e., by 2.6 %) in the 4th quarter 2013. A year-on-year comparison of the 4th quarter 2012 and 2013 shows a decline in the total number of complaints by 118 (i.e., by 16.4 %). The reason was primarily the high number of complaints about the introduction of service charge for Skylink and CS Link satellite television services in 2012. The quarterly comparison shows a slight decrease of the number of complaints about the billing of the electronic communications services and the ever-decreasing number of complaints in the area of consumer protection. In absolute numbers, however, these are individual cases.

The complaints can be divided topically as follows:

161 complaints about billing of the prices of

services (26.7 % of all complaints). The Office provided complainants with legal advice or commenced administrative proceedings pursuant to Section 129 of the Electronic Communications Act.

165 complaints concerned subscriber contracts. They mostly pertained to the incorporation of the provisions of Act No. 214/2013 Sb. (Collection of Laws) into the contractual terms of the service providers, in particular concerning the amount of payments upon early termination of the contract, and they also pertained to the procedures of one of the mobile operators upon forced transfer of the subscribers

1 / 2014

Complaints and questions from subscribers / users¹⁾ for Q4 2013

Subject matter		Questions	Complaints				Total complaints ^(a)	Settled in favour of the subscriber/user ⁽¹⁾	Total ⁽²⁾
			Method of settlement		Provision of information				
			Procedure according to the law ⁽²⁾	No violation of the law ⁽³⁾	Outside the Office's remit				
a		b	c	d	e	f	g	h	
1.	1 Electronic communication services	352	230	155	13	398	595	750	
	2 Failure to set up electronic communication services	3	2	5	1	8	6	11	
	3 Quality of electronic communication services	18	13	17	0	30	31	48	
	4 Subscriber contracts	189	87	69	9	165	285	354	
	5 Failure to provide electronic communication services in accordance with a contract	27	14	10	0	24	41	51	
	6 Activation of unsolicited electronic communication services	4	3	7	0	10	7	14	
	7 Disagreement with billing	111	111	47	3	161	225	272	
2.	8 Radio communication services	15	3	0	0	3	18	18	
3.	9 Portability of a telephone number in a mobile network	42	32	15	0	47	74	89	
4.	10 Portability of a telephone number in a fixed network	6	2	0	0	2	8	8	
5.	11 Failure to set up or transfer a telephone station	0	2	0	0	2	2	2	
6.	12 Customer support service provided by electronic communication service provider	2	1	2	0	3	3	5	
7.	13 Method of customer acquisition by providers and dealers	3	0	0	0	0	3	3	
8.	14 Reception of TV signal in connection with the digitalisation of broadcasting	18	3	2	1	6	22	24	
9.	15 Deceptive advertising	0	0	0	0	0	0	0	
10.	16 Consumer protection ⁽³⁾	64	15	22	0	37	79	101	
	17 adherence to honesty of service provision (Section 3 of the CPA)	1	0	0	0	0	1	1	
	18 unfair business practices ⁽³⁾ (Section 4 of the CPA)	15	8	10	0	18	23	33	
	19 deceptive business practices (Section 5 of the CPA)	18	6	10	0	16	24	34	
	20 aggressive business practices (Section 5a of the CPA)	24	0	0	0	0	24	24	
	21 prohibition of consumer discrimination (Section 6 of the CPA)	0	0	2	0	2	0	2	
	22 the duty to inform (Sections 9 to 10 and Sections 11 to 13 of the CPA)	1	1	0	0	1	2	2	
	23 other obligations in the provision of electronic communication services (Sections 15 to 16 and 23)	5	0	0	0	0	5	5	
11.	24 Universal service	0	0	0	0	0	0	0	
	25 access to publicly-accessible telephone service for the disabled ⁽⁴⁾	0	0	0	0	0	0	0	
	26 public telephones ⁽⁵⁾	0	0	0	0	0	0	0	
	27 access and the possibility of people with low incomes using services ⁽⁶⁾	0	0	0	0	0	0	0	
12.	28 Other ⁽⁷⁾	632	41	19	45	105	718	737	
	29 telephone directories	1	1	0	0	1	2	2	
	30 information service about subscribers' telephone numbers	0	1	1	0	2	1	2	
	31 services from third parties – Premium SMS	26	4	1	19	24	49	50	
	32 services from third parties – audio text services	10	0	0	8	8	18	18	
	33 annoying and unsolicited calls	18	9	10	1	20	28	38	
	34 offering marketing advertising in violation of Section 96 of ECA	2	0	0	0	0	2	2	
	35 communication networks, protective zones and the use of the property of another	36	0	0	3	3	39	39	
	36 undertaking business in electronic communication	195	1	1	0	2	196	197	
	37 qualification examination (Section 26 of ECA)	257	0	0	0	0	257	257	
	38 coverage with TV signal and GSM	14	0	1	0	1	14	15	
	39 privacy	3	3	1	2	6	8	9	
	40 miscellaneous	70	22	4	12	38	104	108	
	TOTAL	1134	329	215	59	603	1522	1737	

