Czech Telecommunication Office

March 2019

Telegraphically on communications

Portal to compare the quality of mobile networks

CTU launched a pilot version of the <u>qos.ctu.cz</u> application which provides a comparison of coverage and quality of data services of individual operators. The results of professional measurements performed by CTU, user data from the NetMetr application, and theoretical calculations can all be found at one place. Details are provided in an article below.

Analysis of the mobile services market in public consultation

CTU Council approved the launch public consultation on a proposed preliminary analysis of the mobile services market. The conclusion is that tacit collusion potentially exists on the market in relation to the issue of mobile data prices. Comments to the document can be sent until 8 April.

Payment by card set to expand into all branches of Czech Post in the summer

Currently, customers of Czech Post (Česká pošta) can pay for selected postal services using VISA and MasterCard payment cards issued by any bank at more than 750 post offices. Starting from July this year, it will be possible to pay by card at all post offices in the Czech Republic.

Decision-making practice of the courts: **Penalty for failure to deliver consignments upheld by administrative courts**

In the Monthly Monitoring Report 1/2017 we have informed of a final decision to impose a penalty on Česká pošta, s.p., (Czech Post) for failure to fulfil the postal obligation to provide universal services every day of business and to facilitate at least one delivery to the address of each natural person or legal person on those days. Based on the Post's initiative the case escalated up to the Supreme Administrative Court, which concurred with CTU.

In the given case, Czech Post has interrupted the delivery of consignments to an address in the region of Jihlava for 37 days at the beginning of March 2014, allegedly because the postwoman was threatened by two dogs behind the fence. It therefore wished to apply the provisions of Section 33(2) of the Postal Services Act, under which a postal licence holder is not temporarily obliged to meet the postal obligation if prevented to do so by obstacles which were not induced by such a postal licence holder and the formation of which could not be prevented by the postal licence holder even when exercising proper care, especially technical problems not caused by the postal licence holder, the consequences of natural events, lack of necessary cooperation of other persons or the consequences of crisis situations.

This provision applies to extraordinary situations when it is not technically possible to deliver, nor is it possible to inform the concerned addressees of the interruption of delivery of consignments. However, this was not the situation, because the Post was able to inform the addressees at the given address they will suspend the delivery service.

In its decision, CTU explained that the Post could not foresee in advance that the postwoman would be put at risk every delivery day, i.e. that the exception laid down in Section 33(2) of the Postal Services Act would be applicable, meaning that it would not be obliged to deliver a postal consignment.

During an on-the-spot inspection, CTU discovered that even though the fence by the post box is not high, it was impossible for the dog to lean over it in such a way as to threaten the person at the post box. In support, it drew on the consideration that the present dogs have an average shoulder height of around 60 cm and the length of their bodies surpasses the shoulder height by a maximum of 20 %.

CTU imposed a penalty of CZK 20 thousand on the Post for an administrative offence.

The Post unsuccessfully contested the decision in an administrative action and an further appeal. It did not therein deny that it had failed to fulfil the obligation to facilitate at least one submission and one delivery at the address of every natural person or legal person each business day. However, it did contest whether the facts of the administrative offence according to Section 37a(3) point (a) of the Postal Services Act may be exhibited by breach of this obligation.

The Supreme Administrative Court assessed the case at issue such that the postal licence holder commits an administrative offence, inter alia, if it fails to fulfil a postal obligation in a way which matches the needs of the public and basic qualitative requirements.

Whereas the imprecise legal concept of "public needs" is not defined in any way by legal order and is left to the interpretation of administrative bodies, the legal order does define "basic qualitative requirements" in the decree on determining the specification of individual universal services and basic qualitative requirements on the provision thereof. Neither basic qualitative requirements, nor the public needs entail a separate list of obligations, they rather specify the way in which the post office has to fulfil the obligations laid down, more or less in detail, by the law.

Obviously, if the postal licence holder completely fails to fulfil an obligation laid down by the law, it is redundant to consider the issue of whether it fulfilled it in a way which matches the public needs and basic qualitative requirements. This would only make sense had the undertaking attempted to fulfil the obligation at least in some way. According to the Supreme Administrative Court, the accountability of Czech Post for the administrative offence could be inferred from the ascertained breach of a postal obligation without an interpretative broadening of the facts of an administrative offence.

