



Annual Report of the Czech Telecommunication Office for 2020

Annual report on the Universal Service

Annual Report on the Provision of Information pursuant to Act No. 106/1999 Coll.

Information on handling complaints about the activities of CTU

Annual Report on the out-of-court settlement of consumer disputes

The Czech Telecommunication Office in a Nutshell...

We are

- > **an independent administrative body** for the performance of state administration in matters of electronic communications and post offices, and we cooperate with other public administration bodies,
- > **accessible to all stakeholders and citizens** not only at the headquarters in Prague, but also through 7 regional offices and their branches,

- 
- > **an active member** of the associations of European regulators for electronic communications and postal services - BEREC, ERGP and IRG,
 - > **involved** in the activities of a number of international professional institutions such as ITU and UPU, and also working within the structures of the European Union.

A WORD OF INTRODUCTION BY THE CTU COUNCIL CHAIR

Dear users and operators of electronic communications services and postal services,

I tied my entry into office in 2020 to a resolution to make the Czech Telecommunication Office a respected institution for both consumers and operators. An institution that will guarantee transparent and correct relations on the market of electronic communications and postal services. Thanks to the daily support from my colleagues, I think that this resolution is gradually being fulfilled.

I would like to offer you my perspective of important events that moved the Czech electronic communications market forward in 2020 and which had positive impact on the development of the postal services market and on the position, rights and protection of consumers. It is not my ambition to focus on all the Office's activities here, our responsibilities and activities are very diverse. You will find everything in the annual report, described in detail and in a well-organized manner, including the necessary statistics.

There is no need to discuss in detail how difficult the conditions were in carrying out our plans, how complicated our work was due to the Covid-19 pandemic situation and the associated government measures and restrictions. We dealt with it honourably.

We entered 2020 with the task of completing the auction of 5G frequencies. It was a closely watched topic, not only in the media. We completed the process at the beginning of 2021; the frequencies in the 700 MHz and 3400 to 3600 MHz bands were distributed to the companies that succeeded in the auction. I consider the result of the auction to be successful. None of the block allocations was challenged by an appeal. Block allocations have come into force and the basic conditions for the construction phase have been created. The process of transition to the new DVB-T2 digital TV broadcasting standard was also completed; the last transmitter was switched off at the end of October 2020. According to the Technical Transition Plan, there was a gradual migration to a new, more technologically advanced and more frequency-efficient system. No change can be done without problems; we solved minor problems flexibly.

In the area of electronic communications services, work continued on the development of the Office's own tool for comparing prices and the minimum quality of publicly available electronic communications services, from the call for tenders through negotiations with operators to the structure of the collected parameters and the options of operators in reporting data up to the preparation and finalization of the relevant decree and the launch of the tool earlier this year.

It is also worth mentioning the cooperation with the Ministry of Industry and Trade on the steps necessary in connection with the transposition amendment to the Electronic Communications Act. Although the amendment has not yet undergone the necessary approval process in the Parliament of the Czech Republic, the Office has already proceeded to revise all implementing regulations and Measures of General Nature which are within the scope of powers and responsibilities of the Office and are related to the amendment. The Office started discussions with entities regarding the application of the new rules for telephone number portability or the change of the internet access provider and extension of the validity of the rules to providers of other as yet unregulated services (e.g., internet calls, messengers).

In February 2020, Česká pošta, s.p., as the operator of universal postal services, introduced the so-called two-speed delivery of postal items (in priority and economy mode) and proceeded to adjust the prices of postal items to foreign countries in the weight category above 100 g. The Office continuously evaluated the availability and cost of the prices of universal services and carried out an audit of delivery of postal items in the priority mode. We continued our communication with the European Commission regarding the notification of net costs to Česká pošta, s.p. for the next period of 2018 and 2022.

I would like to mention the cooperation with universities, with whom we coordinate activities regarding the development and testing of new tools to support further technological development.

The Covid-19 pandemic has not prevented cooperation at the international level. Discussions within the working groups of international organizations of which the Office is a member and coordination at EU level took place with almost the same intensity, only in the form of virtual meetings. Communication and cooperation with partner international bodies took place in a similar way.

The scope of activities for dealing with complaints and enquiries from users of electronic communications services and postal services is very extensive. The Office evaluates the submissions received on a quarterly basis and publishes its evaluation reports every three months in a monitoring report. We have made significant progress in processing the backlog, with 4,300 files in disputes over payment for electronic communications services out of the nearly 24,000 unresolved files at the time of my arrival remaining to be solved, while maintaining the speed of first-instance file processing and under very difficult conditions.

The process of renewal of the Office's technical equipment, i.e. the resources necessary for spectrum management or inspections in the area of internet or telephone services, has also been initiated.

Last but not least, I would like to highlight the fact that in 2020, the Office also focused on public education and significantly expanded its Telecommunication Academy project. It organized 42 lectures for the elderly, a very specific target group for whom information needs to be prepared in a clear and simple way. At the same time, other educational projects were being prepared, e.g. on the topics of cyber security or 5G networks. I believe that the situation in 2021 will allow us to devote more time to educational activities.

In 2020, due to the epidemic measures, the Office had to partially suspend (one month in spring, two months in autumn) the professional qualification tests for applicants for the licenses of radiotelephone operators and radio operators of the maritime mobile service, the aeronautical mobile service and certificates for the HAREC and NOVICE amateur radio communications service station operators. Despite the decrease in the number of issued certificates compared to 2019, in 2020 the Office issued 1,301 new certificates of professional qualification on the basis of examination or recognition of professional qualification and extended the period of validity of 2,730 certificates, which is the highest number in the recent years.

Finally, I would like to thank all my colleagues, as we have managed to keep the Office almost fully operational over the past challenging year, including service to the public which was provided during limited office hours. We would also like to thank our partners, both representatives of the operators and colleagues from the state and public administration, who cooperated with us intensively.

And what's in store for us? This year we will launch a regular review of the scope of universal services to assess the need to impose the obligation to provide and facilitate universal services. Based on the results of the review, a tender for the postal licence holder for the period 2023-2027 will be announced in 2022. We expect further intensification of competition in the mobile market, continued technological development, and support for deployment of modern next-generation access networks, including fifth-generation mobile networks. Empowering consumers, communicating with operators to set up all processes as efficiently as possible. Let's keep our fingers crossed that we can continue to modernize our economy and create the conditions for better functioning of the society and improving the life for our citizens.

Mgr. Ing. Hana Továrková
CTU Council Chair

COUNCIL OF THE CZECH TELECOMMUNICATION OFFICE



Mgr. Ing. Hana Továrková

She graduated in Law and Legal Science at the Faculty of Law of Masaryk University and in Corporate Finance at the Faculty of Business at Brno University of Technology. Since 2009 she has worked as a lawyer in Továrek, Horký a partneři, advokátní kancelář (law firm). She was also a member of the Board of Directors and Chair of the IT and Telecommunications Section of the Chamber of Commerce of the Czech Republic. In November 2019, she was appointed by the Government of the Czech Republic as a member of the CTU Council for a period of 5 years, and in January 2020 she was appointed Chair of the Council. She has long been committed to the development of the telecommunications sector, both by advocating legislation to facilitate deployment and by actively seeking the use of subsidies. Under the auspices of the Platform for the Development of High Speed Internet, she has contributed to unifying the views of associations and entities operating in the electronic communications market.



RNDr. Ing. Jiří Peterka

After graduating from the Faculty of Mathematics and Physics of the Charles University in Prague, he worked there for another 35 years as a teacher, focusing first on programming, computer architecture and microprocessor technology, later on computer networks and communications. After 1996, he also worked for 19 years as an independent consultant and publicist in the field of the Internet, electronic communications and eGovernment. He is also active in the area of electronic signatures and he continues to publish in online media and is the author of 4 books. In June 2015 he was appointed member of the CTU Council and in 2020 the government extended his mandate. As part of his work in the Council, he focuses on issues of broadband connection, net neutrality and open access to the Internet, on the contract terms and conditions of operators, and on digitalisation of the work of the Office.



Mgr. Josef Chomyn

After graduating from the Faculty of Mathematics and Physics of the Charles University in Prague, field of Informatics, he worked in various positions as an Internet specialist, network and data communications consultant, network planning manager, or technical manager for Internet providers. He was in charge of the electronic communications department in ČD – Telematika a.s. Before starting to work for the Czech Telecommunication Office he worked as operations manager in Stream Circle a.s. In addition, for 17 years he worked in NIX.CZ, z.s.p.o., of which 15 years as Chairman of the Board of Directors. In June 2017, he was appointed a member of the CTU Council, where he focuses on universal service and the area of postal services.



Mgr. Lukáš Zelený

After graduating from the Faculty of Law of the Charles University in Prague, he worked for many years in dTest, the largest Czech consumer organization, where he was the head of the legal department. In 2013, he was elected chairman of the Consumer Consultative Committee by the Ministry of Industry and Trade and he also operates in several inter-ministerial and professional working groups. Among other things, he lectures on electronic communications and consumer rights. He was heavily involved in the campaign against illegal and unethical practices of demonstration organizers and door-to-door salespeople. As of 1 July 2019, was appointed a member of the CTU Council by the government. From the beginning, he has been active in the area of consumer protection issues and related consumer legislation. One of his goals is for consumers to know that there is CTU in the complex structure of the Czech supervisory authorities. And mainly the fact, that they can contact it with confidence.



Ing. Marek Ebert

He graduated from the University of Transport and Communications in Žilina (now the University of Žilina), majoring in operation and economics of communications. At the Office he initially worked as the Head of one of the Regional Departments, then of the Department of Regulation of Telecommunications Networks and Services, and since 2007 of the Regulation Section of the Office. He has been involved in the adoption of a number of regulatory and pro-consumer measures and in the preparation of related legislative proposals. In April 2020, he was appointed by the Government as a member of the CTU Council. He has long been involved in the application of effective tools to promote competition and technological innovation in the telecommunications market and in the field of postal services.

EXECUTIVE SUMMARY

Despite the limitations resulting from the measures taken in response to the Covid-19 pandemic, the Office focused in particular on the following key topics in 2020:

- auction of frequencies in line with promoting competition in the mobile market, encouraging the development of 5G networks and efficient use of the spectrum;
- completion of the process of releasing the 700 MHz band from terrestrial TV broadcasting and its transition to DVB-T2;
- designation of clear conditions for the quality of internet access services in order to help consumers;
- opening up new frequency bands to support both a wider offer of internet access services (60 GHz frequency band) and for the future use within 5G networks (26 GHz frequency bands);
- inspections of compliance with the conditions of delivery of registered postal items and parcels in Česká pošta, s. p., with a focus on the priority mode of delivery;
- support for deployment of high-speed electronic communications networks;
- Mapping of backhaul infrastructure and support for the preparation of the National Plan for the Development of Very High Capacity Networks together with the Ministry of Industry and Trade.

ELECTRONIC COMMUNICATIONS

The electronic communications market in 2020 was marked by the creation of conditions for the development of 5G networks.

A major issue in the field of electronic communications was the implementation of a Tender for Granting of the Rights to Use Radio Frequencies to Provide Electronic Communications Networks in the 700 MHz and 3400–3600 MHz Frequency Bands. The Office announced the tender in August 2020. The actual electronic auction phase started on 10 November and continued until 13 November 2020. Based on the results of the tender, the Office granted radio frequency block allocations to CentroNet, a.s., Nordic Telecom 5G a.s., O2 Czech Republic a.s., T-Mobile Czech Republic a.s. and Vodafone Czech Republic a.s.

The results achieved, combined with the designated conditions for the tender, will enable the expansion of competition in the mobile market and the rapid development of 5G networks. Of course, the Office will be ready to support the application of individual measures from the auction (national roaming, wholesale offer, etc.) in the negotiations of the market players in 2021.

As part of its regulatory activities in 2020, the Office focused on continuing the 5th round of relevant market analyses initiated in 2019. It has completed its analyses of relevant markets No. 1 and 2 (wholesale fixed and mobile call termination markets) and imposed the necessary remedies, including price regulation obligations, on all undertakings with significant market power. In the course of the year, it also started analyses of other relevant markets and, within its regulatory powers, focused on verifying the price level of wholesale services even in cases where the conditions for their designation were defined outside the system of standard remedies from ex-ante regulation.

In 2020, the Czech Republic successfully completed the process of releasing up the 700 MHz band and the related transition of terrestrial TV broadcasting from DVB-T standard to DVB-T2/HEVC. The entire process was implemented in accordance with the Government Regulation No. 199/2018 Coll., on Technical Plan of Migration of Terrestrial Digital TV Broadcasting from DVB-T Standard to DVB-T2 Standard. Already in January, the first transmitters of the commercial networks were switched off and the whole process was completed at the end of October 2020. The change affected almost 2.5 million Czech households that use terrestrial television broadcasting.

POSTAL SERVICES

In 2020, 37 operators were authorized (at least for some time) to provide postal services. However, in terms of the volume and structure of the services provided, the trend of a significant decline in the quantity of ordinary letters continued. In contrast, the volume of parcels increased. Quite understandably, the measures taken in connection with the Covid-19 pandemic, where parcel deliveries in particular have clearly increased due to a massive use of online commerce, have also played a role.

From the point of view of the so-called universal services, which are provided by Česká pošta, s.p. under the granted postal licence, an important measure was the introduction of the so-called two-speed delivery of ordinary and registered postal items in February 2020. In response to unfavourable situation, especially in the first phase of the Covid-19 pandemic, Česká pošta, s.p., has partially reduced some of its services. First, for the limited period of time necessary to provide protective equipment for the mail delivery staff, it reduced the delivery of some parcels to the location specified in the postal address. In addition, it temporarily deposited postal items or dropped them into mailboxes without confirmation of delivery and reduced the opening hours of post offices. The Office continuously monitored these measures and, on the basis of its findings, issued requirements in justified cases that Česká pošta, s.p. return to normal mode.

Also in 2020, Česká pošta, s.p. met one of the basic quality indicators of the universal service provided, namely the speed of delivery of postal items. The postal licence designates the criterion for the number of items delivered on the first business day following the day on which the postal items are posted. The indicator has been fulfilled; Česká pošta, s.p., achieved the result of 92.63% all year round.