Tab. 1: Complaints and questions from subscribers / users for Q4 2013

KEY

1) Not complaints according to Section 175 of Act No. 500/2004 Sb. (Collection of Laws),

the Code of Administrative Procedure, as amended by Act No. 413/2005 Sb. (Collection of Laws) Not objections to the settlement of a warranty claim on publicly accessible electronic communications services provided or other subscriber disputes resolved within administrative proceedings. Complaints and questions are on record at the settlement stage.

2) Pursuant to Act No. 634/1992 Sb. (Collection of Laws), on consumer protection, as amended.

3) Business practices in accordance with Section 4 of the Act on Consumer Protection, according to which a business practice is unfair if the conduct of the business undertaking towards the consumer is in conflict with the requirements of professional care and is capable of significantly influencing his decision-making such that he might take a commercial decision which he would not otherwise take. Unfair business practices are mainly deceptive and aggressive business practices.

4) Decision No. 44 813/2009-610/VII. vyř. of 23 June 2009, on imposing the obligation to provide a constituent service within the bounds of a universal service: access for disabled people to a publicly-accessible telephone service equal to the access used by other end users, in particular by way of specially-equipped telecommunication terminal devices, according to Section 38(2)(f) of the Electronic Communications Act.

5) Decision No. 466/2006-610/II. vyř. of 13th March 2006, as amended by Decision No. 20 583/2008-610/IX. vyř., No. 63 465/2009-610/IX. vyř. and No. 100 041/2010-610/VI. vyř., imposing the obligation to provide a constituent service within the bounds of a universal service - public telephone services.

6) Decision No. CTU-43 632/2011-610/VI. vyř. of 7th June 2011 in the matter of imposing an obligation within the bounds of a universal service to allow persons with special social needs according to Section 38(4) of the Electronic Communications Act and in accordance with Section 44 and Section 45 of this act to choose prices or price plans that differ from the price plans provided under normal commercial terms and conditions such that these persons have access to and are able to use a constituent service and a publicly accessible telephone service.

7) A different type of complaint not classifiable under 1 to 10.

8) An electronic communication service provider and in the notes a provider of content.

9) Electronic Communications Act; in the case that the complaint or question concerns consumer protection, the Consumer Protection Act.

10) Includes complaints – procedure pursuant to the Electronic Communications Act (column c), complaints – no violation of the Electronic Communications Act (column d) and complaints – not within the Office's remit (column e).

11) Includes questions (column b), complaints – procedure pursuant to the Electronic Communications Act (column c), and complaints – not within the Office's remit (column e).

12) Includes questions (column b), complaints – procedure pursuant to the Electronic Communications Act (column c), complaints – no violation of the Electronic Communications Act (column d) and complaints – not within the Office's remit (column e).

13) The number of complaints segmented according to individual electronic communication service providers against which a complaint is lodged. If required, the name of an electronic communication service provider not shown in the list is added in the header. For a marginal electronic communication service provider, the word "Other" can be added.

ECA – Act No. 127/2005 Sb. (Collection of Laws), on electronic communication and amending certain related acts (the Act on Electronic Communication), as amended.

CPA – Act No. 634/1992 Sb. (Collection of Laws), on consumer protection, as amended.

from the existing plans to new ones.

