



Czech Telecommunication Office

January 2019

---

## Telegraphically on communications

### Updated version of the principles of the 5G auction published

CTU invited for comments to [the updated principles](#) of the 5G auction with the deadline of 25 January. CTU supplemented the original material with, among other things, the conditions of support for security sector communication (PPDR services) and expects that part of the spectrum within the 3400–3600 MHz band will also be part of the auction.

### New Year's Eve breaks data usage records

Czechs made more calls on New Year's Eve than they did last year. The number of SMS sent remained at the same level and interest in MMS dropped. It has emerged from the statistics provided by operators that the final day of 2018 saw 57.8 million calls made and 32.5 million messages sent. Customers used a record volume of data in comparison with previous years.

### The Post Office reappraises its plans in the Pošta Partner project

Česká pošta (Czech Post) reduced the scale of its plan to transfer post offices to municipalities and private undertakings by around one thousand within the scope of its Pošta Partner project. It expects to transfer 1,463 post offices by the year 2025. It is due to the data which show that the saving in costs from the transfer to a Pošta Partner is one-quarter lower than previous management anticipated.

---

## Decision-making practice: Czech Post breached the discrimination ban when delivering selected consignments at a third of the cost

**Czech Post will pay the maximum penalty of two million for favouring a customer purchasing universal services in an unjustified manner. In 2012 it allowed Tesco Stores ČR a.s. to send consignments containing a statement of points collected within the company's Clubcard scheme under the "business letter" regime, at a cost of CZK 3.03 (plus VAT). However, the delivery of such consignments fell within the "standard consignments" regime of universal services, carrying a cost of CZK 10. The decision is final and conclusive.**

CTU ascertained, by way of inspection, that the Tesco Clubcard billing statements were communicated in written form and addressed to a specific, defined group of persons – those holding a Tesco Clubcard. Communication was in each individual case intended only for a specific member, the card holder, since it contained their personal data and a billing statement related to their customer card. Similarly, the discount vouchers enclosed could only be used together with the Tesco Clubcard held by that specific member. They were therefore not anonymous advertisements having identical content.

The consignments were thus specifically addressed, personalized as far as the content was concerned, of a weight of up to 50 g and having an addressee within the territory of the Czech Republic. Czech Post did not confirm having received them for postage, neither their delivery was confirmed by addressees. From the factual perspective, therefore, they met the criteria of universal services, to which the postal obligation applies and for the provision of which Czech Post was provided with a lawful monopoly.

The decision of CTU on the fact that Czech Post had committed an administrative offence was upheld in a judicial review, when the Municipal Court concurred with the conclusions drawn by CTU that the provision of discounts which unjustifiably discriminate individual persons interested in postal services is unlawful. Czech Post provided a service marked as “Business Letter” which factually did not qualify as “Business Letter”.

CTU took the extraordinarily large scope of the unlawful action into account when assessing the size of the penalty for infringing the ban on unjustified favouring or disadvantaging certain persons purchasing universal services. In this way Czech Post favoured Tesco to the sum of CZK 9 million, without justification.

---

## Postal services

### Change of terms and conditions

Czech Post changed the prices of selected services as of 1 January. It changed the conditions for providing quantity discounts for customers using the Standard, Registered and Valuable letter services. The fundamental change is that discounts have been differentiated for “senders” (per-sender-model) which mainly affects so called “consolidator” - meaning those who have so far benefited from the accumulation of consignments of individual senders. As part of the new system, discounts are set separately for each individual sender. The size of quantity discounts is now determined based on the annual turnover for the sender only (previously done also for the “poster”) for Standard letters, and ranges between 1 % and 19.5 % depending on turnover (previously 1 % and 16 %). Discounts on the annual turnover for posters for Standard and Registered letters have changed. The Post also withdrew quantity discounts on annual turnover for Standard and Valuable parcels and Registered parcels. In addition to measures that concern universal services, the cost of a Business letter has increased by around CZK 1 per letter, this including the prices for customers of Hybrid post, and the price of Delivery of Publicity and Information Materials, including Targeted Leaflets, in all paper-stock weights and in all bands has risen by around 70 hellers per unit. This increase in price is considerable mainly in low weight categories (up to four times the price to date).

### Net costs for the year 2017

CTU completed administrative procedure regarding the application submitted by Czech Post for the reimbursement of net costs entailing unfair financial burden for the year 2017. Czech Post enumerated total net costs for 2017 at CZK 2,142,600,138. CTU checked the accuracy and completeness of all documents submitted and that the calculation complies with legal regulations. The Office determined the total value of net costs for 2017 at CZK 1,253,322,382.