INSPECTION ACTIVITIES

As part of its regular review, the Office carried out the following inspections in the field of electronic communications in 2020:

- inspections concerning the functionality and availability of public payphones / public telephone stations operated as part of the universal service and the quality of the mobile network signal in 1,298 locations;
- inspections of compliance with the conditions for porting of numbers in mobile networks of the three largest operators (between each other) in accordance with both the relevant sections of the Electronic Communications Act and the conditions designated in the Measure of General Nature No. 12. For the most part, only ambiguities in the running of the time limit for number porting were found in cases where the application was submitted remotely, where the new SIM card was delivered by courier or postal service, which was not assessed as non-compliance with the legal conditions;
- inspection of compliance with Authorization No. VO-R/12/09.2010-12, i.e. inspections of operators of RLAN equipment; 84.5% of inspections revealed breaches, which is a constant state compared to 2020. Investigation of complaints about interference with meteorological radar was prioritized, with the most common cause being ineffective DFS mitigation technology.

Inspections in the area of universal postal services were carried out to verify compliance with obligations of:

- delivery of parcels classified as universal postal services in January 2020; the Office addressed the deficiencies within its scope of powers and responsibilities;
- delivery of letters classified as universal services in the D+1 mode. The inspections were carried out on two dates, in August and October. Violations were found in a small number of specific letters. The Office proceeded in accordance with its scope of powers and responsibilities.

Due to the fact that DTT (Digital Terrestrial Television) moved to the DVB-T2 standard in 2020, the primary focus of the digital TV interference inspections has been to ensure that DTT is protected from unwanted interference from the 800 MHz band due to the possibility of negative effects from LTE mobile networks operating in this frequency band, both in new stations and in stations whose technical parameters have changed. However, the operation of LTE networks had a negligible effect on the quality of TV signal reception.

CONSUMER PROTECTION

Throughout 2020, steps were underway to launch a free, independent price and quality comparison tool for electronic communications services. It was launched in early 2021.

In the area of subscriber agreements, as in previous years, the Office monitored and evaluated complaints and queries from subscribers concerning contractual arrangements. The issue of subscriber contracts and the structure of complaints processed was largely influenced by the amendment to Act No. 311/2019 Coll., which amended Act No. 127/2005 Coll., on electronic communications and on amendment to certain related acts.

The amendment took effect on 1 April 2020 and substantially reduced the time taken to port a number and thus simplified the process for consumers. At the same time, it newly designated the level of penalty for premature termination of the contract. In response to the above-mentioned amendment to the Electronic Communications Act, the Office inspected the published draft contracts of 30 selected providers of electronic communications services. The inspection examined the contract terms of three network operators and selected mobile virtual operators.

The increased legal protection previously only applying to consumers has in some cases been extended to natural persons carrying out business activities. This concerns, for example, the 14-day withdrawal period from a contract concluded remotely or outside the usual business premises, or the calculation of an early termination fee. The information obligation of the provider about the approaching end of the contract commitment now also applies to natural persons carrying out business activities.

ECONOMIC MANAGEMENT OF CTU

The Office's total income in 2020 amounted to CZK 862,801,049.67, while the expenses were in the amount of CZK 967,222,568.85.

In 2020, CZK 312,969.27 thousands were spent on employees' salaries and other payments for work performed; an average gross monthly salary was CZK 44,025.

The number of systemized job positions for the year 2020 was 596, with a total of 570 employees registered by the Office as of 31 December 2020.

2020 budget	(in CZK thousands)
Fees for frequencies and numbers	821,236.40
Administrative fees collected	36,891.83
Penalties collected	4,219.59
Other	4,219.59
Total income	862,801.04
reimbursement of net costs resulting from the provision of universal service	
and from the loss resulting from the provision of special prices	862,801.04
reimbursement of net costs of the universal postal services	300,000.00
expenses to ensure the operation of the Office	573,612.65
Total expenses	967,222.57

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01 CHAPTER INDICATORS – BUDGET OVERVIEW FOR 2021

1 ELECTRONIC COMMUNICATIONS MARKET

1.1 Mobile services

In addition to the mobile network operators (hereinafter also referred to as "MNO"¹), i.e. T-Mobile Czech Republic a.s. (hereinafter referred to as "T-Mobile"), O2 Czech Republic a.s. (hereinafter referred to as "O2"), and Vodafone Czech Republic a.s. (hereinafter referred to as "Vodafone"), also virtual mobile operators referred to as MVNO² provided mobile services in the retail market. These were e.g., O2 Family, s.r.o., SAZKA a.s., Tesco Mobile ČR s.r.o., ČEZ Prodej, a.s., GoMobil s.r.o., Moraviatel a.s., Nordic Telecom s.r.o. (which operates as a MVNO in the T-Mobile network and, at the same time, has a full MVNO wholesale contract with O2). Mobile virtual operators provide their services on the basis of wholesale inputs either from mobile network operators or from other wholesale entities referred to as MVNEs³ (typically e.g., Quadruple a.s., IPEX TELCO a.s., GoMobil s.r.o.). Some of mobile service providers continue to operate through their branded resellers in the retail market, e.g. BLESKmobil, Mobil.cz, OpenCall, PREmobil. They are merely sales "channels" of their ordinary operators. Basic overview of the number of all categories of mobile service providers in 2020 is presented in *Table 1*.

Table 1: Service providers on the mobile services market

Type of provider	Number of providers
MNO	3
MVNE	12
MVNO	137
Branded Reseller	16

Looking at the total number of active SIM cards, network operators maintained vast majority of the market – approximately 92,4%. The share of MVNOs is stable, in 2020 7,6 %, of which the share of independent MVNOs⁴ was about half, i.e. 3,7%.

In terms of the structure of MVNOs by their size, in terms of the number of SIM cards, it is necessary to state that out of the total number of 137 virtual operators, only 28 MVNOs (i.e., 20%) manage more than 1000 SIM cards. On the contrary, more than a half of MVNOs (52%) manage no more than 100 SIM cards. The market share in the retail market for mobile services is therefore virtually zero. *Figure 1* shows MVNOs structure by the number of managed SIM cards.

¹ MNO (Mobile Network Operator) is an entity providing mobile services to end subscribers on its behalf, having its own radio access network.

² MVNO (Mobile Virtual Network Operator) is an entity providing mobile services to end customers on its own behalf who does not have its own radio access network (or, more precisely, does not have its own block frequency allocation for building a radio access network).

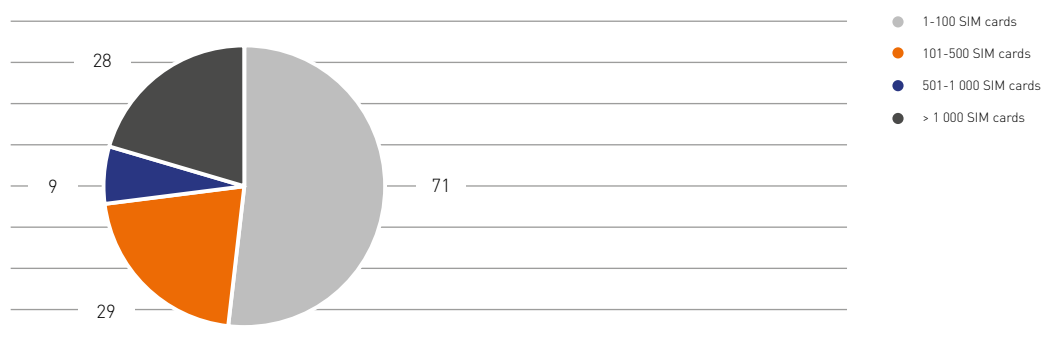
³ MVNE (Mobile Virtual Network Enabler) is an entity offering wholesale services to other operators (in the form of MVNO or brand resellers), i.e., without its own subscriber contracts. It has some mobile network elements but not the mobile access network (RAN).

⁴ i.e. having no asset connections with MNO.

⁵ See CTU Information on the conclusion and results of the auction phase of the Tender for Granting of the Rights to Use Radio Frequencies to Provide Electronic Communications Networks in the 700 MHz and 3400–3600 MHz Frequency Bands (available at: <https://www.ctu.cz/aukcce-700/oznameni-vysledku-aukcni-faze>, November 2020).

⁶ Active SIM cards are SIM cards for which a valid contract on provision of services has been signed (post-paid) or which were used for calls, sending SMS, MMS message or for data services at least once in the last three months of the period in question (pre-paid), as well as for M2M services. In 2014–2018, the reported total number of SIM cards also included fixed LTE SIM cards, specifically 358,209 SIMs in 2018, 227,130 SIMs in 2017, 149,201 SIMs in 2016, 81,297 SIMs in 2015 and 9,394 SIMs in 2014.

Figure 1: MVNOs structure by the number of managed SIM cards (as of 30 June 2020)

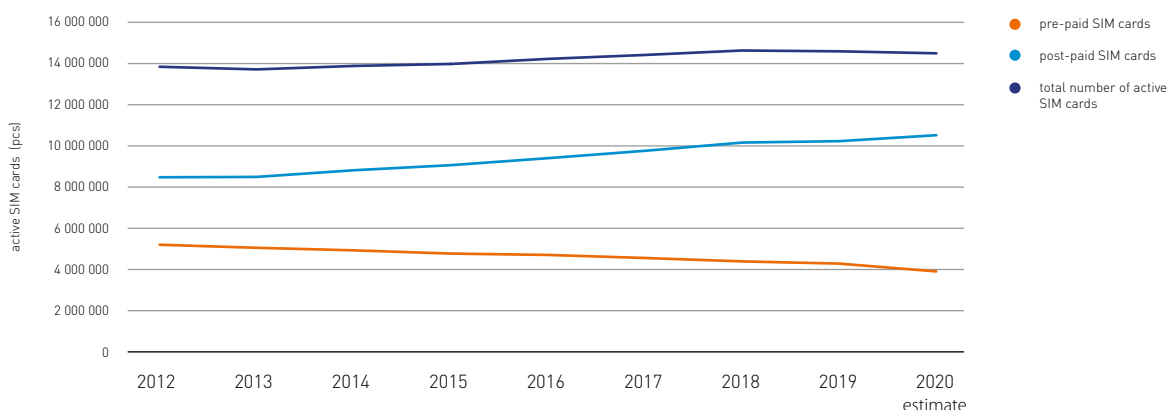


O2 Family s.r.o., with market share of 2,6%, was the largest virtual operator in 2020. SAZKA a.s. with market share of 1,3%, was the second largest MVNO (and at the same time the largest player from the group of independent virtual operators). After the dynamic development which has been taking place since 2013 when a large number of virtual operators gradually entered the market, the situation in the mobile services market has been stabilizing in recent years and virtual operators have not been developing significantly. This fact is mainly due to wholesale dependence of MVNOs on network operators and conditions of their commercial wholesale offers. Current conditions of wholesale offers don't allow MVNOs, with respect to the wholesale prices (in the context of retail offer prices of MNOs), to expand their customer base through attractive retail offers, and to grow further. This position of MVNOs even more intensified in 2019 when MNOs introduced new retail mobile plans with high data volumes or unlimited data usage to which MVNOs have not been able to adequately respond.

However, the situation in the mobile market may change in the coming years given the setup and results of the 2020 frequency auction. Based on the commitments made by MNOs, entities can enter the mobile market after meeting the criteria for covering their own mobile networks on the basis of national roaming which should allow them a more independent market position (compared to MVNOs) and thus enable the development of competition.

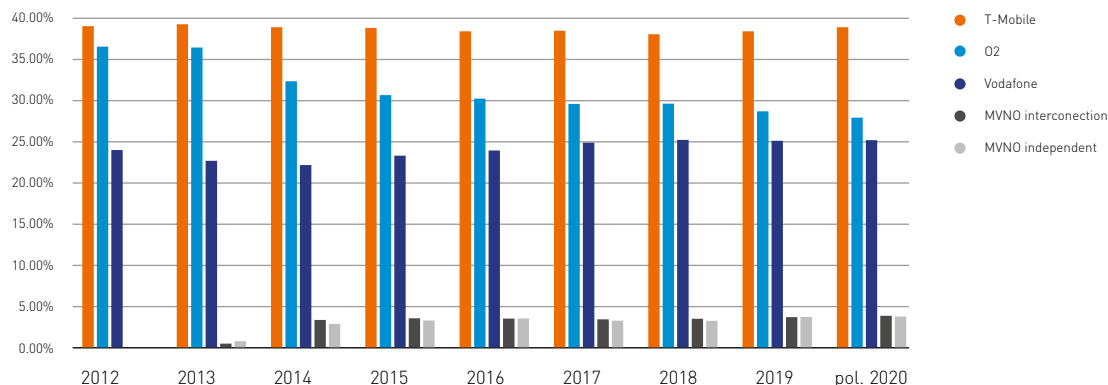
Compared to 2019, there was a slight decrease in the total number of active SIM cards during 2020. At the end of 2020, it amounted to approximately 14.6 million, which was due to the continuing decline in the total number of pre-paid SIM cards, which was not sufficiently offset by the increase in post-paid SIM cards. Development of the number of active SIM cards in mobile networks, including the division into post-paid and pre-paid SIM cards, is shown in *Figure 2* (not including fixed LTE SIM cards).

Figure 2: Development of the number of active SIM cards



The following *Figure 3* shows the development of the market share of each mobile service provider as of mid-2020. MVNOs are divided in the *Figure 3* into financially related (to MNOs) and independent, i.e., financially not related to MNOs. Specifically, the financially related MVNOs are COOP Mobil s.r.o. (1/3 owned by Vodafone), O2 Family, s.r.o. (100% owned by O2) and Tesco Mobile ČR s.r.o. (50% owned by O2).