47 complaints were related to the porting of a telephone number. Relative to the 3rd quarter 2013 the number of complaints about the phone number porting service within the mobile network grew by six (i.e., increase by 14.6 %). We can assume that this occurred as a result of the entry into effect of the new measure of general nature No. OOP/10/10.2012- 12 although in terms of the total number of all number portings (in the 4th quarter approximately 139,125 number ported) the share of the complaints about the performance of this service represents 0.34 %.

In the area of consumer protection issues the number of complaints further decreased by eight (i.e., decrease by 17.8 %). A vast majority of the complaints, after investigated by the Office, were found unfounded.

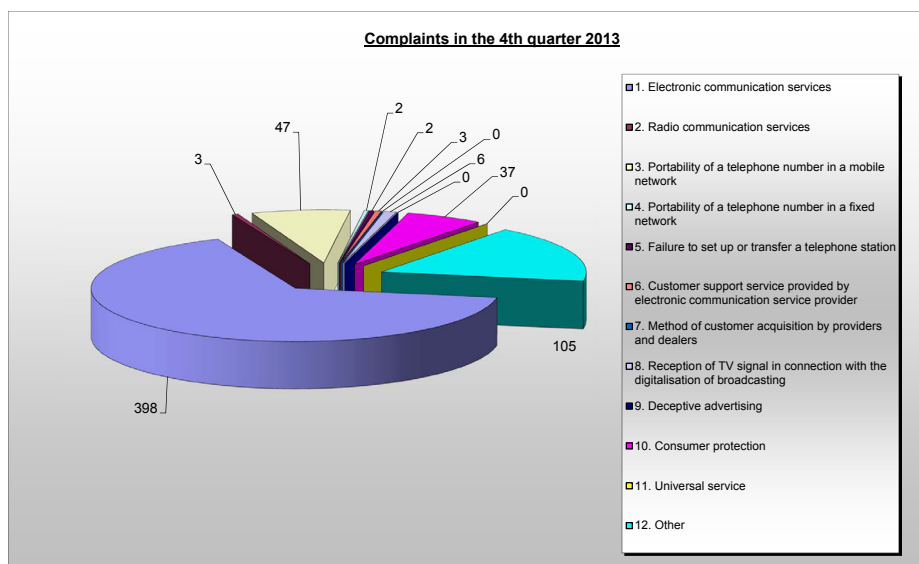
The number of complaints about services provided as part of a universal service has been minimal over the long-term; the Office did not register any such complaint in the 4th quarter 2013.

Classification by the service provider against whose actions the complaint is filed

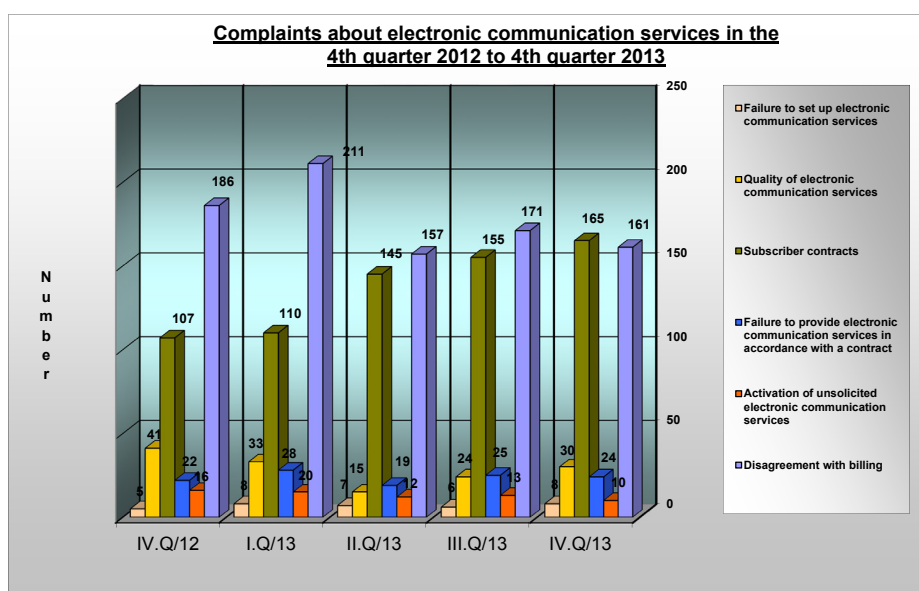
The following table shows only complaints about the actions of the major providers of electronic communications services, namely with regard to their predominant share in the number of subscribers/users of services as well as in the number of complaints.