According to Section 34d of the Postal Services Act, CTU determines the net costs which entail unfair financial burden, at a maximum of CZK 500 million for the year 2017. The decision of 30 November 2018, set net costs at CZK 500 million in accordance with Decision of the European Commission of 19 February 2018 on State Aid [SA.45281 \(2017/N\)](#) and State Aid [SA.44859 \(2016/FC\)](#) notification. These net costs for the year 2017 were paid to Czech Post on 14 December 2018.

## Amendments to contractual terms and conditions

### Tesco Mobile

Tesco Mobile is changing its general terms and conditions and its price list on 15 February. These changes serve to incorporate the requirements of the European Regulation on Net Neutrality and above all involve specification of operation management measures and their impact on the quality of Internet access services, speed regulation and means of remedy in the case of failure to adhere to the contractually-agreed quality of a service.

### Sazka mobil

Sazka mobil published its new General Commercial Terms and Conditions in December. The duration of the contract for prepaid services is extended by one month (now four months) and the contract is extended by a further seven months following the date of topping-up the credit (previously six). When deactivating or transferring a telephone number, a billing statement is now made out for the actual number of days when the service was active (previously the whole of the final period was billed). The provisions that regulate billing warranty claims were also amended to now expressly specify the possibility of claiming back deductions of credit.

The operator also published a new price list, new Terms and Conditions of Drawing Credit, and new Terms and Conditions of Providing Mobile Data Services. The biggest change, however, is the suspension of mobile data service provision once the basic volume of data has been used up (previously the speed was reduced). All changes are effective as of 1 February 2019.

---

## Checked by CTU in December

... adherence to the terms and conditions of General Authorisation No. VO-R/12/09.2010-12 for the use of radio frequencies and for the operation of devices for broadband data transmission in the 2.4 GHz – 66 GHz bands.

CTU ascertained defects in 23 out of the 27 inspections conducted, mainly in the use of indoor frequencies outside a building. The Office called for the rectification of the shortcomings identified and subsequently initiated administrative procedure.

... the use of radio frequencies without an authorisation.

CTU conducted 12 inspections focusing on the use of frequencies without an authorisation. In three cases CTU ascertained operation on frequencies after the expiration of individual authorisation; it is dealing with the cases in administrative procedure.

... sources of interference to the operation of electronic communication equipment and networks, the provision of electronic communication services or the operation of radio communication services.

CTU carried out 115 investigations in total – 75 cases of interference to television reception (including STA), 22 cases of interference to GSM and LTE public mobile communication networks, three cases of interference to satellite reception, six cases of interference to short-range devices and two cases of interference to meteorological radars. In four cases, the source of interference to DVB-T and DVB-T2 was found to be a base station in the 800 MHz band (see next section), while interference to public mobile networks was caused in six cases by the radiation of active TV signal reception systems and in three cases by the radiation of GSM repeaters. Insufficient reception of DVB-T2 was this time solely caused by faults to the reception equipment of the television viewers.

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

377 base stations were in pilot operation and 16,127 stations were in permanent operation as at 31 December 2018. CTU received 46 reports of interference in December and completed an investigation of 75 cases of DVB-T interference; LTE base stations in the 800 MHz band were identified as the source of DVB-T interference in four cases. In 49 cases there were faults to reception equipment, in 21 cases no interference was actually found, and in four cases the problem was caused by insufficient DVB-T signal.

... cooperation between CTU and Czech Trade Inspection Authority (Česká obchodní inspekce).

An inspection of dealers in telecommunication terminal and radio equipment in Liberec carried out by CTU and CTIA identified the sale of wireless doorbells that work within the 304-313 MHz band, which is reserved in the Czech Republic for the Ministry of Defence. CTIA is dealing with the shortcomings identified within the scope of its duties. A further inspection in Brno focused on remote-controlled toy models. Three samples were checked to ascertain whether they comply with the conditions of General Authorisation VO-R/10/12.2017-10. The inspection did not find any faults.