Figure 3: Development of market share based on the total number of active SIM cards on the retail market



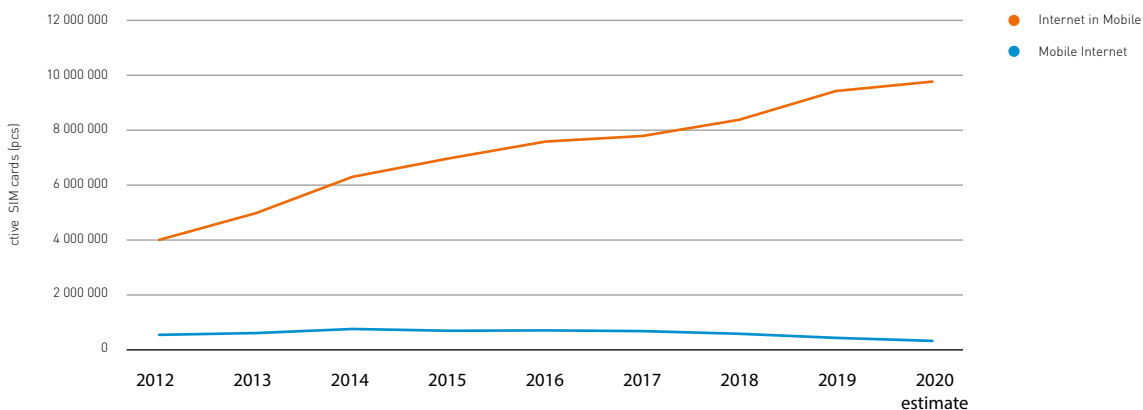
The growth in the number of active M2M (Machine to Machine) SIM cards continued in 2020. The Office estimates that by the end of 2020, their number has exceeded 1.2 million, which is more than a double growth compared to 2012. The Office expects this trend to continue and accelerate in the coming years, particularly in the context of deployment of the 5G networks and development of IoT (Internet of Things), SMART concept (smart city, smart home, smart health, etc.) and Industry 4.0. According to the Office's estimate, a total of 2.54 PB of data was transferred via M2M SIM cards in 2020, which corresponds to a year-on-year increase of 16%. In addition to the growth in the number of M2M SIM cards, the volume of data transmitted through them has also increased, not only in absolute terms, but also relative to the number of SIM cards. According to the Office's preliminary estimate, the average monthly volume of data transferred via M2M SIM cards in 2020 was 175 MB per M2M SIM card, compared to 166 MB in 2019.

1.1.1 Mobile data services

Mobile data services providers offered three basic types of mobile Internet access services in 2020 – so-called Internet on a Mobile Phone (Internet v mobilu), used in mobile phones and smart phones, and the so-called Mobile Internet (Mobilní internet) which is intended for portable devices such as tablet PC, notebook with the use of a separate data SIM card, etc. In their LTE networks, MNOs and some other operators (especially Nordic Telecom and PODA) also offer services of high-speed Internet access at a fixed location through SIM cards (fixed LTE). However, by their nature, these are Internet access services at a fixed location. Therefore, the volume of data transferred within these services is not included in the below-presented volumes of transferred mobile data.

The number of active SIM cards using the service of Internet on a Mobile Phone slightly increased again in 2020 and exceeds the value of 9,7 million. On the contrary, the number of active SIM cards of the Mobile Internet service decreased again in 2020 to approximately 400 thousand. This reflects customers' migration to the service of Internet on a Mobile Phone, migration to the services of the so-called fixed LTE, as well as higher usage of Internet access via fixed networks, in general (where e.g. terminal devices in households or offices are connected via home/business WiFi networks). Development of SIM cards using such services in the period 2012 to 2020 is shown on the following *Figure 4*.

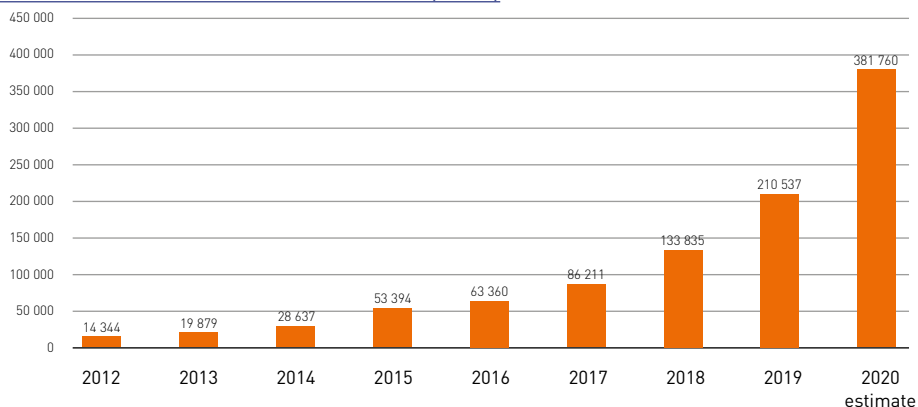
Figure 4: Development of the number of active SIM cards utilising the Internet on a Mobile Phone and Mobile Internet services



Volume of mobile data transferred

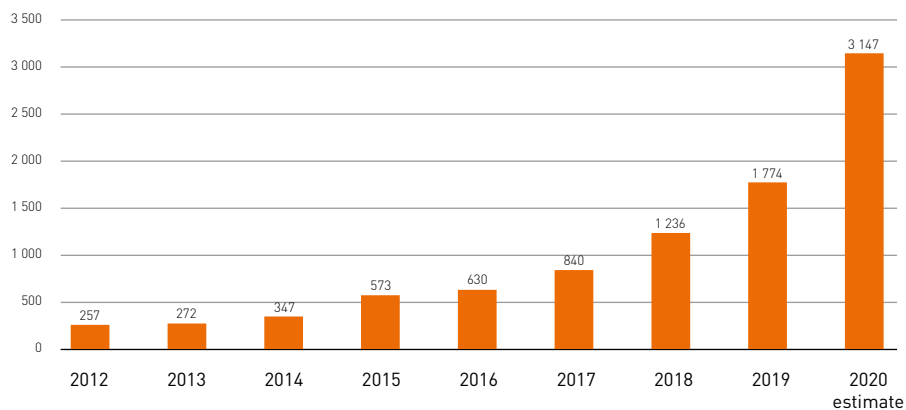
As can be seen from the following *Figure 5*, a steady increase in the volume of mobile data transferred can be observed since 2012, and the pace of this growth has accelerated significantly in recent years. For the last period of 2020, the year-on-year increase can be estimated at around 80%. This development reflects the fact that since 2017 there have been several increases in the data bundles offered in mobile tariffs, and finally the introduction of mobile tariffs with unlimited data in 2019. Customers have adapted to these new tariff terms and are using mobile data services to a significantly higher extent than in previous years. At the same time, it is clear that the growth in data usage even on mobile networks reflected changes in the behaviour of mobile users related to the change in external conditions due to government measures against the spread of Covid-19.

Figure 5: Volume of mobile data transferred (in TB)



According to the Office's estimate, the average monthly data usage of the SIM cards using mobile data services in 2020 was slightly over 3.1 GB. There was a year-on-year increase of approximately 77% in an average monthly usage. In addition to the above-mentioned natural changes in customer behaviour and the positive effects of marketing campaigns or operator promos,⁷ this jump was also influenced by a specific change in external conditions related to government measures against the spread of Covid-19. These measures resulted in an increase in traffic on mobile networks, including mobile data traffic. The development of an average monthly data usage for SIM cards using mobile data services is shown in the following *Figure 6*.

Figure 6: Average monthly usage of mobile data per SIM card with data services (in MB)

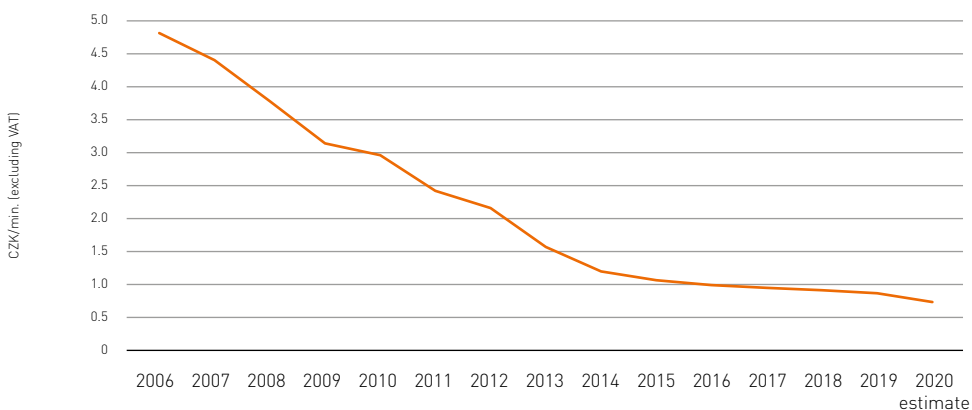


1.1.2 Prices of mobile services

Price development according to average minute price for mobile calls

As far as the development of the average price per actual call minute, we can say that the long-term trend of falling prices continued also in 2020. There was a decrease by approximately 14,9% to CZK 0.77 per minute in the first half of the year in comparison with the average for the whole year 2019. The factors that contribute to this trend include both the decreasing average price for businesses by 13,2% and the average price for non-business (residential) customers which decreased by 15,9%.

Figure 7: Average retail price per actual call minute



⁷ For example, the summer campaign of T-Mobile [see <https://www.t-mobile.cz/microsites/pomagentove/index.html>], promo of Vodafone for pre-paid SIM cards [see <https://www.vodafone.cz/o-vodafone/o-spolecnosti/pro-media/tiskove-zpravy/detail/O2-v-lete-znasobi-objem-mobilnich-dat-u-pred/>] or special offers of O2 published at datamanie.cz.

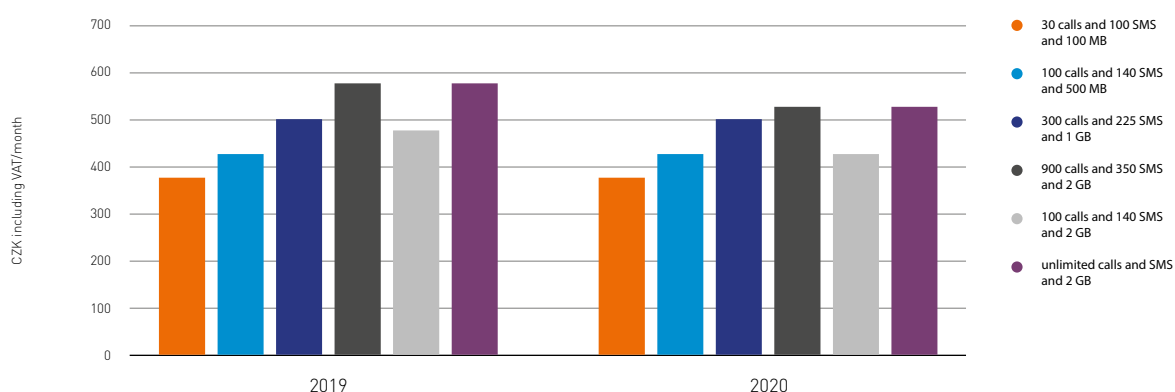
In the first half of 2020, the largest drop in the price of calls occurred in T-Mobile, namely by 18,4% to CZK 0.71 per minute which was also the lowest average price of calls in the first half of the year. Please note that the resulting price also takes into account the price which the operators charge legal entities and individuals carrying out business activities.

Price development according to consumer baskets of mobile services

The Office uses the method of calculating prices according to retail consumer baskets as an additional method of calculation to monitor the development of prices of mobile services. This price calculation is based on data from Strategy Analytics company.

The results used in the comparison of the tariffs come from the 4th quarter of 2020 and 2019. They are pre-paid tariffs and post-paid tariffs with commitment for 24 months. Figure 8 shows that the highest year-on-year decrease occurred in the basket with the usage of 100 calls, 140 SMS messages and 2 GB of data, namely by 10.5% (to CZK 425). The consumer basket with 900 calls, 350 SMS messages, 2 GB of data and the basket with unlimited calls, SMS and 2 GB experienced the same price decrease by 8.7% (to CZK 525). The remaining three baskets remained unchanged.

Figure 8: Year on year price development by consumer baskets of mobile services



Prices of the service of Internet in a Mobile Phone

Compared to the end of 2019, when unlimited data tariffs were introduced by all three network operators, no major changes took place in 2020 in the offerings of data services of mobile operators. O2 and Vodafone kept their offers essentially unchanged. T-Mobile has increased the data limits of mobile internet in its offers with limited FUP for the same price, e.g. from 4 GB to 5 GB for the price of CZK 275 per month; the prices have not changed for unlimited data.

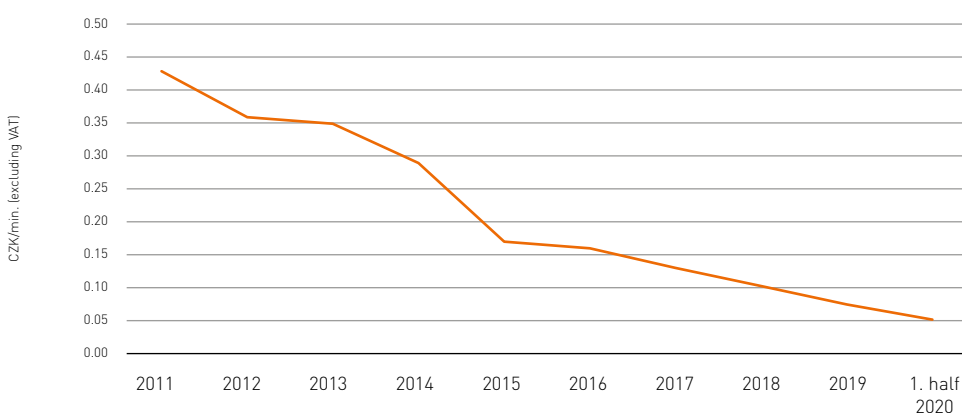
Data in a certain volume is now a normal part of all standard tariffs, and together with the price also the most important parameter which is used to distinguish individual offers of mobile operators.

Price development of mobile data services by average price per MB of data

With respect to the long-term unfavourable position of the Czech Republic in international price comparisons – focusing primarily on the prices (and achievable volumes) of mobile data, CTU focuses below in greater detail on the price development of this segment of the mobile market services.

The average unit price for 1 MB of actually used data decreases in time based on the long-term trend of increase of data limits in the offers of mobile operators which is then reflected in the increasing data usage of the users. This trend is supported by the following figure 9. For the period in question, from 2011 to mid-2020, the average unit price for 1 MB of data (not including fixed LTE) decreased by CZK 0.38, i.e. by more than 88%, whereas for the last 4½ years (between 2015 and mid-2020) it decreased by CZK 0.12, i.e. by 70%, to CZK 0.05 per MB.

