Czech Telecommunication Office

June 2018

Telegraphically on communications

After a price drop in roaming, international calls are set to be cheaper as well

Starting from May next year, consumer prices for calls to other EU countries should not exceed CZK 6 per minute. Czech MEPs managed to have this proposal included in a common position of the European Parliament. Sending text messages to other EU countries should be cheaper, too. An SMS should not cost more than 6 eurocents, i.e. about CZK 2.

Comments invited for the principles of the auction for the 700 MHz band

On its website, CTU introduced draft <u>basic principles of the auction for frequencies in the 700 MHz band</u>. The auction should take place in the second half of next year. Comments on the draft can be submitted until 15^{th} June. The principles consider splitting the entire range 2×30 MHz.

T-Mobile management re-shuffle

T-Mobile in the Czech and Slovak Republics is about to welcome a new CEO. By 1st October, at his own request, Milan Vašina will leave the post of the company's head. He will be replaced by José Perdomo Lorenzo, who has gained experience in the Czech Telefónica O2. There he had worked as director of the retail division since 2008. Subsequently, he was at the helm of the Tigo Paraguay operator.

Decision-making practice: Czech Post is responsible for its employees' mistakes

If a postal worker fails to stick to the work (technological) procedure instituted by the employer, it is the postal services provider who bears responsibility, involving responsibility for committing an administrative offense. This results from a final decision by which CTU imposed a fine on Czech Post for not attempting to deliver three ordinary letters. A postal worker deposited them directly at the post office without ever trying to actually deliver them.

According to the Postal Services Act, universal services must be provided every working day, allowing for at least one delivery to the address of any natural or legal person or, in exceptional cases, especially if the place of delivery is dangerous or unreasonably difficult to reach, one delivery to an appropriate establishment or PO Box.

For the administrative offense, the Office penalised Czech Post with a fine of CZK 2,000. The fact that the misconduct had been demonstrably committed vis-à-vis only one recipient and three consignments addressed to this person was seen as a mitigating circumstance, showing that the offense was a minor one. Other exonerating evidence in favour of Czech Post was the fact that Czech Post admitted the sanctioned conduct when it stated that it was due to the postal worker's

misconduct. Since 'objective' liability applies here, unless liberation grounds are proven (they were not proven in this case), the company is responsible for the misconduct of the member of its own staff.

Radio spectrum management

General authorisations

On 15th May, CTU Council approved general authorization no. <u>VO-R/2/05.2018-5</u> for the use of radio frequencies and for the operation of the stations of wireless local information systems (Czech: BMIS) in the 70 MHz frequency band. The reason for issuing this general authorization, which replaces the recent general authorization no. VO-R/2/01.2010-1, is the fact that new frequencies for BMIS systems have been added due to a lack of available frequencies for BMIS in some areas. This general authorization shall come into effect on 1st July.

Digital TV broadcasting

In May, the Trutnov and Zlín TV transmitters were put into operation on the 26th in the transitory broadcasting network no. 11 for digital television broadcasting using the DVB-T2 standard. In the transitory broadcasting network no. 13 the following TV transmitters have been put into operation (respective channels are given in brackets): Děčín-Chlum (28), Frenštát pod Radhoštěm (31), Hodonín-Kapánsko (43), Třebíč-Vartenberk (56). The current DVB-T2 coverage is available on dtv.ctu.cz.

Postal services

In May, the CTU issued two new certificates of notification of doing business in the field of postal services. The newly authorized postal services operators are Haypost CJSC and SuperDoručovatel.cz, s.r.o. In a searchable database, the current list of notified operators is available on the CTU web.

Market Analyses

Markets no. 3a/3b and no. 4

(3a) – Wholesale local access provided at a fixed location, (3b) – Wholesale central access provided at a fixed location for mass-market products and (4) Wholesale high-quality access provided at a fixed location.

After receiving and incorporating comments from the European Commission CTU issued three decisions, no. REM/3a/05.2018-03, no. REM/3b/05.2018-04 and no. REM/4/05.2018-05, on the imposition of obligations on relevant markets no. 3a, 3b and 4. All these decisions came into force on 23rd May 2018. Their issuance means that the following obligations are imposed: the obligation to grant access, the obligation of transparency and non-discrimination as well as that of maintaining separate records of costs and revenues. In the relevant market no. 3a, CTU also issued a decision on price regulation no. CEN/3a/05.2018-2, which came into force on 22nd May. This decision imposed price regulation in the form of maximum prices (price caps) for specified services of collocation and cost orientation of prices for services of extended collocation and access to dark fibre. The obligations are imposed on Česká telekomunikační infrastruktura a.s. (CETIN).

Telecommunications regulation in the EU

The DESI index

On 18th May, the European Commission published the Digital Economy and Society Index – <u>DESI 2018</u>. The index tracks the performance of EU Member States in terms of digital connectivity, digital skills, online activity, the digitalization of enterprises and digital public services. The report on the DESI index includes, among other topics, <u>chapters on the individual Member States</u> (<u>Report on the Czech Republic</u>) and chapters related specifically to the telecommunications sector (<u>Report on the Czech Republic</u>).