---

## Decision-making practice: CTU decides the first dispute on access to infrastructure

**CTU released its first decision on a proposal to conclude a contract on access to physical infrastructure inside a building, doing so year and a half after Act No. 194/2017 Coll., on measures to reduce the cost of deploying high-speed electronic communication networks has entered into effect. In a dispute with an association of apartment owners, the operator of a public communication network (the operator) sought for CTU to impose on that association the obligation to enter into a contract on access to the relevant infrastructure. The final decision has been [published](#) at the CTU website.**

In order that a proposal for resolving a dispute may be successful and the obligation to enter into a contract on access to physical infrastructure inside a building having specific content may be imposed, the proposal must comply not only with general requirements according to the Administrative Procedure Code, but also with the requirements of Section 17 of the Act on measures to reduce the cost of deploying high-speed networks. It must be unambiguously proven in proceedings that there is a relationship between the authorised and the obliged person, i.e. that the person against whom the application is directed is genuinely the owner of the physical infrastructure to which access is being requested or a person having rights at the same level as an owner, that entering into such a contract will achieve the aim pursued by the Act No. 194/2017 Coll., i.e. support of the deployment of high-speed electronic communication networks, and that there is no obstacle to entering into that contract envisaged by the Act. Such obstacle is given also in a situation where the relevant physical infrastructure does not have sufficient capacity for hosting the elements of a high-speed electronic communication network.

Finally, it is necessary to point out that proceedings to settle a dispute on access to the physical infrastructure inside a building, or the decision issued in such proceedings, may not substitute the absence of authorisation to use the property of another owner according to Section 104 of the Act on Electronic Communications. This would be a case of circumventing the Electronic Communications Act. If, therefore, the owner of the respective property does not provide the operator with at least a consent to locate internal communication lines in their building, this cannot be substituted by application of the Act No. 194/2017 Coll.

In the case under consideration, the operator primarily failed to prove that the association of apartment owners is the obliged person and the genuine owner or manager of strips or cable protectors. The operator failed to sufficiently specify the infrastructure inside the building to which the access was requested and did not provide a proper project or timescale for the deployment. Moreover, an on-site investigation ascertained that the capacity of the existing physical infrastructure in the building had been exhausted. For these reasons CTU was left with no option but to reject the application to full extent.

---

## CTU work plan - 2019

**Support of well-functioning mobile services market and creation of conditions for the development of modern NGA networks, including conditions for future development of 5G mobile networks: these are the main priorities of CTU for 2019. CTU is preparing the terms and conditions of the 700 MHz and 3400 to 3600 MHz bands auction, so that the successful bidders in the auction can begin deploying the new networks once the frequencies have been released from terrestrial digital TV broadcasting. This stems from the work plan approved by the CTU Council.**

CTU will also launch a new round of analyses of relevant markets in 2019, beginning with an analysis of wholesale termination markets. CTU will also continue with the investigation of wholesale mobile market and will perform the introductory market analyses following the already completed three criteria test.

As in the previous year, CTU will work closely with the Ministry of Industry and Trade (MPO) on articulating the terms and conditions of a new call in the subsidy programme for support of NGA networks, on the preparation and implementation of the updated plan of non-subsidy measures in support of NGA networks, and on the preparation of a new National Gigabyte Networks Plan.

Furthermore, preparation for and participation at the World Radiocommunication Conference 2019 will be important from the perspective of the strategy of onward radio spectrum utilisation.

Specifically, CTU will concentrate on the following tasks:

### Market analyses

CTU will launch the 5<sup>th</sup> round of relevant market analyses with analyses of markets 1 and 2 (markets of wholesale termination in fixed and mobile networks). Following on from this, it will commence administrative proceedings to determine undertakings having significant market power and to determine the relevant regulatory measures.

A market analyses of wholesale mobile services market will follow the already completed three criteria test.

As part of market monitoring, the Office will evaluate the level of prices of 4G wholesale offers according to the conditions of the LTE auction, doing so separately for the second half of 2018 and the first half of 2019. The Office is also preparing a new model in relation to the auction for the 700 MHz band to verify prices in fulfillment of the obligations arising from the auction (concerning national roaming and PPDR services).

There will also be changes to concern the system of electronic data collection. CTU plans to upgrade the system and use the upgrade process for evaluation of the relevance of the collected data according to the purpose of their use.

## Promotion of the development of electronic communication networks and services

CTU will continue to work with the MPO on preparing a new call in the subsidy programme for next generation network deployment within the existing Operational Programme Business and Innovation. It will provide synergies in preparing an updated Action Plan of Non-subsidy Measures, with the aim of removing barriers that obstruct the deployment of such networks.

CTU also expects to work with the MPO on preparing the National Gigabyte Network Plan.

An auction of available frequencies in the 700 MHz band and of frequencies in the 3400 to 3600 MHz band should take place in the second half of 2019. In addition, CTU expects to refarm frequencies in the 900 MHz band, this including the related change of block allocations.