Amendments to contractual terms and conditions

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Operator O2 has ceased offering a connection via CDMA. This ensues from the <u>price list</u> (available only in CZ language) effective from 1 March. The network will be gradually switched off as from 15 June.

Vodafone

Vodafone presented a new <u>price list</u>, effective from 22 February. The main change is broadening of Red tariffs to include the possibility of involving up to six members.

O2 Family

Operator O2 Family announced in its price list, effective from 1 March, that tariffs and bundles with data limit are not intended for playing videos or streaming in HD quality or higher, or for downloading or backing-up large volumes of data, updating software on background, or continuous monitoring or using other services which are demanding on data. The price list also states the measures used for the proper functioning of the network and services, and a summarizing table of the impact of the parameters of the quality of mobile data services on the possibility of their use.

New WACC value

On 26 February the CTU Council issued an amendment to the Measure of a General Nature OOP/4/02.2019-2, amending the Measure of a General Nature OOP/4/09.2014-6, which lays down the function of expense and incomes method incomes and their allocation, and determines the structure of reportable information, as amended by the Measure of a General Nature OOP/4/12.2015-7. The amendment reduces the value of the percentage of the Weighted Average Cost of Capital (WACC) for a determined undertaking that ensures an electronic communication networks or provides a publicly available electronic communication service to 7.25 % (a drop of 0.64 percentage points), and WACC for the access to new generation access networks service to 8.66 % (a drop of 2.54 percentage points). This measure shall enter into effect on 15 March 2019.

Checked by CTU in February ...

... 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 $2.4~\mathrm{GHz}-66~\mathrm{GHz}$ bands.

CTU ascertained defects in 14 of the 17 inspections conducted, mainly in the use of indoor frequencies outside a building. CTU requested to remedy the deficiencies and subsequently initiated administrative procedure.

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

CTU conducted a total of 20 inspections focusing on the use of frequencies without an authorisation. In 11 cases it discovered the use of frequencies without or after the expiration of an individual authorisation. Administrative proceedings have been initiated.

... observance of the terms and conditions of an individual authorisation to use frequencies.

CTU undertook three inspections of observance of the terms and conditions of an individual authorisation to use frequencies, finding faults in two cases.

... 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 completed a total of 134 investigations, 97 cases of which concerned interference to television reception (12 of these cases involving interference to DVB-T2 reception), 18 cases of interference to GSM and LTE public mobile communication networks, 6 cases of interference to radio and satellite reception, 2 cases of interference to short-range devices, 2 cases of interference to RR connections, and 3 cases of interference to meteorological radars. In 20 cases, the source of interference to DVB-T was found to be BTS LTE in the 800 MHz band (see next section), while interference to public mobile networks was caused in five cases by the radiation of active TV signal reception systems and in four cases by the radiation of GSM repeaters. The causes of insufficient reception of DVB-T2 were solely other than interference by LTE systems.

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

231 base stations were in pilot operation and 16,377 stations were in permanent operation as of 28 February 2019. CTU received 63 reports of interference and completed the investigation of 97 cases of DVB-T interference; LTE base stations in the 800 MHz band were identified as the source of DVB-T interference in 20 cases. In 54 cases there were faults to the reception equipment of television viewers, in 19 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).

A joint inspection of dealers in telecommunication terminal and radio equipment in Varnsdorf identified the sale of wireless doorbells that work within the 305-334 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 their powers. Another inspection of a dealer in Brno focused on bite sounders for fishing. Six samples were tested and found to be faultless.

CTU does not prohibit operators from slowing down connection once data has been exhausted

CTU has registered an increasing number of complaints made by subscribers to various operators who have spoken to the contact centre of their providers regarding their data services after having exhausted their data limit. These subscribers refer to the fact that when talking to the call centre they have been told that CTU has prohibited their operator from providing unlimited data or from using data at a slower speed after having exhausted the basic data limit.

CTU strongly objects to such false contentions. It has never conducted any proceedings or handed down any decisions which would in any way prevent providers from offering unlimited Internet connection. Should, after the basic data bundle has been exhausted, an operator decide to continue providing the service, but at a slower speed, it is important that this proceeds without discrimination to any applications or services. The situation may not arise in which certain services are slower or suspended when other are not. Such provision of data services would be contrary to Regulation (EU) 2015/2120 of the European Parliament and of the Council laying down measures concerning open internet access.