Questions about the services of electronic communications

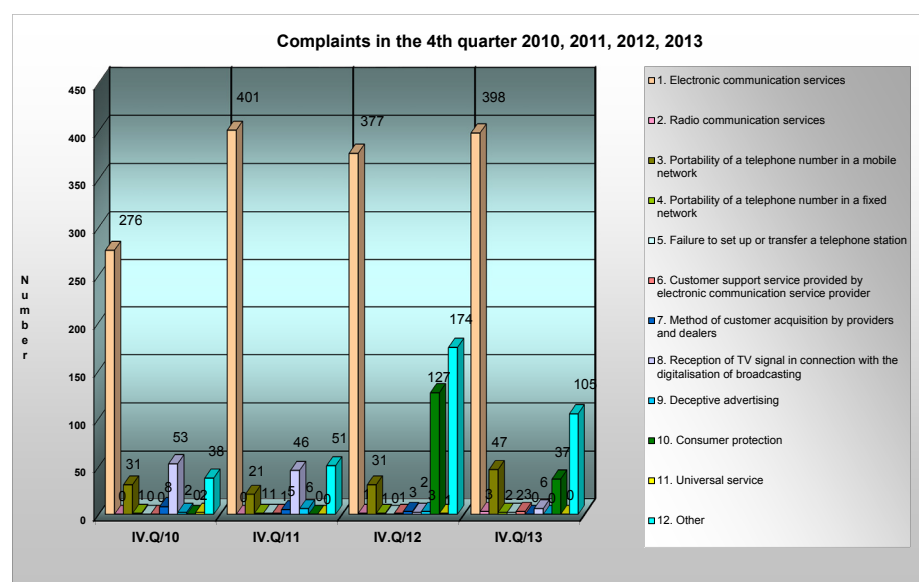
The Office has been registering questions about electronic communication services since January 2012 and categorizes these in the same way as complaints (see table No. 1). For the 4th quarter 2013 the Office recorded 1134 questions, an increase by 131 relative to the previous quarter. In addition to questions directed at the conditions of engaging in business in electronic communications and issuing



Graph #1 - Complaints in the 4th quarter 2013



Graph #2 - Complaints about electronic communication services in the 4th quarter 2012 to 4th quarter 2013



Graph #3 - Complaints in the 4th quarter 2010, 2011, 2012, 2013

certificates pursuant to Section 26 of the Electronic Communications Act, which accounted for a total of 39.9 %, the majority involved consumer issues. Other topics were billing of prices for services (9.8 %) and subscriber contracts (16.7 %). There were also more questions about the portability of numbers in the mobile network, as already mentioned in relation to the entry into effect of the measure of general nature No. OOP/10/10.2012-12 (3.7 %).

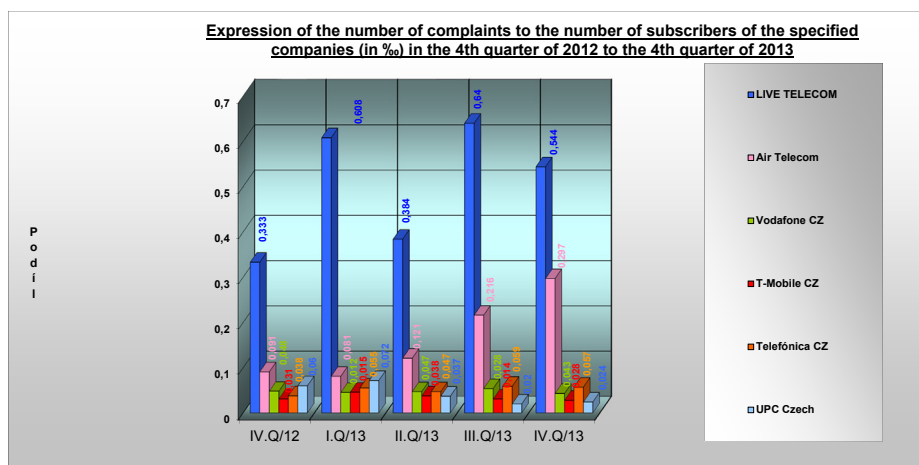
An overview of the total number of complaints and questions for the 4th quarter 2013 is shown in table No. 1 and chart No. 1. The development of the number of complaints about electronic communication services in a year-on-year comparison from the 4th quarter 2012 to 4th quarter 2013 is shown in chart No. 2. The number of complaints in comparison with the same periods in previous years is shown in chart No. 3. Chart No. 4 represents the number of complaints made by subscribers to the specified companies (in %) for the period from 4th quarter 2012 to 4th quarter 2013.