Support for network development includes also the activity of a Single Information Point (SIP) and dispute settlement according to Act No. 194/2017 Coll., on measures to reduce the cost of deploying high-speed electronic communication networks, and any related decision-making regarding prices.

## Regulation and inspection in the sphere of postal services

CTU will compile a comprehensive report on discharge of the obligations imposed on the holder of a postal licence, Czech Post, in the year 2018. This will be done in the first half of the year.

The Office will also continue to monitor development on the market and survey the manner of providing and ensuring universal services and their universal availability throughout the Czech Republic according to basic qualitative requirements.

Completion of the process of notification of the reimbursement of net costs from the provision of universal service to the European Commission for the period of force of the new postal licence, i.e. for the years 2018 to 2022, and implementation of Regulation (EU) 2018/644 on Cross-border Parcel Delivery Services are both of particular importance in the year 2019.

Following on from the outcomes of inspections previously undertaken, CTU will keep checking compliance with the terms and conditions of providing universal services by the postal licence holder. Specifically-speaking, this will involve checking the delivery of parcels and registered letters categorised as universal services.

## Consumer protection

As in previous years, CTU considers consumer protection to be the entirely fundamental area of focus. It will therefore monitor, for example, amendments to the contractual terms and conditions of operators, evaluate the impacts of draft contract amendments and regularly inform the public of these. CTU will also focus on detecting unfair business practices. To this end it will continue its educational activities, e.g. via the Telecommunication Academy. Attention will also be paid to compliance with the net neutrality rules.

## Radio spectrum management

In terms of radio spectrum management, it is essential that the conditions are put in place for proper progress of the process of migration from DVB-T terrestrial television broadcasting to DVB-T2 standard, in accordance with the government regulation on technical plan of transition, including settlement of claims for corresponding payments from the radiocommunication account. This is interconnected with the need to prepare the process of changing radio frequency assignments for DVB-T and to compile a proposal for the development of regional TV broadcasting following on from this transition. In terms

of digital radio broadcasting, international coordination of frequency blocks in the III-Band, intended for the development of broadcasting on the T-DAB platform, is expected to be completed.

In 2019 CTU will implement, experimentally verify and complete draft measures to open the 5.8 GHz band. It will also carry out measures from the updated Spectrum Management Strategy that has been adopted by the government.

### Universal service in electronic communications and postal services

The task which CTU faces in terms of services imposed as universal service is to initiate a review of provision of the partial service of Public Payphones and to specify a list of mandatory public payphones for the year 2020. CTU also plans to launch a review of the provision of special prices, and possible selection procedure. It will also need to decide on the level of net costs which entail the unfair burden and losses from the provision of “special prices” for the year 2018, which are covered by the state budget.

In terms of universal services according to the Postal Act, we expect to complete the process of notification of state aid in relation to financing net costs for the period from 2018 to 2022.

### Inspection activity

Inspection activity in 2019 will primarily focus on the following:

- verification of the availability of the mobile radio networks signal in locations where the obligation to provide a Public Payphone service has been imposed as part of universal service;
- the location and functioning of public payphones included in the universal service;
- adherence to obligations relating to handling warranty claims and complaints laid down in Section 64(10) of the Electronic Communications Act by selected electronic communication service providers;
- the process of mobile telephone numbers portability by selected providers;
- the delivery of parcels and registered letters as part of universal postal services;
- adherence to the terms and conditions of radio frequencies utilisation and of the operation of devices for broadband data transmission in the 2.4 GHz to 66 GHz bands according to VO-R/12/09.2010-12, primarily in the 5,17 and 60 GHz bands; and
- monitoring the 9 GHz frequency band and the manner of utilising frequencies in accordance with the conditions of VO-R/10/05.2014-3.

In addition, CTU plans to check the coverage of railway corridors and motorways, i.e. fulfillment of the development criteria which represent one of the obligations set in the auctions in the 800, 1800 and 2600 MHz bands. This will involve measurement of radio and data parameters. Automated measurement is under preparation.

As in previous years, CTU will focus on identified cases of interference to the DVB-T, DVB-T2 and LTE networks (interference of digital terrestrial television reception). CTU will regularly publish updates about development of the situation in the Czech Republic in monitoring reports.

CTU will compile a study regarding the influence of data network parameters on multimedia services and will complete the implementation of a crowdsourcing tool to measure the quality of Internet access.

## Automated frequency spectrum monitoring system (ASMKS)

This year CTU plans to switch to a new version of the Argus application in line with the concept of developing the ASMKS. A tender is also planned for the supply of a WIFI module as a superstructure of the ASMKS application. Furthermore, we will concentrate on developing and testing an application for surveillance of sources of interference using the TDOA method (time-difference-on-arrival).