Figure 9: Average retail price for 1 MB of data actually consumed



1.1.3 Prices of international mobile services

Mobile roaming

On 15 June 2020, three years have already elapsed since the end of the transitional period with the possibility to charge a surcharge for roaming within the EU (the so-called RLAH+ mode). Since then, mobile operators have been required to provide the services of international roaming solely in the so-called RLAH mode (Roam Like At Home) where they are obliged (save for defined exceptions) to charge prices for calls made, SMS messages sent and data used at the same prices as at home. An exception is the cases where end users request a different, the so-called alternative tariff (e.g. if they prefer a discounted roaming in selected non-EU countries) or where the end users with RLAH violate the fair user policy (FUP).

In 2020, the Office did not receive any request to charge surcharges for roaming services above the level of domestic prices.

Table 2 shows the maximum wholesale prices converted to CZK, which are also the maximum possible retail surcharges to domestic prices.

Table 2: Maximum regulated prices of international roaming

Regulated maximum prices	From 1 July 2020		
	Outgoing calls	SMS	Data
EUR per minute, per SMS and 1 MB	0.032	0.01	0.0035
CZK per minute, per SMS and 1 MB	0.86	0.27	0.09

The exchange rate used is CZK 26,59967 per €, which is an average of the exchange rates designated by the ECB on 1 March, 1 April and 1 May 2020. Prices are stated without VAT.

International calls and SMS

On 15 May 2019, the regulation of international communications (fixed and mobile calls and SMS) within the EU came into force under Article 5a of the amended EU Regulation No. 2015/2120. Regulated prices denominated in EUR are converted into the other national currencies of the EU Member States always on 15 May using the average of exchange rates published by the European Central Bank on 15 January, 15 February and 15 March of the same year.

Table 3: Currently valid maximum regulated prices converted to CZK

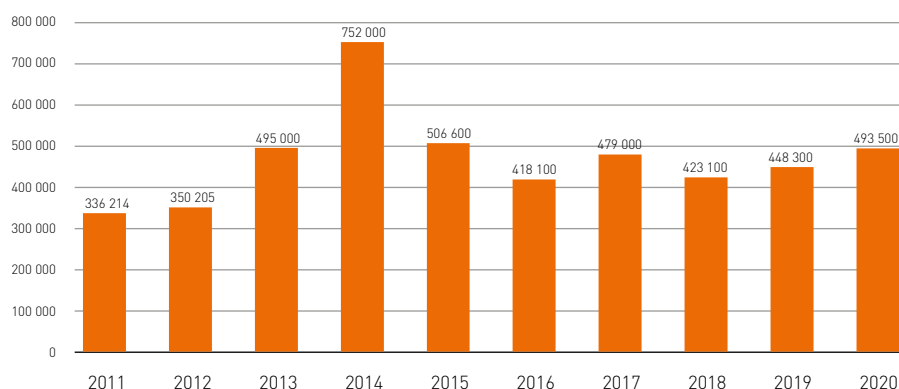
Regulated maximum prices	From 15 May 2020	
	Outgoing calls	SMS
EUR per minute, per SMS message	0.19	0.06
CZK per minute, per SMS message	4.81	1.52

The exchange rate used is CZK 25.341 per €, which is an average of the exchange rates designated by the ECB on 15 January, 15 February and 15 March 2020. Prices are stated without VAT.

1.1.4 Portability within mobile networks

Since the introduction of telephone number portability on mobile networks, a total of 5,705,816 number portings took place between 2006 and 2020. Compared to the previous year, the year 2020 saw a year-on-year increase in the number of ported telephone numbers, by approximately 10% to approximately 493,500 ported telephone numbers. Just like in the previous periods, the sum includes all portings of telephone numbers in 2020, i.e. including numbers which got back to the authorization holder, portings of telephone numbers between virtual mobile network operators, whether within one host network or across mobile networks, etc. The trend of using telephone number portability in mobile networks in the period from 2011 to 2020 is documented by the following *Figure 10*.

Figure 10: Number of ported numbers – mobile networks



1.2 Services of High-speed Internet access at a fixed location

The state of the retail market for high-speed internet access services in 2020 was mainly documented by the development of the number of subscribers to individual technical solutions and further market consolidation. The Office estimates that the number of subscriptions reached 3,824 thousand, an increase of 3.1% compared to 2019. Penetration of the total number of subscriptions per 100 inhabitants is 35.7 (up from 34.7 in 2019).

In terms of different methods of technical implementation of high-speed access services, access via wireless networks in unlicensed bands (referred to as WiFi) maintained the most significant share of the retail market. The Office expects these subscriptions to increase year-on-year from 1.08 million in 2019 to approximately 1.09 million. Despite this expected increase, however, a slowdown in the growth rate of WiFi subscriptions (compared to xDSL, FTTH/B and fixed LTE) can be observed in the recent period.

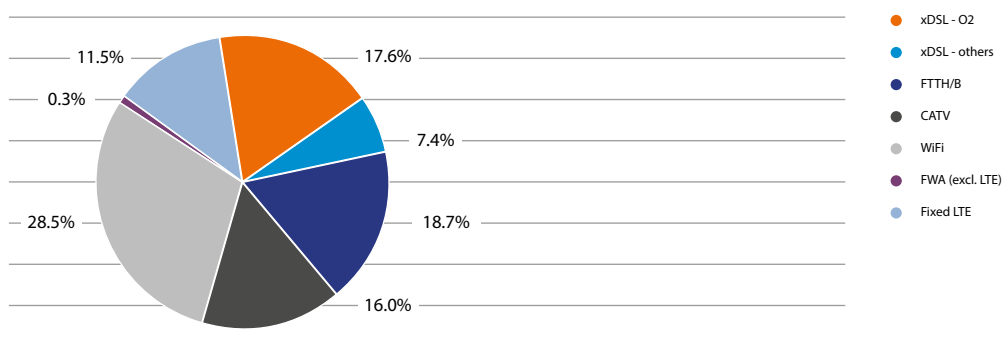
In the case of xDSL accesses, the Office also expects a further year-on-year increase, up to approximately 957,000 subscriptions. Compared to the decline in xDSL subscriptions in 2015-2017, this is a confirmation of the growth trend started in 2018, which is related, among other things, to the ongoing modernization of the xDSL network.

The long-term increase in the number of subscriptions via optic fibre networks (FTTH/B) continued also in 2020. In the case of access via FTTH/B networks, the Office expects to achieve approximately 715 thousand subscriptions in 2020. For CATV subscriptions, the Office expects only modest growth, to approximately 612 thousand subscriptions at the end of 2020.

The services of high-speed access which have so far been least represented in the retail market are still the high-speed wireless access services using the licensed bands (FWA – except the services of the so-called fixed LTE), for which the Office expects a decrease to 10,000 subscriptions. On the contrary, a further increase in the number of subscriptions in 2020 was observed (in absolute terms) in fixed LTE services. The Office estimates a year-on-year increase, but not to the same extent as in previous periods. It is estimated to increase from 422,000 in 2019 to approximately 440,000 in 2020. However, this increase was due to an increase in the number of subscriptions especially in the first half of 2020, while the absolute number of subscriptions was rather stagnant in the second half of the year. In relative terms by market share, this only represents a slight year-on-year increase from 11.4% in 2019 to 11.5%. The category of the services of fixed LTE includes both services of purely fixed⁸ nature and services of nomadic⁹ nature.

The distribution of the retail market of high-speed access according to individual technologies (see *Figure 11*) shows that none of the high-speed access methods is dominant. This shows continued significant level of competition in terms of the infrastructure. Another *Figure 12* subsequently documents the development of the representation of individual technological solutions since 2012.

Figure 11: Share of high-speed access per individual technological solutions (incl. fixed LTE services) as of 31 December 2020*

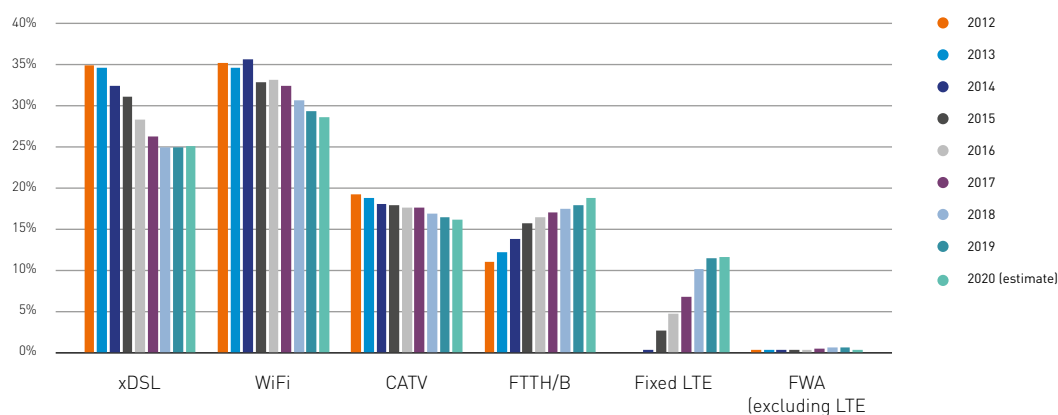


Note: *using qualified estimates

⁸ These services are provided at a particular fixed connection location which the subscriber chooses for use of the service in the subscriber contract – typically it is the so-called installation address.

⁹ Nomadic service shall mean such manner of provision of a service that is not limited to a particular fixed location but can be accessed from anywhere within the network coverage, whereas the service is not ensured or the functioning thereof is not guaranteed during the movement of the termination point (device) within the network.

Figure 12: Development of the share of high-speed access per individual technological solutions on retail market



The above *Figure 12* clearly shows that the most progressive platform is FTTH/B networks. The number of subscriptions through these networks is experiencing long-term growth both in absolute values and in relative terms. This trend for the high-speed access method in question continued in 2020 as well.

European comparison of very high capacity network (VHCN) coverage

Coverage by very high capacity networks (VHCN), i.e., optic fibre networks (FTTH/B) and CATV networks using the DOCSIS 3.1 standard, as defined by the European Commission study entitled *Broadband Coverage in Europe* in 2019 [available online: <https://ec.europa.eu/digital-single-market/en/connectivity>] was 44% in EU28 average. For Czech households, the indicator on VHCN network coverage was limited to data on FTTH/B network coverage only, as the DOCSIS 3.1 standard had not been deployed in the Czech Republic at the time when data on network coverage in individual Member States was being collected and evaluated. The Czech Republic thus lagged behind the European average in the VHCN coverage indicator in question, with coverage of 29.3%. FTTH/B network coverage in the Czech Republic in 2019 was 1 percentage point higher than in 2018 (28.3%), but it should be added that the adjustments were made in the study resource documents for the Czech Republic for historical data. FTTH/B network coverage in 2019 for the EU28 averaged 33.5%, which is 4.2 percentage points higher than in the Czech Republic.

Looking at international comparison of NGA network availability,¹⁰ the Czech Republic was above the EU28 average according to the above study; specifically, the coverage by these networks in 2019 was 92.1% in the Czech Republic and 85.8% in the EU. In terms of coverage in rural areas, according to the study, the coverage of households in the Czech Republic was 11.6 p.p. lower than the EU average for optic fibre networks FTTH/B in 2019 - namely 5.9% in the Czech Republic compared to 17.5% in the EU28. However, in terms of overall coverage of households by NGA networks in rural areas, the Czech Republic was still above the EU28 average, with coverage (64.2%) of 4.9 percentage points higher.

Consolidation of the fixed high-speed access market

As in the previous year, the retail market for high-speed internet access in 2020 has seen some significant changes in terms of consolidations and mergers of service providers. In April, as a result of a merger, UPC Česká republika, s.r.o. was dissolved and merged with Vodafone as a successor company. This was the completion of a process already started in 2019. In June 2020, Vodafone subsequently announced its intention to phase in DOCSIS 3.1 across its CATV network (formerly UPC's access network). This standard makes it possible to offer internet access on a cable network with a download speed of 1 Gbit/s. For the service to be available, it is necessary to use a modem supporting DOCSIS 3.1, and the service concerned is available to customers from mid-August 2020.¹¹

¹⁰ The study includes in the NGA networks also connections implemented through VDSL, FTTH/B and CATV networks with DOCSIS 3.0. and 3.1.

¹¹ <https://www.vodafone.cz/o-vodafone/o-spolecnosti/pro-media/tiskove-zpravy/detail/revoluce-v-pevnem-pripojeni-vodafone-spousti-super/>

When it comes to other ownership changes, Nordic Telecom Regional, as a successor company, which owns mainly wireless networks in unlicensed bands and fibre access networks, took over the assets of several dissolving local wireless and fibre internet access providers as of 1 November 2020 as a result of a merger by acquisition. The companies were: Easy Control Internet s.r.o., KeyNet.cz s.r.o., LWT JaryNet s.r.o., MITRANET. CZ, s.r.o., NetFree s.r.o., TYHAN s.r.o. and ZENIT – servis s.r.o. In September 2020, Nej.cz, a provider of high-speed access via optic fibre networks, CATV networks and wireless networks in unlicensed bands, first became a 100% owner of INTERNET Pb, spol. s r.o., which provided optical and wireless connections in Příbram, Beroun and Písek regions. In addition, at the end of 2020, Nej.cz completed the acquisition of Telly CE s.r.o. and itself s.r.o. (providers of fixed internet access and television content). Apart from the companies mentioned above, PODA a.s., which offers services via fibre and wireless networks, including fixed LTE in the 3.7 GHz band, and STARNET, s.r.o., which provides services via fibre optic access networks and wireless access networks in unlicensed bands, retain a significant number of customers in the retail market for high-speed Internet access at a fixed location.

In terms of the development of optic fibre networks, it is essential to mention the signing of an agreement on a co-investment project between T-Mobile and CETIN in December 2020, the aim of which is to build hundreds of thousands of FTTH fibre connections in the Czech Republic over the next few years in addition to individual construction. According to the plan, the connections will be available to T-Mobile and CETIN's wholesale partners. In the case of CETIN, it will be a wholesale offer of optic fibre internet with a speed of 1 Gbit/s.