Final summary:

We can say, based on the above statistical evaluation of the quantitative and qualitative parameters of complaints in the 4th quarter 2013 that there were no fundamental or significant deviations from the average for previous periods in 2013.

In connection with the coming into effect of Act No. 214/2013 Sb. (Collection of Laws), which amended, effective from 8 August 2013, the Electronic Communications Act, the number of questions and complaints about the application of the provisions following from this amendment, in particular concerning the possibility to terminate a contract made for a definite period and the statutory limitation of the payment upon early termination of contract. In this respect, the Office informed the subscribers in accordance with its position published in the monthly monitoring report of October 2013.

As mentioned above, the second group of the most significant com-



Graph #4 - Expression of the number of complaints to the number of subscribers of the specified companies in the 4th quarter of 2012 to the 4th quarter 2013

plaints in terms of the type in the period in question were complaints of the subscribers about the practices of one of the mobile operators in the forcing of plan switching to the so-called "unlimited" plans. Subscribers who were still using the older plans were contacted typically by phone by the company representatives who were trying to convince them using different excuses that it is necessary to switch to the new "unlimited" plan or told them that they would be transferred to such plan unilaterally. In a number of cases the subscribers complained that the operator's representatives did not provide them with all information and the subscribers who contacted the Office did not agree with the change offered. The Office is checking the above-mentioned practices of the operator within the acts prior to opening administrative proceeding.

In connection with the ever-increasing number of complaints and questions about the subscriber contracts and the long-term analytic activity of the Office focusing on this issue the Office published at the end of 2013 a paper called *"Recommendations of the Office on the draft contracts on provision of pub-*

licly available services of electronic communications" in which it states its opinion regarding the fairness or unfairness of selected contractual provisions and practices of the providers of electronic communications services. The document provides the subscribers to electronic communications services and consumers with a certain measure according to which they could assess prior to signing of a contract which provisions they should be careful about to prevent problems, and it should also motivate service providers to modify their contractual terms in the direction suggested.

Postal services

In the period in question the Office registered 12 complaints about basic postal services, which is a decrease by 52 % relative to the 3rd quarter 2013. Of the total number of complaints about basic postal services, the Office settled nine in favour of the consumer. From the point of view of the individual basic services the consumers most commonly complained about the delivery of registered mail, specifically in six cases. In the aforesaid situations the complaints were directed at the

services provided by Česká pošta, s. p. Two complaints were not within the remit of the Office, and the Office referred the complainant to the relevant court which is authorized to settle private law matters.

In the 4th quarter 2013 the Office registered three questions relating to the basic postal services. Two pertained to the delivery of mail, one question was related to the basic international postal service. There were two more questions relative to the previous quarter.

The Office also received 32 complaints relating to the basic parameters of providing postal services, such as the long waiting period, the opening hours of post offices, the delivery of postal consignments, the handling of complaints, etc., which represents a decrease by 30.4 % relative to the previous period. Complaints concerned the delivery of postal consignments in 23 cases (71.9 % of all complaints in this category). The Office also registered 25 questions about other than basic postal services which one more relative to the previous quarter. Also in this area all complaints and questions were directed at the services of Česká pošta, s. p.

The Office also now monitors complaints and questions to concern selected non-postal services (CZECH Point, data mailboxes, electronic signatures, services of Poštovní spořitelna and other financial services), for which, however, the Office does not have remit and refers such submissions to the relevant bodies. In the previous quarter the Office only registered one complaint in this category. The remaining complaints were not within the Office's remit; e.g., complaints about the conduct of employees of Česká pošta or complaints about the SIPO service.

Monthly monitoring report - January 2014

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