The Regulation in question makes it possible, providing equal and non-discriminatory treatment of all data operation, for undertakings to provide unlimited data, in that it is purely for them to decide whether and in which form to offer this to their subscribers.

Web-Portal to compare the quality of mobile networks

Whoever wishes can check the quality of mobile networks using the qos.ctu.cz application, a visualisation tool created by CTU that is now also available to the public in a pilot mode. The system was originally created to check satisfaction of the conditions of frequency auction.

Users can use this tool to compare the quality of services provided by individual operators and to use this information, for example, when changing service provider. "We present the results of professional measurements, user data obtained within the NetMetr application, and theoretical calculations, all at one place," says Jaromír Novák, Chairman of the CTU Council highlighting the benefits of the application. CTU plans to broaden the visualisation tool to include other features and to gradually add other services, for example fixed Internet connection.

This activity is linked to the MoQoS project, whose beginnings stretch back to 2015, when Jaromír Novák initiated the creation of a memorandum of cooperation between CTU and the national regulators of other EU States (Slovakia, Slovenia, Croatia, Poland, Serbia, and Romania) and between CTU and CZ.NIC, followed by the launch of the NetMetr application (www.netmetr.cz). The project was chosen by the European Commission for funding within the Connecting Europe Facility programme.



Czech Post stops weighing and starts measuring

Czech Post fundamentally changed its calculation of the <u>price</u> of postal services for all domestic parcels and registered parcels in its registered consignments service, doing so on 1 March. Instead of weighing postal consignments, as was the standard practice until now, the decisive new criterion in determining the price is the size of the longest side of the consignment.

According to Czech Post, the change is primarily motivated by the need to increase the proportion of consignments which are suitable for machine sorting, and in doing so reduce the costs of processing them. The original and the new prices of the service for individual types of postal consignment falling within universal postal services are shown in the following table.

At the same time, the maximum permitted weight of a postal parcel within universal postal services has been reduced from 20 kg to 10 kg.

Certain new fees and discounts have also been introduced. The "Non-standard" surcharge of CZK 16 for consignments of a shape other than a regular block or cube, consignments not packaged in solid packaging, or wrapped in black packaging is particularly worthy of mention. The sender who submits sending data over the Internet will receive a discount of CZK 8. The conditions for parcels not included under universal services have also been modified in a similar way. The old and new prices for the most commonly used parcel service — Parcel Delivery to Hand — are shown in the table.

Parcel Delivery to Hand	Price until 28 February	Price from 1 March
up to 2 kg	CZK 138	
up to 5 kg	CZK 152	
up to 10 kg	CZK 173	
up to 15 kg	CZK 229	
up to 20 kg	CZK 257	
up to 30 kg	CZK 294	
S (up to 35 cm)		CZK 129
M (up to 50 cm)		CZK 159
L (up to 100 cm)		CZK 209
XL (up to 240 cm)		CZK 359

It is also now possible using Parcel Delivery to Hand and Parcel Delivery to Post Office to transport money, activated payment cards, and other means of payment; vouchers for purchase of goods and services; bills of exchange, cheques, and other securities; items of cultural, artistic, or collector value irrespective of their age and value; jewellery, gemstones, precious metals and products thereof, and other similar valuables, for a surcharge of CZK 50. The "Non-standard" surcharge for such consignments is CZK 19. In addition to a discount of CZK 10 for submitted sending data over the Internet, a discount of CZK 10 is provided for these consignments against presentation of a customer card.

The new system will in some cases mean an increase in the price of the services provided, most significant for Registered Parcels, for which the postage is now more than double in certain cases. By contrast, the price of the services is lower for many consignments. Such prices mainly involve small, heavy consignments (screws, nuts, ironmongery goods) and paradoxically, given the declared reason for changes, consignments for which a surcharge was collected until the end of February for being "Bulky" of CZK 145 and for consignments longer than 180 cm in length or having aggregated sides longer than 240 cm. Differences in prices of the Parcel Delivery to Hand postal services until 28 February and from 1 March are shown in the following table.