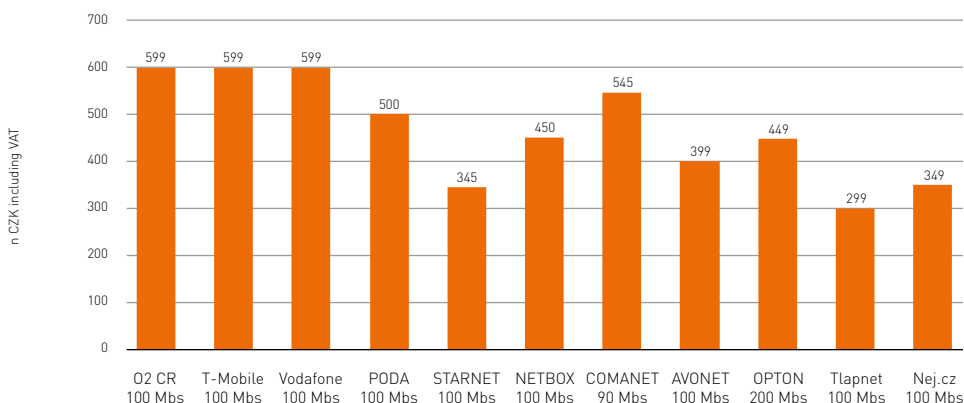
1.2.1 Prices of high-speed access services

The retail market of fixed high-speed Internet access brought a relatively stabilized price level for the end customers in 2020.

In 2020, the major operators came up with offers of new services with speed up to 2 Gbit/s. Nevertheless, there has not been a nationwide offers, but only selected locations where the above-mentioned innovations occurred in the access network. Most providers of Internet connection services at a fixed location offered an option to choose out of standard plans, but they usually also offered cheaper versions of the services, usually connected with a contractual commitment to use the relevant service, mostly for 12 months, or with taking other electronic communication services.

For the sake of comparison, the following *Figure 13* shows the offers available from other selected operators on the Czech market that offer their services in the sphere of high-speed Internet access at a fixed location. It must be stated that the price offers are not easy to compare among providers since the individual services are based on different technology and the differing qualitative parameters which ensue from this. The overview clearly shows that most alternative operators respond to the market development and offer, just as in the previous year, subscriber connection with speed 100 Mbit/s as a standard.

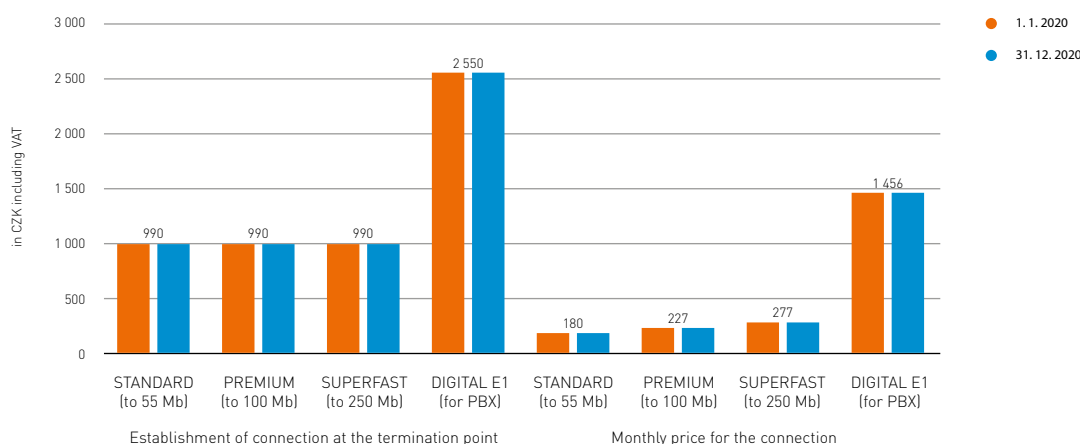
Figure 13: Price comparison for internet access services in 2020 from selected operators



1.2.2 Wholesale high-speed Internet access

No major change occurred in 2020 in the market of wholesale high-speed Internet access. CETIN continued with gradual refinement and adjustments of its reference offer of MMO (Mass Market Offer) which represents today the basic product offer in the wholesale market of high-speed Internet access. The wholesale MMO includes network connection at the termination point in the form of one-off prices for the set-up of the line and monthly recurrent payments for the operation of the line. Based on this connection, the user has an option of access to a number of services provided over the IP network, e.g. on top of the basic internet connection, also TV and video signal dissemination. The user of MMO services can use the capabilities of the transport network of CETIN and concentrate its data traffic to the central or regional hand-over point. MMO also makes it possible for the users to influence, according to their needs and priorities, the dimensioning and throughput of the CETIN transport network capacity allocated to them. In addition to these sub-elements, the wholesale MMO also includes the possibility of ensuring access to the control systems and technical support for troubleshooting including online monitoring system. The development of prices of the two basic services out of the wholesale MMO in 2020 is illustrated by the following *Figure 14*.

Figure 14: Wholesale prices of CETIN for high-speed Internet access (reference offer MMO)

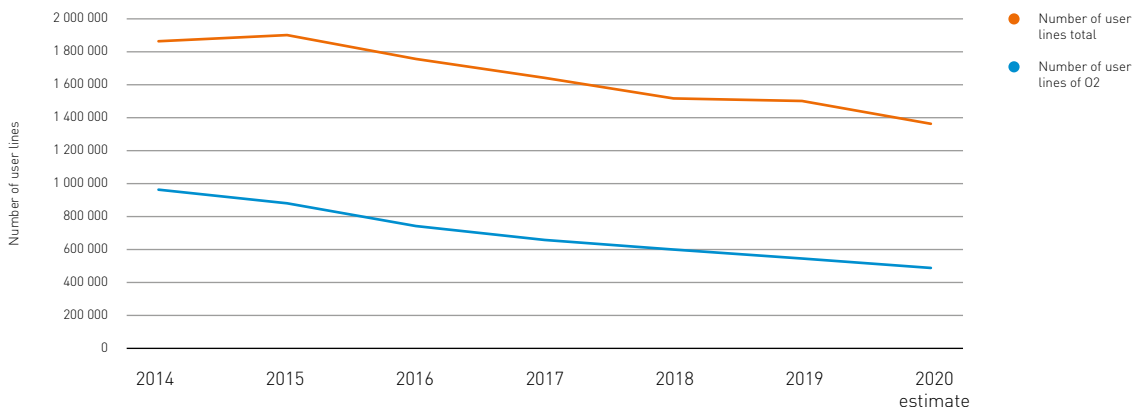


1.3 Voice services provided on fixed networks

Among the most important companies (in terms of the number of subscriber lines) operating on the telephone services market at a fixed location were O2, Vodafone¹², T-Mobile and IPEX a.s. in 2020 as well. O2 maintained its important position of the largest operator in the provision of the publicly available telephone service at a fixed location also in 2020, in spite of the further expected decrease of subscribers, with a market share of less than 36% of the total number of subscriber lines.

In the market of voice services provided at a fixed location, the total number of subscriber lines (see *Figure 15* below) continued to decline by approximately 9% year-on-year to approximately 1.35 million subscriber lines.

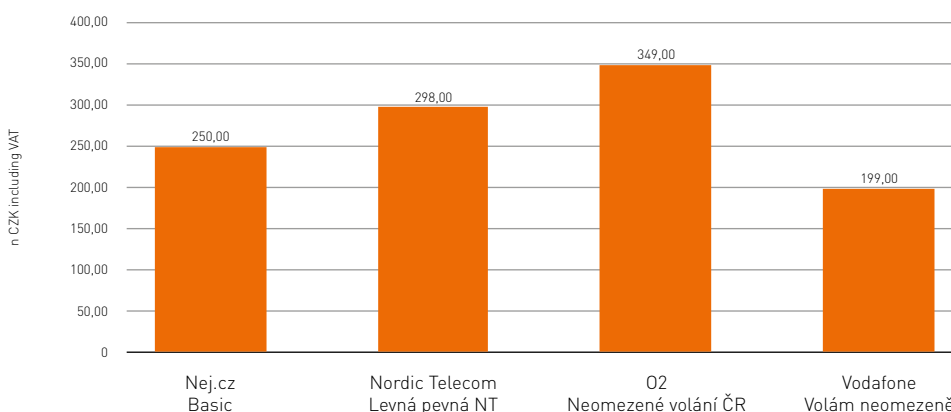
¹² After the merger with UPC Česká republika, s.r.o. [1 April 2020]

Figure 15: Development of the number of subscriber lines

1.3.1 Prices of voice services at a fixed location

The level of prices for calls at a fixed location can be documented in the price offers of the most important providers. From this perspective, it is primarily O2 that has historically been the provider with the largest number of users of voice services. It increased the price of the basic tariff for households by CZK 50 during the year. Prices for voice services provided on the fixed networks of the other major operators are unchanged in 2020 compared to the previous period.

For illustration, the following *Figure 16* shows the comparison of monthly prices for the use of the telephone service through fixed networks in the major operators providing this service.

Figure 16: Comparison of monthly prices for the use of fixed line by 31 December 2020

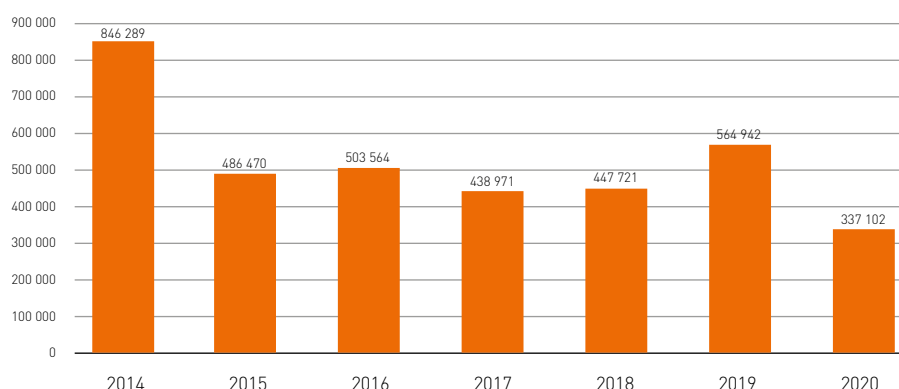
1.3.2 Number portability in fixed networks

A total of 11,046,151 individual subscriber telephone numbers have been ported since the introduction of telephone number portability in fixed networks in 2003-2020, whereas in the same period a total of 436,348 telephone numbers were ported¹³ in fixed networks. In 2020, a total of 337,102 individual subscriber telephone numbers were ported, which represents a year-on-year decrease approximately by 40%. There has also been a decrease in the number of portings on fixed networks compared to 2019. Year-on-year, the number of porting

¹³ Porting means transfer of a separate telephone number or an entire number series (e.g. the porting of a series of 1,000 numbers constitutes one porting).

operations decreased by approximately 25% to 13,921 porting operations. Thus, the downward trend from 2015 to 2018 reversed in 2020 after a slight increase in 2019. The trend of using telephone number portability in fixed networks in the period 2011 to 2020 is documented by the following *Figure 17*.

Figure 17: Number of individual subscriber numbers ported – fixed networks



1.4 Regulation of the electronic communications market in 2020

As part of its regulatory activities in 2020, the Office focused primarily on the continuation of the 5th round of relevant market analyses initiated in 2019 and during the year it completed analyses of the wholesale relevant markets for termination - relevant markets No. 1 and 2 (according to the Measure of General Nature No. OOP/1/04.2015-2, as amended by the Measure of General Nature No. OOP/1/12.2019-11), and announced the commencement of analyses of the remaining relevant markets.

As part of the regulation of the electronic communications market, the Office also focused on verifying the price level of wholesale services, even in cases where the conditions for their designation were defined outside the system of standard remedies based on the conclusions of analyses of relevant markets (*see also information on LTE reference offers in sections 1.4.2 below*).

1.4.1 Relevant market analyses

At the beginning of the year, the Office completed the consultation on draft analyses of relevant markets No. 1 (*wholesale call termination services in individual public telephone networks provided at a fixed location*) and No. 2 (*wholesale voice call termination services in individual mobile networks*) with the Office for the Protection of Competition. On 22 April 2020, the relevant Measures of General Nature were published in the Telecommunication Bulletin with the two analyses in question (**A/1/04.2020-3** and **A/2/04.2020-4**). Following the results of the analyses published, follow-up administrative proceedings were initiated at the end of April and beginning of May 2020 to designate or cancel the designation of an undertaking with significant market power in the relevant markets and to impose remedies on all undertakings concerned, including the obligation to comply with the designated maximum level of termination prices. In final decisions issued in November 2020, the Office designated the maximum wholesale prices for wholesale call termination on public mobile networks in the amount of CZK 0.248 per minute excluding VAT, and for the purpose of call termination on public fixed networks in the amount of CZK 0.033 per minute excluding VAT.

The European Commission, in accordance with Article 75 of Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code, subsequently issued on 21 December 2020 a Delegated Act designating the so-called Union-wide mobile voice termination rate and Union-wide fixed voice termination rate (MTR and FTR). These termination rates will take effect during the year 2021.

Other analyses initiated

Already at the beginning of the year, the Office started the analysis of relevant market No. 5 (*Wholesale access to mobile services*). This is a follow-up on the Office's previous activities, when it first developed the so-called three-criteria test for this market, then prepared its preliminary analysis, and finally designated this market as a new national market for ex-ante regulation. It plans to complete the analysis of relevant market No. 5 in 2021, taking into account the results of the tender for frequencies in the 700 MHz band and 3400–3600 MHz band.

On 1 September 2020, the Office also launched reviews of the analyses of the relevant markets No. 3a (*Wholesale local access provided at a fixed location*), No. 3b (*Wholesale central access provided at a fixed location for mass-market products*) and No. 4 (*Wholesale high-quality access provided at a fixed location*). According to the Office's plan, these analyses of relevant markets should be completed, including public consultations, by the end of 2021. Their release can be expected at the turn of 2021 and 2022.