## Legislation

In 2019 CTU will continue to provide synergies to the responsible ministries with the preparation of transpositional amendments to the Electronic Communications Act, including reviews of all implementing regulations issued in relation to the Act. The legislative process involved in an amendment to the Postal Service Act should also be completed. Amendments are planned to Decree No. 156/2005 Coll., on the technical and operating conditions of the amateur radiocommunication service and to Decree No. 157/2005 Coll., on the details of enrolment for the examination of special competence for the operation of radio transmission equipment, on the extent of knowledge needed for different special competence types, on the manner of performing the examination, on the types of professional competence certificates and on the duration of their validity thereof. CTU will also be partly responsible for an amendment to Decree No. 466/2012 Coll., on the method of the Czech Telecommunication Office in calculating the net costs of fulfilling the obligation to provide universal services (in relation to completion of a notification of state aid by the EC) and to Decree No. 360/2010 Coll., laying down the template for an electronic form for a proposal for resolving a dispute on obligation to settle financial claim, and technical requirements for its usage.

---

# Radio spectrum management

## General authorisation

The CTU Council approved the issuance of General Authorisation [VO-R/1/12.2018-8](#) for the operation of user's terminals of electronic communications radio networks, doing so on 18 December. The reason for issuing this general authorisation, which replaced the existing General Authorisation [VO-R/1/05.2017-2](#), is predominantly the addition of the 703-733 MHz frequency block for broadband mobile and access network terminals, which will allow to operate the terminals in this frequency band following the allocation of the 700 MHz frequency band based on the upcoming frequency auction.

On 10 January CTU launched a public consultation of a proposed amendment to the spectrum utilisation plan no. [PV-P/10/XX.2019-Y](#), which regulates the terms and conditions of further local TV broadcasting and, at the same time, the terms and conditions of executing the refarming of the 900 MHz band.

## Review of rights of use of radio frequencies

In relation to impending expiration of the validity of the block allocations in the 24.549–24.745 GHz / 25.557–25.753 GHz frequency range, CTU initiated a review of the rights of use of radio frequencies in this frequency range. This range is currently allocated for FWA (Fixed Wireless Access) systems and rights are granted to three radio entities – the companies T-Mobile Czech Republic a.s., Dial Telecom a.s. and Vodafone Czech Republic a.s.. The bloc allocations are valid until 2020.



## Regulation of telecommunication services in the EU

### Net neutrality

On 12 December, the European Union Agency for Network and Information Security ([ENISA](#)) published [on its website](#) Guideline on assessing security measures in the context of Article 3(3) of Regulation of the European Parliament and of the Council 2015/2120. This guideline concerns the security exceptions from the EU net neutrality rules.

### Roaming

On 14 December, the European Commission published [a press release](#) on the implementation of the Regulation on roaming. The report refers to a significant increase in voice communication and the use of data services when travelling in the EU a year and a half after the introduction of “roam like at home”.

### Regulatory framework

On 20 December 2018, [Directive](#) of the European Parliament and of the Council establishing the European Electronic Communications Code, which revise the existing EU regulatory framework in the sphere of electronic communications, entered into force. At the same time, the [Regulation](#) on the Body of European Regulators for Electronic Communications (BEREC) entered into force.

---

## Electronic data collection:

### Newly-published forms in the ESD system

At the beginning of January 2019, CTU published forms in the [Electronic Data Collection](#) (ESD) system for the ART category (ART182 – Services provided in electronic communications), OOP category (K8-5 – Information on the results of the provision of universal services for the year 2018, K814 – Overview of final values of measured quality parameters for the year 2018) and ZEK (PL18 – Operational and localisation data) for undertakings in electronic communications and forms for the POST category (CP18 – Collection of data from postal licence holders and OP18 – Collection of data from postal service operators) for the postal licence holders and for postal service operators. Form PL18 must be submitted by 31 January 2019, form ART182 by 15 March 2019 and forms K8-5, K814, CP18 and OP18 by 31 March 2019.

[The template forms](#), which were allocated to undertakings for completion by the ESD system, as well as an [overview of all forms](#) that will be published by CTU in 2019 can be found at the CTU website.

Collection of geographical data on Internet access, or available connections (homes passed), will continue within the ART182 form, requiring data on individual address locations. This data collection stems primarily from the need to map out the existence of next generation networks infrastructure (NGA) and follows on the data required for analyses of relevant markets.