



Czech Telecommunication Office

May 2018

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## Telegraphically on communications

### Vodafone buys UPC

Vodafone Group agreed with Liberty Global on the purchase of Liberty Global's activities in the Czech Republic, Germany, Hungary and Romania. The transaction, worth a total of EUR 18.4 billion, is subject to approval by the European Commission. UPC Česká republika is the largest operator of cable networks in the Czech Republic with 617 thousand households connected.

### Czech Post management re-shuffle

The Ministry of the Interior of the Czech Republic completed the selection process to fill the post of Director General of Czech Post (Česká pošta, s. p.). Roman Knap, former CEO of SAP Czech Republic and SAP Slovakia was selected for this position. The appointment date has not yet been set. Until then, Vít Bukvic is in charge of managing the company.

### CTU's 2017 Annual Report

On its website, Czech Telecommunication Office published its [2017 Annual Report](#). The report contains 45 charts and 49 tables. Among other things, it informs that per one SIM card being used for mobile data services in 2017 a monthly average of 971 MB of data was transferred. This figure is 54% higher than in the previous year. Note: the English version will be published in August.

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## Decision-making practice: Czech Post to compensate a broken Easter egg made of ostrich egg

**A decorated ostrich egg was sent in a package to be handed directly to the addressee, graded 'fragile' as supplementary service and with a declared value of CZK 2,500. Inside the shipment, the egg was filled with crumpled tissue paper, wrapped in bubble foil and placed in a multi-layered cardboard box, covered with mirelon pieces on all sides. Upon delivery, the shipment showed no signs of damage to the packaging. Inside, however, the top flap of the cardboard box was ruptured from the inside and the Easter egg was damaged.**

Czech Post rejected the addressee's claim on the grounds that the damage was caused by the special nature of the item and, moreover, the complaint was lodged after three days, i.e. at a belated point in time.

During the proceedings on objections, CTU found that the consignment had actually never been delivered properly. The addressee found the package outside her house and she questioned the authenticity of her signature on the form acknowledging the receipt of the consignment. The day, when she had allegedly received the consignment and acknowledged this by signing the document, she had been away from home, at work the whole day, which she was able to demonstrate by her

employer's statement in this regard. Uncertainty regarding the time of delivery was caused by Czech Post due to the fact that it applied a procedure contrary to the postal terms of service. Thus, at a later stage, it cannot claim that the complaint was filed after the two-day period had passed, since it was not clear exactly when the consignment reached the addressee.

CTU also assessed whether the consignment could have been damaged during shipment. The nature of damage that was caused to the egg suggests that the consignment suffered impact (e.g. as a result of another consignment falling on the box with the egg). Due to the relatively flexible inner lining of the box the impact did not cause visible damage to the packaging material, however, it was so strong that it had broken a part of the egg.

Apart from that, Czech Post challenged an entitlement for a refund of postage worth CZK 150 for the damaged item on the grounds that damages can be claimed up to the maximum insured value, which was declared by the sender, i.e. CZK 2,500. However, CTU acknowledged the entitlement to compensate even including postage, which was demonstrably paid by the buyer through the sender. The actual postal service, which should have involved delivering the package directly to the addressee and which was graded 'fragile' as a supplementary service was not provided properly – a circumstance not actually contested by Czech Post. The case involves two separate claims: Compensation for damaged content, which is limited by the value declared, and compensation – corresponding to the costs incurred – for a service, which was rendered improperly.

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## Changes in contract terms and price lists

O2 will not extend its O2 Spotify offer. In the framework of the service, as part of some data tariffs, users were able to use only the Spotify music streaming service in a way that data consumed in the framework of this service had not been accounted for in their data package they had ordered. In addition, subscribers could listen to music through Spotify even after their data volume was used up. However, there had not been any identical benefits for other streaming services.

As CTU informed in its Monitoring Report No. 4/2018, it called upon O2 to remove the provision, which violates net neutrality rules, from its contracts.

On 31 May, the operator will cease to grant this advantage.

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## Market Analyses

### Three-criteria test

CTU will now discuss the draft three-criterion test for the mobile services market with the European Commission. The President of the Office for the Protection of Competition of the Czech Republic, to which CTU sent the proposal, in his reply of 4<sup>th</sup> April did not raise any substantial comments on the draft. He only recommended complementing the analysis with market shares by revenue beyond the mentioned market shares according to the number of SIM cards. Upon the conclusion of the negotiations, CTU will decide on further action.

### Preliminary analysis of the market for mobile backhaul

On 2<sup>nd</sup> May, at the [discussion site](#), CTU published its response to the comments that were made during the public consultation on a preliminary analysis of the mobile backhaul market, which took place from 26<sup>th</sup> February to 26<sup>th</sup> March. Subsequently, on the basis of the received comments and the relevant response, the Office will amend the preliminary analysis and prepare a final version of the document.

## UNIVERSAL SERVICE

### Special terminal equipment

On 27<sup>th</sup> April, the public consultation on the draft decision on imposing the obligation to provide, within the universal service, the partial service of access of disabled persons to publicly available telephone service, to the directory inquiry service and to directories, equivalent to the access enjoyed by other end users, specifically through special terminal equipment pursuant to Section 38(2)(f) of the Electronic Communications Act, ended. No comments were raised in the process.

### Monitoring of the provision of partial services on a commercial basis

On 9<sup>th</sup> May, CTU [published a report](#) on the evaluation of the findings on the provision of partial services that, for 2017, have not been imposed within the universal service. CTU has come to the conclusion that these partial services (i.e. Connection to public communications network at a fixed location, Access to a publicly available telephone service at a fixed location, Regular publication of directories of subscribers of publicly available telephone service and access provided to these directories, Directory inquiry service to provide information about telephone numbers of subscribers to publicly available telephone service and Additional services to the services of connection and access) are provided on a commercial basis in the required quality to all end users throughout the country at an affordable price in accordance with the requirements of the universal service. CTU considers that there are no reasons for imposing an obligation to provide these services under the universal service. At the same time, the Office maintained that it would continue to monitor the way reasonable needs of end users are catered for, including the aspect of the services concerned being affordable.

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## Fraudsters on the Web use suspicious deals to attract users!

**Czech Telecommunication Office strongly advises against suspicious deals offered by persons who clearly fail to fulfil obligations stipulated by law, advertising telephone services on their website without clearly stating under what conditions these services are offered and who is their provider.**

CTU has discovered several websites (wowmobil.cz, predplacenytarif.cz, jetmobil.cz and others) that advertise services, which clearly fail to meet the obligations laid down by law. The offers come without disclosing a draft contract and it is explicitly stated that the user is not guaranteed to retain his/her telephone number when changing operator. Even in other respects the offers make the impression that they may be fraudulent with the aim of luring money without actually providing the requested service.

By using these services, the customer waives all the protection guaranteed by law.

Therefore, the Office recommends being cautious when choosing providers of electronic communications services. Each user can verify in the [search database](#) on CTU web whether the entity is a notified business in electronic communications and, therefore, is entitled to provide such services.

The service provider is obliged, among other things, to publish a draft subscriber contract on the web, which must meet all the requirements under the provisions of Section 63 of the Electronic Communications Act.

Furthermore, it is unacceptable that the service provider, in one way or another, limits the way the phone number is handled or that it stipulates that this number would not be portable to another operator.

*NB: At the time of publication of the Monitoring Report, the websites mentioned had already been discontinued.*

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## Postal services

In April, the CTU issued one new certificate of notification of doing business in the field of postal services. The newly authorized postal services operator is TAU impex s.r.o. In a [search database](#), the current list of notified operators is available on the CTU web.

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