1.4.2 Prices of the mandatorily published reference offers of LTE services

As part of the ongoing supervision of the fulfilment of the commitment of wholesale offer from auction of frequencies in the 800 MHz, 1800 MHz and 2600 MHz frequency bands, CTU repeatedly checked the fulfilment of this commitment. The development of wholesale prices according to the above-mentioned commitment of wholesale 4G offer is shown in the following *table 4* presenting a comparison of prices from the first period of the effective term of the commitment (September 2014/April 2015) and the values of these wholesale prices in 2020. This comparison documents the decrease of wholesale prices per unit of data (1 MB) of this regulated wholesale offer based on LTE auction.

Table 4: Development of wholesale prices according to the above commitment of 4G wholesale offer with comparison of prices from the first period of the effective term of the commitment.

Regulated maximum prices		From 1 July 2020		
		Outgoing calls	SMS	Data
		September 2014– April 2015	May 2020– October 2020	November 2020– April 2021
operator/type of service				
One-off price (in CZK)	O2	27,000,000	27,000,000	27,000,000
	T-Mobile	9,000,000	24,800,000	24,800,000
	Vodafone	33,000,000	33,000,000	33,000,000*
VO price (in CZK for 1 MB of data)	O2	0.63	Mobile service	0.045
			Fixed LTE	0.0021
	T-Mobile	0.7	Mobile service	0.0719
			Fixed LTE	0.0246*
	Vodafone	0.51	Mobile service	0.0201
			Fixed LTE	0.0024

* VO prices of the service T-Mobile for the purpose of creating a retail offer of the so-called nomadic version of the Fixed LTE service

1.5 Auction of radio frequencies for 5G networks

In order to promote competition in the mobile market and create conditions for the development of 5G networks, the Office finalized a modified proposal for the conditions of the tender for public consultation and published it in March 2020. On the basis of the evaluation of the comments received, the Office modified some of the basic conditions and published the modified version of the tender conditions for repeated public consultation on 4 June 2020.

The Invitation to Tender for Granting of the Rights to Use Radio Frequencies to Provide Electronic Communications Networks in the 700 MHz and 3400–3600 MHz Frequency Bands was announced by the Office on 7 August 2020. The deadline designated for submission of applications for the tender is 30 September 2020.

The application for the tender was submitted within the designated deadline by CentroNet, a.s., Nordic Telecom 5G a.s., O2, PODA a.s., Sev.en Innovations a.s., T-Mobile and Vodafone.

Following prior training of bidders on the so-called Electronic Auction System (EAS), the actual auction phase (electronic auction) started on 10 November 2020. The auction phase continued until 13 November 2020 (Day 4 of the Auction). The winners of the Auction Phase are CentroNet, a.s., Nordic Telecom 5G a.s., O2, T-Mobile and Vodafone.

Based on the results of the Auction Phase, the winning bidders were awarded spectrum in the following range:

- in the 700 MHz band, O2, T-Mobile and Vodafone have each been awarded 10 MHz of the spectrum,
- in the 3400-3600 MHz band, O2, Vodafone and Nordic Telecom 5G a.s. have each been awarded 20 MHz of the spectrum, T-Mobile has been awarded 60 MHz of the spectrum, and CentroNet, a.s., has been awarded an aggregate of 80 MHz of the spectrum.

Sev.en Innovations a.s. and PODA a.s. did not acquire any auction blocks in the auction phase. During the Auction Phase, all offered Auction Blocks were allocated for a total price of CZK 5,596,000,000.

Following the subsequent allocation of specific radio frequencies to winning companies, the Office issued decisions to the unsuccessful bidders rejecting their applications. Following the entry into legal force of these decisions, the Office returned the financial deposit to them and, conversely, invited the successful bidders to pay the part of the price that exceeded their deposit. After all successful bidders have paid up the price, the Office issued on 18 January 2021 radio frequency allocations to CentroNet, a.s., Nordic Telecom 5G a.s., O2, T-Mobile and Vodafone, containing rights to acquired radio frequencies, including commitments, conditions and development criteria associated with these radio frequencies received within the tender.

The results of the tender, in combination with the designated conditions of the tender, create good prerequisites for the fulfilment of the main objectives of the tender, i.e. the expansion of competition in the mobile market and the rapid development of 5G networks. Of course, the Office will be ready to support the negotiations of individual market players in order to support application of individual conditions (national roaming, wholesale offer, etc.) in 2021.

1.6 Terrestrial digital TV and digital radio broadcasting

1.6.1 TV broadcasting

In 2020, the Czech Republic successfully completed the process of releasing the 700 MHz band and the related transition of terrestrial TV broadcasting from DVB-T to DVB-T2/HEVC. The entire process was implemented in accordance with Government Regulation No. 199/2018 Coll., on Technical Plan of Migration of Terrestrial Digital TV Broadcasting from DVB-T Standard to DVB-T2 Standard (hereinafter referred to as "TPP").

Already in January, the first transmitters of the commercial networks were gradually switched off, and in October the last high-power transmitter was switched off. However, during the spring, the transition process was interrupted between March and June due to government measures to eliminate the Covid-19 pandemic. The process subsequently resumed in July and was completed on 31 October 2020.

The change of the standard affected almost 2.5 million Czech households that use terrestrial TV broadcasting. By switching to DVB-T2/HEVC they retained the possibility to receive all the most watched TV programmes via terrestrial TV broadcasting. The new standard brought additional benefits and state-of-the-art services to TV viewers. These include high video resolution, space for the inclusion of new TV programmes or connection to the internet via HbbTV. Terrestrial television therefore remains the strongest TV broadcasting signal reception platform in the Czech Republic.

A significant contribution to the success of the entire transition process was the time-limited operation of three transition networks (PS) - PS11 (Czech Television), PS12 (České Radiokomunikace a.s. and Czech Digital Group s.r.o.) and PS13 (Digital Broadcasting s.r.o.) - already broadcasting in parallel in the new standard before and during the transition, the operation of which was terminated in 2020.

In May 2020, the Office updated the relevant part of the Radio spectrum utilisation plan for the 470-960 MHz frequency band, thereby allowing some regional networks to continue operating after completion of the transition to DVB-T2/HEVC. The other regional networks were discontinued on 31 October 2020 due to frequency conflicts. This forced move, where a number of radio frequencies were needed to supplement the needs of the nationwide networks, significantly reduced the scope of regional broadcasting. Therefore, at the end of 2020, the Office started to consider applications from regional network operators for radio frequencies for at least partial continuation of the existing operation of regional broadcasting networks in justified cases in view of the current frequency possibilities.

The current overview of national and regional broadcasting networks and other details of the status of terrestrial TV broadcasting can be found on the Office's website at <https://digi.ctu.cz/dtv/>.

1.6.2 Radio broadcasting and preparation for future digital broadcasting

In 2020, the Office continued to coordinate internationally the frequency requirements of applicants for new UHF-FM radio transmitters in the 87.5-108 MHz frequency band. These were requests submitted not only by foreign administrations, but also by private radio operators in the Czech Republic through the Council for Radio and Television Broadcasting ("RRTV") or Czech Radio (Český rozhlas). In accordance with the applicable laws, cooperation with the RRTV was carried out, i.e. the Office, at the request of the RRTV, designated diagrams of the use of individual radio frequencies and the number of inhabitants covered by the radio signal transmitted on these radio frequencies.

As a result of restrictive measures announced to eliminate the Covid-19 pandemic, in the period between April and November 2020, the Office faced unprecedented interest from applicants for the short-term use of frequencies in the 87.5-108 MHz band, particularly for the transmission of soundtrack in drive-in cinemas.

In 2020, there was a significant increase in the coverage of the territory of the Czech Republic by terrestrial digital radio broadcasting disseminated both by private entities and by Czech Radio, the public service operator. The Czech Radio's DAB+ multiplex (frequency blocks 12C for Bohemia and 12D for Moravia) has seen the most significant increase in coverage, rising from the coverage of 80% of the Czech Republic's population it achieved in 2019 to 95% in 2020, which is already nationwide coverage according to Act No. 231/2001 Coll., on the operation of radio and television broadcasting, as amended. The increase in coverage has been achieved with the launch of 10 new high-power transmitters in September 2020.

In addition to Czech Radio, the current digital radio broadcasting in band III is provided by RTI cz, s.r.o., TELEKO digital, a.s., and České Radiokomunikace a.s. The current overview of the status of terrestrial digital radio signal coverage of the said operators and other details of the status of terrestrial radio broadcasting can be found on the Office's website at <https://digi.ctu.cz/dtv/>.

2 POSTAL SERVICES MARKET

2.1 Situation of the postal market

The rights and obligations for the provision of postal services are regulated by Act No. 29/2000 Coll., on postal services and on amendment of some acts (hereinafter also referred to as "Postal Services Act"), as amended. As of 31 December 2020, the Office recorded 33 business undertakings in the postal services market.

In 2020, 37 operators were authorized (at least for some time) to provide postal services. The collection of statistical data provided by the Office in accordance with the Postal Services Act shows that out of 37 authorized business undertakings, only 20 operators actually provided postal services during the year. However, although the year 2020 was marked by the outbreak of Covid-19 also in the area of postal services, the number of

operators was essentially unaffected. However, it had a major impact on the development of the number of postal items. 21 operators offered posting throughout the Czech Republic, 28 operators offered delivery.

Table 5 below presents an overview of individual types of postal services, indicating how many operators offered the service.

Table 5: Overview of the number of operators authorized to offer a specific postal service

Name of the postal service	Number of operators authorized to offer the postal service			
	2017	2018	2019	2020
delivery of a postal item up to 2 kg	18	22	27	28
delivery of a postal parcel up to 10 kg	15	18	26	27
delivery of a postal parcel over 10 kg	14	16	23	23
delivery of a registered letter up to 2 kg	12	16	23	24
delivery of a registered letter over 2 kg	10	13	20	21
delivery of a valuable postal item up to 10 kg	10	12	18	19
delivery of a valuable postal item over 10 kg	10	11	16	16
delivery of a postal item up to 7 kg for the blind	2	1	4	5
delivery of a registered letter up to 7 kg for the blind	2	1	4	5
delivery of a printed matter bag	4	5	9	10
delivery of a registered printed matter bag	3	4	8	9
other postal services	11	11	9	10

Table 5 above does not include the postal service of "delivery of remitted sum of money", which can only be provided by a postal licence holder under the Postal Services Act. For the period 2018-2022, this provider is Česká pošta, s.p. (hereinafter referred to as the Česká pošta).

Volume of postal services

One of the basic indicators best describing the development of the postal services market is the number of postal items transported within each postal service. The following Table 6 shows the development of this indicator since 2017.

Table 6: Development of the number of postal items carried

Name of the postal service	2017	2018	2019	2020
delivery of a postal item up to 2 kg	308,589,291	304,222,249,	296 717 017	238 776 904
delivery of a postal parcel	10,007,619	10,367,006,	16 009 086	36 494 068
of which: delivery of a postal parcel up to 10 kg	8,251,563	8,157,344	13 085 486	35 439 689
delivery of a registered item	80,825,128	73,612,646	69 712 767	64 149 749
of which: delivery of a registered item up to 2 kg	80,620,128	73,368,346	69 395 767	63 679 749
delivery of a valuable postal item	2,494,758	2,394,282	2 161 144	2 026 214
of which: delivery of a valuable postal item up to 10 kg	2,460,517	2,365,152	2 144 732	2 011 234
delivery of a postal item up to 7 kg for the blind	78,033	85,179	78 077	68 427
of which: delivery of a registered letter up to 7 kg for the blind	19,225	15,518	14 883	14 336
delivery of a printed matter bag	8,582	7,438	5 871	5 895
of which: delivery of a registered printed matter bag	1,931	1,806	1 690	1 332
Other	202,814,080	203,298,108	184 160 577	181 135 541

In the long term, there has been a decline in the number of postal items containing documents, which are postal items up to 2 kg or registered postal items. The decline is mainly due to changes in the way of communication and the transition to electronic form of delivery. On the contrary, there is a significant increase in the postal service of delivery of a postal parcel up to 10 kg. This service is offered not only by the Česká pošta, but also by other operators. Zásilkovna s.r.o. offers mainly delivery to the outlets of contract partners called parcel pick-

up points. This is a cheaper option for postal services than delivery to a particular address. Customers also choose this service because they can pick up their postal item whenever it suits them. It was in 2020, due to the pandemic, when the amount of goods ordered in e-shops increased, and the public also ordered goods of everyday use to a greater extent due to closed stores. This is also linked to the increase in the number of parcels transported, including gifts in the pre-Christmas period. In terms of the parcel market (parcel items), 2020 was a record year not only in the history of the Česká pošta, but also for other operators. For example, the Česká pošta processed 1,128,805 parcels in its postal network at the absolute peak compared to approximately 500,000 parcels in 2019. Overall, the number of parcels transported increased by approximately 52%.

Other postal market indicators

In the long term, we can observe an increase in the number of establishments of contractual partners used for posting or delivery. This increase until 2020 was mainly due to two operators (Uloženska s.r.o. and Zásilkovna s.r.o.) who do not deliver postal items to addresses, but only to these issuing points, the network of which is constantly expanding.

Table 7: Development of the number of establishments of postal service providers

Number of establishments	2017	2018	2019	2020
Owned	2,894	2,733	2 661	2 721
- of which: Česká pošta	2,807	2,648	2 600	2 543
of contract partners	1,800	2,762	4 581	7 120
- of which: Česká pošta	507	656	702	2 334
Total	4,694	5,495	7 242	9 841
- of which: Česká pošta	3,314	3,304	3 302	4 877

One of the important indicators of the quality of postal services is monitoring of the development of the number of filed and justified complaints. In 2020, according to data collection, there was a reduction in the total number of complaints filed, which was caused by a change in the Česká pošta's methodology, which since then registers as complaints only submissions from the customer of the service. Other submissions are then registered as other complaints. However, no improvement in the quality of postal services can therefore be inferred from this development. As the number of postal items transported has been declining for a long time, the Office also monitors the ratio of complaints to the number of postal items. This indicator thus better captures the evolution of the quality over time.

