



Czech Telecommunication Office

August 2018

Telegraphically on communications

700 MHz auction: operators submit their comments

CTU received comments or questions in relation to the fundamental principles proposed for the auction of frequencies in the 700 MHz band from eight undertakings. None of these, however, offered up any relevant arguments that would lead to a re-assessment of the objective of the public procurement procedure: the promotion of competition. The auction is to begin in the second half of next year.

Fraud on direct debit: Czech Post files a lawsuit

Cases have appeared, particularly in the Ústí nad Labem and Hradec Králové regions, in which fake employees of Czech Post (Česká pošta) address senior citizens and ask to see their SIPO documents (SIPO = direct debit of multiple payments via the Czech Post system). After this, they offer them a change of energy supplier. Czech Post has responded to this by protesting that its employees do not directly address customers and do not carry out any such checks.

Circle of Digital Life: a look into the near future

The Circle of Digital Life Conference, organised by CTU and to be held on 20 September at Corinthia Hotel Prague, will present the very latest technology that aims to influence life, the way in which we communicate, how we amuse ourselves and how we obtain information. A detailed conference programme is available on the CTU website, together with a registration form.

Decision-making practice: Contract amendments may not turn customers into detectives

The duty to provide information on a unilateral contract amendment may not be fulfilled simply by informing the customer that such an amendment will occur in the foreseeable future. If a subscriber is to be able to take a qualified decision as to whether the intended amendment suits him/her or not and, as the case may be, to exercise his/her right to terminate the contract, he/she must be informed of the amendment in a way which is comprehensive and in the way which he/she chose for billing to be sent. The operator may not therefore rely on the fact that the customer will piece together the “information mosaic” which it has prepared for him/her based on brief advice that the amendment is coming.

This is the result of a final and conclusive decision in a dispute between Vodafone and one of its subscribers, who was unsuccessful in claiming back billing which was six times higher than the amount he paid in prior months. Vodafone rejected the claim, arguing that there had been a unilateral amendment to the contract of which it had informed the customer in an invoice and in an SMS.

In its decision, the Office also considered the way in which the contract amendment was to have occurred and the way in which the customer was informed of the planned amendment. Vodafone added this information to billing as follows (in translation): “We are replacing your “Tarif na míru“ with a more up-to-date solution. We are delighted that you are with us and are trying to continually offer you the very best services. That is why we are replacing first generation “Tarify na míru“ with up-to-date tariffs with a wide range of services, which you will receive from us at favourable prices, no less. All changes, and the specific offer of tariffs, can be found in Můj Vodafone self-service at <http://tam.je/tnm> and we will inform you of the next steps to be taken by SMS. If this new offer does not suit you, you can withdraw from the contract without facing any penalty. We hope, however, that everything will run smoothly and that you will remain satisfied with our services.” Five months later, the operator sent the customer an SMS worded as follows (in translation): “Hello. We will transfer you from “Tarif na míru“ to a new solution within the next 14 days. You will find detailed information about the change and about the tariff that we have chosen for you at <http://tam.je/tnm>. Or you can activate the change right away. Thank you. Your Vodafone.”

The operator did not proceed consistently in fulfilling its duty to inform, in that it merely informed the customer in the invoice that his tariff would be replaced with a “more up-to-date solution”. In doing so it inadmissibly transferred its duty to provide information on the contract amendment to the client, whom it expected to actively find the relevant information himself in Internet self-service. It was for all these reasons that CTU upheld the customer’s appeal and reduced the billing to the original amount.

Economic results

O2

O2 [published](#) its economic results for the first half of 2018¹. The total consolidated operating incomes at O2 saw a year-on-year rise for the first half-year of 0.6 % to CZK 18.599 billion. Incomes from mobile services in the Czech Republic rose by 1.9 % in a year-on-year comparison to CZK 9.968 billion. By contrast, incomes from the use of fixed-line services in the Czech Republic fell by 3.8 % to CZK 5.146 billion. EBITDA rose year-on-year by 5.6 % to CZK 5.378 billion and net profit was CZK 2.776 billion, an increase of 5.4 %. The use of mobile data showed an increase, in that data traffic rose by almost 120 % year-on-year in the first half of 2018.

T-Mobile

T-Mobile also [published](#) its economic results for the first half of 2018. Total revenues at the company rose year-on-year by 0.3 % to CZK 13.261 billion, whereby revenues from mobile services fell slightly by 0.6 % to CZK 9.212 billion in a year-on-year comparison. The average monthly income from mobile services per customer (ARPU) did not change year-on-year and remained at CZK 253. 6.174 million customers used mobile services from T-Mobile at the end of the first half of 2018, which is a slight increase of 0.3 % in a year-on-year comparison. The number of subscribers with a tariff rose by 3.7 % to 3.932 million, whereas the number of customers using a prepaid card fell by 5.2 % to 2.242 million. The volume of transmitted data in the mobile network rose by 25.7 % year-on-year, reaching 27,400 TB (terabytes).

¹ Consolidated data include the results of all subsidiaries.

Legislative changes

Charges for using frequencies and numbers

Government Regulation No. 138/2018 Coll., amending Government Regulation No. 154/2005 Coll., on determination of the size and calculation of charges for the use of radio frequencies and numbers, as amended, was promulgated in Chapter 72 of the Collection of Laws on 12 July 2018.

This Government Regulation now regulates the area of charges for the use of radio frequencies in particular in the following areas:

1. for fixed-line services, it lays down a new mechanism for calculating the annual charge for the use of radio frequencies such as to promote to a greater extent the use of the high frequency bands and of broad radio channels, which are ever more frequently being used for the provision of high-speed access services;
2. for land mobile services, it lays down a new coefficient for the frequency range from 1 GHz to 2.2 GHz such that the size of the charges determined for individual parts of the frequency spectrum which is used within mobile networks corresponds more to their different properties when transmitting radio signal and in turn the different economic cost of the construction and operation of the corresponding parts of land mobile service radio networks. At the same time, the amendment of the wording formally adds a description of determination of the K1 coefficient (the coefficient of the used width of the frequency band) so that the dependence of its value on the width of the allocated range of the radio spectrum is clear;
3. for satellite services, it now lays down the values of the coefficient for the use of technology with multiple access to a channel so as to promote the use of this spectrally more effective technology.

Section 1 of the Government Regulation is also amended, on legislative technical grounds, in that this is supplemented with a new subsection 4, which responds to a certain applicatory ambiguity in cases in which, according to the method of determining the charge specified above according to the Annex to the Government Regulation, the amount determined is lower or higher than that envisaged in the limits laid down by the Act on Electronic Communications (see Section 24(2) or Section 37(2) of the Act on Electronic Communications). The Government Regulation determines for such cases that the size of the annual charge for using radio frequencies and numbers should correspond to the size of the limit which this charge does not reach or which it exceeds.

This Government Regulation enters into effect on 1 September 2018.

Digital TV broadcasting

The following DVB-T2 transmitters were put into operation in July in transitional broadcasting network 11: Raspenava, Valašské Meziříčí, Rakovník, Žďár nad Sázavou – Harusův kopec, Boskovice, Valašské Meziříčí – Radhošť, Karlovy Vary – Tři Kříže (all channel 26), Vsetín-Bečevná (channel 39), Velké Meziříčí (channel 48), Ústí n. L. – Vaňov (channel 50) and Děčín – Popovický vrch (channel 50). The Valašské Meziříčí – Radhošť (channel 28) and Vsetín-Bečevná (channel 34) transmitters were launched in transitional broadcasting network 12. The current level of coverage in DVB-T2 standard can be monitored at digi.ctu.cz.