Service – domestic	Price until 28 February 2019 (CZK/PU)	Price from 1 March 2019 (CZK/PU)
Registered Parcel		
Up to 500 g	74	
Up to 1 000 g	79	
Up to 2 000 g	83	
S (up to 35 cm)		99
M (up to 50 cm)		119
L (up to 60 cm)		169
Regular Parcel		
Up to 2 kg	74	
Up to 5 kg	81	
Up to 10 kg	95	
S (up to 35 cm)		89
M (up to 50 cm)		119
L (up to 100 cm)		169
XL (up to 240 cm)		319

Valuable Parcel		
Up to 2 kg	110	
Up to 5 kg	120	
Up to 10 kg	140	
S (up to 35 cm)		129
M (up to 50 cm)		159
L (up to 100 cm)		209
XL (up to 240 cm)		359

Telecommunication regulation in the EU

Connecting Europe Facility

The European Commission published a total of 6 calls for submitting proposals of projects eligible to a grant within the Connecting Europe Facility (CEF), doing so on 14 February. Proposals may be submitted for the following calls:

- <u>CEF-TC-2019-1</u> Automated Translation
- <u>CEF-TC-2019-1</u> eldentification (eID) & eSignature
- <u>CEF-TC-2019-1</u> eDelivery
- <u>CEF-TC-2019-1</u> eInvoicing
- <u>CEF-TC-2019-1</u> Europeana
- CEF-TC-2019-1 EU Student Card

The closing date for all calls is 14 May 2019.

Review of the Recommendation on relevant markets

The European Commission launched a <u>public consultation</u> on the review of the Recommendation on relevant product and service markets within the electronic communications sector <u>2014/710/EU</u>. The aim is to gather information on the state of play and developments of wholesale markets and assess current and potential markets susceptible to ex ante regulation in the sector. The results of the targeted consultation will support the Commission's preparations of the new Recommendation to be adopted by 21 December 2020. The consultation is open until 10 May 2019.

Maximum voice call termination rate

The European Commission presented a <u>proposal of steps</u> to determine a uniform maximum mobile voice call termination rate throughout the EU, doing so on 18 February. The requirement to determine such a uniform rate stems from the European Electronic Communications Code. Comments may be made on the proposed steps until 18 March 2019 and it is expected that public consultation will be launched during the third quarter of 2019.

Localisation of emergency calls

Commission Delegated Regulation (EU) 2019/320 of 12 December 2018 supplementing of Directive 2014/53/EU of the European Parliament and of the Council with regard to the application of the essential requirements referred to in Article 3(3)(g) of that Directive in order to ensure caller location

in emergency communications from mobile devices was published in the Official Journal of the European Union on 25 February. The regulation enters into force on the twentieth day after promulgation in the Official Journal and will apply from 17 March 2022.

Single digital market

An informal Meeting of EU Telecom Ministers took place on 1 March in Bucharest discussing the future of the single digital market, artificial intelligence, and cyber security. The meeting was preceded by the Third Eastern Partnership Ministerial Meeting on the Digital Economy, on 28 February. It was focused on the possibility of expanding the benefits of the single digital market into Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

BEREC

The first BEREC and IRG <u>plenary meeting</u> this year was held in Budapest from 6 to 8 March 2019. Among other things, the following documents, which will be published at the <u>BEREC website</u>, were adopted during the meeting:

Document number	Document title/hyperlink
BoR (19) 21	22nd International Roaming BEREC Benchmark
	Data Report
BoR (19) 22	BEREC Report on the outcome of the public
	consultation on the draft BEREC Report on
	Pricing for access to infrastructure and civil
	works according to the BCRD
BoR (19) 23	BEREC report on pricing for access to
	infrastructure and civil works according to the
	<u>BCRD</u>
BoR (19) 24	BEREC Report on the outcomes public
	consultation on Draft BEREC Report on Internet
	of Things (IoT) indicators
BoR (19) 25	BEREC Report on Internet of Things (IoT)
	<u>indicators</u>
BoR (19) 26	BEREC Report on the outcomes of the public
	consultation on Draft BEREC Report on
	Terminating Contracts and Switching Provide
BoR (19) 27	BEREC Report on Terminating Contracts and
	Switching Provider
BoR (19) 32	BEREC Report on the process for developing the
	BEREC WPs
BoR (19) 35	BEREC Guidelines on intra-EU communications