Table 8: Number of complaints about postal services

	2017	2018	2019	2020
number of received complaints	192 459	221 815	198 470	202 385
- of which: justified	39 385	46 151	42 567	36 138
the ratio of complaints to the number of transported postal items	0,032 %	0,037 %	0,035 %	0,039 %

2.2 Development of the universal services in 2020

The current postal licence was granted to the Česká pošta for the period from 1 January 2018 to 31 December 2022. As part of the supervision of the provision of universal services under the terms of the postal licence, the Office assessed the volume and quality of universal services provided also in 2020.

In the long term, there is a clear downward trend in the volume of postal items and money orders submitted as part of universal services. This trend applies to all universal services over the long term, as can be seen in Table 9 below. The long-term decline is also evident in services that show growth in aggregate for all operators. Customers use not only products of other operators, but also commercial products of the Česká pošta, which the company offers in addition to universal services. Often, from the user's point of view, these are services with certain added value or parameters different from universal services.

Table 9: Universal services provided by Česká pošta in the period 2016-2020 (in CZK thousands)

Indicator	2017	2018	2019	2020
Number of carried postal items up to 2 kg (standard postal items)	218 560	192 180	173 842	164 991
Number of carried postal parcels up to 10 kg (standard postal items)	345	325	287	257
Number of carried postal items up to 7 kg for the blind (standard postal items)	42	45	38	37
Number of carried registered letters up to 2 kg	69 196	65 923	62 597	56 196
Number of carried registered postal items up to 7 kg for the blind	12	12	12	11
Number of carried valuable postal items up to 10 kg (parcels)	2 207	2 142	1 912	1 936
Number of carried printed matter bags	5,759	5,322	4,181	4,545
Number of carried registered printed matter bags	1,916	1,766	1,690	1,330
Number of money orders delivered	33 416	30 448	27 624	23 970

Source: Česká pošta (Czech Post)

The Office has published on its website commercial names of the services through which the Česká pošta provides specific universal services [available at <https://www.ctu.cz/zakladni-sluzby>].

In terms of the relevant categories of universal services, it can be noted that, as in general, postal items containing documents are being replaced by electronic means of communication. The decrease in the number of registered postal items is not so significant, as this type of documents is used by public administration bodies. There has also been a decline in the number of postal items carrying goods or other items. The number of postal parcels up to 10 kg has been declining over the long term, mainly because customers use commercial postal services, which are not regulated, instead of these postal services. The slight increase in the transport of valuable postal items up to 10 kg was most likely due to the epidemiological situation.

There has also been a long-term decline in the interest in the use of postal service 'money order delivery', which is used for sending money, as this service is being replaced by e-banking and other forms of electronic payments.

2.2.1 Regulation in the area of universal services

In the area of postal services, the regulatory activity of the Office consists mainly in supervising the fulfilment of the obligations of individual operators and the specific obligations of the postal licence holder arising from the Postal Services Act. Pursuant to Section 37(3)(b) of the Postal Services Act, the Office addressed the fulfilment of these obligations in a separate report published in the Postal Bulletin and on its website [available at <https://www.ctu.cz/zprava-o-plneni-povinnosti-ceske-posty-sp-v-oblasti-zakladnich-sluzeb>].

From 1 February 2020, the Česká pošta introduced the so-called "two-speed" delivery of ordinary and registered postal items. As the Česká pošta states on its website, the sender can choose whether his/her postal item is to be delivered in the fastest possible way (priority), typically on the next business day after the day of posting, or whether a slower economy transport is sufficient, in which the postal item will be delivered typically by the second business day after the day of posting.

In the case of universal services, the Česká pošta is obliged to deliver the postal item or remitted money to the place specified in the postal address. The exception is places according to Section 16 of Decree No. 464/2012 Coll., where the Česká pošta is not obliged to deliver. The Česká pošta is obliged to disclose the list of these places on its website [available at: <https://www.ceskaposta.cz/ke-stazeni/zakaznicke-vystupy>].

In 2020, compliance with some of the obligations was significantly affected by the occurrence of the Covid-19 virus and the need to implement the related restrictions. In the period from 16 March to 25 March, the Česká pošta was unable to ensure delivery to the place specified in the postal address in all locations throughout the country due to a lack of protective equipment for its employees but deposited postal items directly at post

offices. The delivery of some registered postal items was also restricted, the postal items were dropped directly into letterboxes if the recipient was not present.

The Office has closely monitored the situation regarding the fulfilment of the obligations imposed by the Postal Services Act since the beginning of the declaration of the state of emergency on 12 March 2020. As a result of its interventions, the delivery of postal items by the Česká pošta has been restored to proper compliance with the obligations to deliver postal items in accordance with the Postal Services Act and the decision to grant the postal licence.

During the spring state of emergency, the opening hours of post offices were also reduced to 16 hours. In two steps, as of 1 September 2020 and 1 October 2020, the Česká pošta has introduced a permanent change in the opening hours of almost half of the post offices (1,518 post offices), where some days of the week the post office is open in the morning from 8 a.m. and on the remaining days of the week in the afternoon until 6 p.m. The aim of all the operational changes introduced was to make the operation more efficient and to ensure that the postal obligation is fulfilled even during the pandemic to the full extent and in accordance with the requirements of the law.

The only clearly measurable parameter of quality of the universal service provided is the speed of delivery of postal items. According to the conditions designated in the postal licence, in 2020 the Česká pošta was obliged to achieve a result of at least 92% of postal items delivered on the first business day following the day on which they were posted. In the assessment of the whole year 2020, the Česká pošta met this indicator, achieving a result of 92.63%.

2.2.2 Prices of universal services in 2020

The Česká pošta has increased the prices of some universal postal services in 2020. In particular since 1 February, it has newly structured the ordinary letter and registered letter services most frequently used by users. Instead of the existing ordinary letter service, it has introduced priority ordinary letter and economy ordinary letter services ("two-speed" delivery - see above). The Česká pošta has increased the prices of priority ordinary letter and priority registered letter services by CZK 7 and the prices of economy registered letter services by CZK 3 in each weight category of these services compared to the prices valid and effective as of 31 December 2019 (when the unstructured ordinary letter and registered letter services were still in force).

In 2020, compared to the price situation valid and effective on 31 December 2019, the Česká pošta:

- increased the prices of the universal service of valuable letter by CZK 3 in each weight category of this service as of 1 January 2020;
- increased as of 1 January 2020 the prices of postal money orders (postal orders) of types A (cash - bill), B (bill - cash), C (cash - cash) by CZK 3; the prices of postal money orders (postal orders) of type D (cash - cash, D+1) by a minimum of CZK 3 and a maximum of CZK 14 (by CZK 14 for money orders up to CZK 1,000).

There was also an increase in some prices for ordinary postal items, registered postal items and valuable letters abroad. On the other hand, the Česká pošta has reduced the price of the universal service of registered parcel, but only for the registered parcel size L, from CZK 169 to CZK 129, i.e. by CZK 40.

In its assessment of the level of prices of universal services under the provisions of Section 34a(1) of the Postal Services Act (carried out according to the methodology for assessing the affordability of universal postal services published on the website of the Office), the Office has not found out that the prices of universal services would have become unaffordable for users in 2020.

Table 10 below documents the evolution of the basic prices of selected national universal services in 2020 by comparing the level of these prices as of 31 December 2019 and as of 31 December 2020.

Table 10: Selected universal services with price changes in 2020

Vývoj (změny) cen vybraných základních poštovních služeb v roce 2020			
Domestic postal items	Price as by 31 December 2019 (CZK/ps)	Price as by 31 December 2020 (CZK/ps)	
		economy	priority
Ordinary letter up to 50 g	19	19	26
Ordinary letter up to 100 g	23	23	30
Ordinary letter up to 500 g	27	27	34
Ordinary letter up to 1 kg	33	33	40
Registered letter up to 50 g	44	47	54
Registered letter up to 100 g	52	55	62
Registered letter up to 500 g	54	57	64
Registered letter up to 1 kg	60	63	70
Registered letter up to do 2 kg	66	69	76
Registered packet L	169		129
Insured letter up to 50 g	49		52
Insured letter up to 100 g	53		56
Insured letter up to 500 g	55		58
Insured letter up to 1 kg	61		64
Insured letter up to 2 kg	67		70

2.2.3 Prices for access to the postal infrastructure

In 2020, the Office checked the Česká pošta 's compliance with its obligation under Section 34(2) of the Postal Services Act (as the postal licence holder) to publish a draft agreement on access to postal infrastructure, which includes prices designated in accordance with Section 34(8) of the same Act as cost-oriented. As a result of the inspection, it was found out that the published prices did not exceed the cost-oriented level, with the exception of the services of Unregistered Parcel Postal Item, whose prices were adjusted to the legally required level by the Česká pošta immediately following the inspection.

2.2.4 Funding of universal services

In February 2020, the Office paid to Česká pošta the second instalment in the amount of CZK 300,000,000 out of the total amount of CZK 800,000,000 attributable to reimbursement of the net costs for the years 2013 and 2014.

On 28 August 2020, Česká pošta filed a request for reimbursement of net costs representing an unfair financial burden for the year 2019 in maximum possible amount of CZK 1,500,000,000. Total net costs for the year 2019 were quantified by Česká pošta in the amount of CZK 2,834,387,630. Net costs for the network of post offices were quantified in the amount of CZK 1,531,507,597, net costs of the delivery network were quantified in the amount of CZK 1,315,492,085, and net costs of the supporting processes induced by the obligation to provide basic services were quantified in the amount of CZK 25,869,243. The intangible and market benefits were determined in the amount of CZK 89,520,368, and the capital costs was determined in the amount of CZK 51,039,074. As of the day of submission of the request, the administrative proceedings was commenced, in which CTU will verify the accuracy and completeness of all information submitted and consistency of the calculation with the Postal Services Act as well as with Decree No. 466/2012 Coll., on the procedure of the Czech Telecommunication Office when calculating the net costs of fulfilment of the obligation to provide basic services, as amended.

According to the Postal Services Act, the reimbursement of the verified value of net costs for 2020 will be paid from the state budget up to a maximum amount CZK 1,500,000,000. The reimbursement is subject to the conclusion of the proceedings before the European Commission in the matter of state aid, the subject of which is the reimbursement of net costs for the period 2018–2022 for the postal licence holder (Česká pošta). On 23 June 2020, the European Commission opened formal investigation as part of this procedure. According to Section 34e(3) of the Postal Services Act, in the case of proceedings before the European Commission in the matter of state aid concerning the financing of net costs representing an unfair financial burden, such proceedings

are considered to be a preliminary question procedure under the Code of Administrative Procedure, and it is not possible to issue a decision on the net costs for the accounting period of 2019 until the completion of this procedure. The proceedings concerning the request for reimbursement of net costs for the year 2019 were suspended; the decision will be issued, and the net costs will be reimbursed only after the proceedings before the European Commission have been completed.

On 23 December 2020, the Česká pošta submitted a request for reimbursement of preliminary net costs for the year 2020 in the amount of one half of the net costs representing an unfair financial burden for the closest preceding billing period for which the amount of net costs has been verified. This administrative procedure on the request was also subsequently suspended on the grounds of the aforementioned preliminary question.

Table 11: Summary overview of reimbursement of net costs incurred in the period 2013–2019 made as of 31 December 2020 (in CZK)

Year	Česká pošta request	Approved amount of net costs	Compensation of net costs
2013	1,774,645,468	947,797,553	800,000,000
2014	1,754,764,485	851,780,872	
2015	1,755,213,456	914,807,746	700,000,000
2016	2,093,847,271	1,267,674,931	600,000,000
2017	2,142,600,138	1,253,322,382	500,000,000
2018	2,711,845,862	n.a.	n.a.
2019	2,834,387,630	n.a.	n.a.

2.3 Regulation in the area of parcel delivery

With effect from 15 April 2020, the Office has been designated by law as the national regulatory authority pursuant to Regulation (EU) 2018/644 of the European Parliament and of the Council on cross-border parcel delivery services (hereinafter referred to as "the Regulation"), which entered into force on 22 May 2018 and is a directly applicable regulation.

Under this Regulation, providers of parcel delivery services are obliged to provide the national regulatory authority with basic information, such as identification data of the company, description of the parcel delivery services provided and the general terms and conditions relating to those services, and subsequently also the change, if any, to the information already provided.

In addition, providers of parcel delivery services are also required to submit to the Office, on an annual basis, data on parcels transported by them, revenues from the provision of these services and other data required by the Regulation.

In 2020, 14 providers provided the data. After subsequent aggregation, the Office forwarded the data from the annual data collection to the European Commission for further use. As of 31 December 2020, a total of 15 providers were registered.

Based on the list of rates obtained pursuant to Article 5 of the Regulation, the Office was assessing in the Česká pošta, as the provider of general (universal) services, whether the prices of its services were not unreasonably high. The Office identified the rates of three services of the Česká pošta that needed to be assessed:

- parcel with a tracking option weighing 1 kg to Germany with a price of CZK 547,
- parcel with a tracking option weighing 2 kg to Germany with a price of CZK 578,
- a standard postal item weighing 2 kg to all Member States of the European Economic Area with a price of CZK 408. The final result was a statement that prices were unreasonably high for all three services assessed.

This conclusion was sent by the Office to the European Commission by 30 June 2020, and the Commission published a publicly accessible version of the assessment on its website within one month of the receipt.

3 LEGAL FRAMEWORK

The legal framework for the market of electronic communication services, postal services market and for the exercise of regulatory and monitoring powers and responsibilities consists in particular of:

- Act No. 127/2005 Coll., on Electronic Communications and on Amendment to Certain Related Acts (Electronic Communications Act),
- Act No. 29/2000 Coll., on Postal Services and on Amendment to Certain Related Acts (Postal Services Act),
- Act No. 194/2017 Coll., on measures to reduce the costs of implementation of high-speed networks of electronic communications and on amendment of some related Acts (hereinafter referred to as "Act No. 194/2017 Coll.").

The following laws and regulations were enacted in 2020 which had or will have in the future impact on the sectors of electronic communication services or postal services.

3.1 Amendments of the Electronic Communications Act

Act No. 403/2020 Coll. amending Act No. 416/2009 Coll., on acceleration of the construction of transport, water and energy infrastructure and the infrastructure of electronic communications, as amended, and other related acts, which took effect on 1 January 2021.

This act introduces additional measures for faster and more efficient preparation of transport, water and energy infrastructure, as well as electronic communications infrastructure. Specifically for the area of electronic communications, it contains an amendment to the Electronic Communications Act, which modifies the provisions of Section 102 (the width of the protection zone for underground lines is changed from 1.0 m to 0.5 m).

Act No. 311/2019 Coll., amending Act No. 127/2005 Coll., on electronic communications and on amendment of some related acts (Electronic Communications Act), as amended, which took effect on 1 April 2020 (the so-called amendment to the Electronic Communications Act).

This Act regulates in particular the rights and obligations in ensuring the portability of telephone numbers pursuant to Section 34 of the Electronic Communications Act. Furthermore, the amount of payment (contractual penalty) in case of early termination of a fixed-term contract (Section 63(1)(p) of the Act) has been significantly reduced. The amendment also introduced a new electronic tool for independent and free comparison of prices and quality of different publicly available electronic communications services.

3.2 Amendments of the Postal Services Act

Act No. 164/2020 Coll., amending Act No. 29/2000 Coll., on postal services and amending certain acts (the Postal Services Act), as amended, and Act No. 634/1992 Coll., on Consumer Protection, as amended, which took effect on 15 April 2020.

The Act is an adaptation legislation to Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services. The obligations under this directly applicable regulation apply not only to postal service providers but to all providers of parcel delivery services. This includes those using alternative business models, such as models based on the sharing economy and e-commerce platforms, as long as they provide at least one of the links in the postal chain (collection, sorting or delivery). The Act redefines the scope of powers and responsibilities of the Office which acts as the national regulator under this Regulation and, in addition to providing information on these services, is also authorized to impose, collect and enforce fines for the breach of obligations designated in this Regulation. The Czech Trade Inspection Authority is entrusted with the inspection of the obligations under Article 7 of the Regulation concerning the terms and conditions of business undertakings that conclude a purchase contract with consumers involving the sending of cross-border parcels.

3.3 Amendment of Act No. 194/2017 Sb.

Act No. 403/2020 Coll. amending Act No. 416/2009 Coll., on acceleration of the construction of transport, water and energy infrastructure and infrastructure of electronic communications, as amended, and other related acts, which took effect on 1 January 2021.

As stated above, this Act introduces additional measures for faster and more efficient preparation of transport, water and energy infrastructure, as well as electronic communications infrastructure. Among other things, it amends Act No. 194/2017 Coll. in such a way that the so-called agreement on co-installation, regulated by Act No. 416/2009 Coll., may henceforth replace the so-called agreement on coordination of construction work pursuant to Section 10 of Act No. 194/2017 Coll.

3.4 Other laws and regulations

Government Regulation No. 56/2020 Coll., which amends Government Regulation No. 154/2005 Coll., on designation of the amount and method of calculation of fees for the use of radio frequencies and numbers, as amended, took effect on 1 April 2020.

This Government Regulation reduced tenfold the percentage designated for the calculation of the fee for the use of radio frequencies for experimental purposes (i.e. from 10% to 1% of the "normal" fees). At the same time, the possibility of using higher parts of the radio spectrum has been promoted, especially in preparation for the deployment of 5G networks.

Government Regulation No. 120/2020 Coll., amending Government Regulation No. 199/2018 Coll., on Technical Plan of Migration of Terrestrial Digital TV Broadcasting from DVB-T Standard to DVB-T2 Standard (Government Regulation on Technical Plan of Migration to the DVB-T2 Standard), which took effect on 23 March 2020.

As a result of the state of emergency declared by Government Resolution No. 194 of 12 March 2020 and the restrictions on the retail sale of consumer electronics contained in the Government's emergency measure of 15 March 2020, as well as the current and critical need to ensure the awareness of Czech citizens through TV broadcasting, it was necessary to ensure high-quality and seamless availability of terrestrial digital TV broadcasting. Therefore, this Government Regulation interrupted the process of transition to the DVB-T2 standard. The interruption did not affect one particular transmitter, namely Jihlava-Javořice on channel 30, which was re-tuned on the original date due to the need to comply with the concluded international coordination agreement.

Government Regulation No. 268/2020 Coll. amending Government Regulation No. 199/2018 Coll., on Technical Plan of Migration of Terrestrial Digital TV Broadcasting from DVB-T Standard to DVB-T2 Standard (Government Regulation on Technical Plan of Migration to the DVB-T2 Standard), as amended by Government Regulation No. 120/2020 Coll., which took effect on 6 June 2020.

This was the second amendment to the Government Regulation on Technical Plan of Migration (TPP) to the DVB-T2 Standard implemented in 2020. The previous amendment, Government Regulation No. 120/2020 Coll., temporarily interrupted the transition (see above). Government Decree No. 268/2020 Coll. restarted this process and, at the same time, updated the timetable for the transition of terrestrial digital broadcasting from the DVB-T standard to the DVB-T2 standard. The original deadline for the completion of the whole transition process was postponed by four months, i.e. from the original date of 30 June 2020 to 31 October 2020. Changes in the annexes to the Technical Plan for Transition concerning the deadlines for switching off the individual DVB-T transmitters also correspond to this postponement.

Decree No. 582/2020 Coll., on the scope, form and method of disclosure of information for the provision of a comparison tool, which took effect on 15 January 2021.

The decree is issued to implement the provisions of Section 66a of the Electronic Communications Act, as amended by Act No. 311/2019 Coll., which imposes an obligation on the Office to provide and publish a comparison tool that will enable customers to compare and assess different publicly available electronic communications services in terms of their prices and the quality. The decree in question designates the scope, form and method of submission of information by business undertakings providing publicly available electronic communications services for the purposes of creating and operating the comparison tool.

Act No. 238/2020 Coll., amending Act No. 634/1992 Coll., on Consumer Protection, as amended, and other related acts, which took effect on 1 July 2020.

This Act primarily adapts the legal order of the Czech Republic to Regulation (EU) No. 2017/2394 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No. 2006/2004, as amended by Regulation (EU) No. 2018/302 of the European Parliament and of the Council. In cross-border cooperation in the field of consumer protection, the Ministry of Industry and Trade acts as the central liaison office for cross-border cooperation. The central liaison office coordinates administrative authorities in the application of the Regulation and carries out information duties towards the European Commission.

The Office is in the areas of its scope of powers and responsibilities a competent administrative authority for the application of the Regulation according to Article 3(1) thereof for the following Directives:

- Directive 98/6/EC of the European Parliament and of the Council of 16 February 1998 on consumer protection in the designation of the prices of products offered to consumers;
- Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No. 2006/2004 of the European Parliament and of the Council ("Unfair Commercial Practices Directive");
- Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 58/577/EEC and Directive 97/7/EC of the European Parliament and of the Council;
- Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No. 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR).

Act No. 526/2020 Coll., amending Act No. 22/1997 Coll., on Technical Requirements for Products and on Amendments and Additions to Certain Acts, as amended, and Act No. 90/2016 Coll., on Conformity Assessment of Specified Products when Placing Them on the Market, as amended, which took effect on 1 January 2021.

This act increases the availability of technical standards to the user public, in particular where legislation directly refers to the use of a technical standard. For such cases, the act introduces the so-called sponsored access to technical standards, where a technical standard is purchased, for example, by a state body and through such state body the availability of such a binding technical standard is then ensured. For its area of competence, the Office is such an administrative authority.

The Czech Telecommunication Office in a Nutshell...

In electronic communications

- > **we create conditions** for the development of competition and technological innovation,
- > in justified cases, **we apply ex-ante regulation tools**, including the imposition of remedies and price regulation,
- > **we manage the radio spectrum and numbers**, and efficient and effective use thereof in accordance with international harmonization,
- > **we decide on the provider** of the universal service and ensure its availability, quality and funding,



- > we check the quality of services provided and established regulatory measures,
- > we act in accordance with Act No. 127/2005 Coll., on electronic communications and on amendment of certain related acts.

02 EXPERT AND ADMINISTRATIVE ACTIVITIES OF CTU

1 CONSUMER PROTECTION

1.1 Price calculators and preparation of the comparison tool

The task of CTU according to Section 5 of the Electronic Communications Act is to promote the interests of end users. One of the tools used by the Office to achieve this is allowing users to simply and clearly compare the prices of electronic communication services. In 2020, The Office renewed the accreditation of two previously accredited price calculators: Tarifomat and Tarifon. The Office cooperated with the Czech Technical University as a technical auditor, whose role in the whole process is to verify the fulfilment of the accreditation criterion "accuracy". A link to the accredited price calculators can be found at the CTU website [available online at: <http://www.ctu.cz/cenovekalkulacky>].

On the basis of Section 66a of the amendment of the Electronic Communications Act, the Office launched in 2020 the preparation of a free independent comparison tool to compare and assess different publicly available electronic communications services in terms of their prices and quality. The specific scope, form and method of submitting information for the provision of the comparison tool, which business undertakings providing publicly available electronic communications services are obliged to submit to the Office, are regulated by Implementing Decree No.582/2020 issued at the end of 2020. The implementation of the comparison tool was entrusted to CHAPS spol. s r.o. on the basis of a tender, and the tool was put into operation in the first quarter of 2021.

1.2 Price barometer

CTU operated the so-called price barometer on its website also in 2020 [available online at: <https://www.ctu.cz/vyhledavaci-databaze/srovnavaci-prehled-cen-a-podminek/cenovy-barometr>].

It shows the development of prices divided into individual intervals by the size of the data limit, for four mobile operators. However, its purpose is not to compare the offers provided by individual providers of electronic communication services, but instead indication of the development of the retail price level for the most important electronic communications services. This distinguishes it from price calculators, for which CTU awards accreditation and which offer help in selecting the most appropriate service.

1.3 Subscriber contracts

In the area of subscriber contracts, as in previous years, the Office monitored and evaluated complaints and queries from subscribers concerning this scope of activities. Subscribers have long complained about problems in concluding contracts, where the content of a formally concluded contract differs, according to their claims, from the terms and conditions negotiated with representatives of the business undertakings orally or remotely. They also complain about the termination of contracts, where, according to the complaints, there are obstructions on the part of the business undertakings to make it difficult for the subscribers to terminate the contract or switch to another provider.

In 2020, as in previous periods, the Office observed a number of complaints about unilateral changes to the contract. The complaints about subscriber contracts filed by corporate customers whose contractual relationships are not subject to enhanced legal protection, are a separate issue. Complaints are usually resolved by providing information on the relevant legislation and advising the complainant of their options for further procedure.

The issue of subscriber contracts and the structure of complaints processed was largely influenced in 2020 by the amendment to Act No. 311/2019 Coll., which amended Act No. 127/2005 Coll., on electronic communications and on amendment to certain related acts (Electronic Communications Act) and which took effect on 1 April 2020. The amendment touched upon the issue of telephone number portability and designation of the amount of penalty for early termination of the contract.

An increased legal protection previously only applying to consumers has in some cases been extended to natural persons carrying out business activities. This concern, for example, a 14-day withdrawal period from a contract concluded remotely or outside the usual business premises, or the amount of the early termination fee. The information obligation of the provider about the approaching end of the contract commitment now also applies to natural persons carrying out business activities.

In 2020, the Office carried out a number of inspections relating to subscriber contracts.

First and foremost, the Office continued its activities aimed at proper implementation of the contractual requirements designated in Regulation (EU) 2015/2120 of the European Parliament and of the Council designating measures concerning access to the open internet in the contract terms and conditions of providers. Furthermore, in response to the above-mentioned amendment to the Electronic Communications Act, the Office carried out an inspection of the published draft contracts of 30 selected providers of electronic communications services focusing on individual aspects of the subscriber contracts affected by the amendment. As the amendment largely concerns mainly the provision of mobile services and telephone number portability, the inspection examined the contract terms and conditions of three network operators and selected mobile virtual operators.

1.4 Net neutrality – Internet access (open Internet)

CTU is the competent supervisory body for issues related to Regulation (EU) 2015/2120 of the European Parliament and of the Council laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union (hereinafter also referred to as "Regulation").

In the period in question and in accordance with Article 5 of the Regulation, CTU prepared and published its report on the results of monitoring compliance with the Regulation (available at [CTU Report on results of monitoring compliance with Regulation \(EU\) 2015/2120 for the period from 1 May 2019 and 30 April 2020 | Český telekomunikační úřad](#)), namely for the period from 1 May 2019 to 30 April 2020.

Taking into account the conclusions contained in this report based on long-term continuous monitoring of the market situation, update of BEREC Guidelines and experience from inspection activities, on 20 August 2020 the Office issued an amended version of General Authorisation No. VO-S/1/08.2020-9 designating conditions for the provision of electronic communications services. The aim of issuing this amendment was primarily to remedy the current situation where providers of internet access services were not obliged to state in their contract terms the real and uniformly defined parameters of the performance of the service provided. Often a parameter value was advertised that could not actually be achieved. The affected customers, who sought remedy in this case, were not and could not have been successful in a potential complaint procedure. The unsatisfactory situation and the need to respond to the requirements defined by the applicable European regulations led the Office to define, in a binding manner, the quality parameters of the performance of the internet access service. Customers will thus get an idea of the actual characteristics of the offered service before signing the contract, will be able to better compare offers of individual providers, and be able to effectively file complaints about inadequate performance of their service.

2 SETTLEMENT OF SUBSCRIBER DISPUTES AND COMPLAINTS BY THE SERVICES USERS

2.1 First-instance administrative proceedings

In 2020 CTU settled 69,047 subscriber disputes of which 34,301 pending disputes were carried over from 2019 and 34,746 cases of administrative proceedings were newly commenced. A total of 35,687 decisions on the matter were issued in the period in question. CTU settled subscriber disputes concerning the payment of the price for services and issued 35,505 decisions. CTU issued 178 decisions on objections to the handling of a complaint about the service provided and on an objection to the handling of a complaint about the billing of a service, of which 164 were decisions on an objection to the handling of a complaint about the billing of a service. The remaining decisions were related to a different dispute.

The number of subscriber disputes decreased in 2020 relative to 2019 by 4,3%. Just as in 2019, in 2020 the Office issued more decisions than the number of newly commenced administrative proceedings, but the difference is not as significant as in previous years. In 2020 CTU issued 2,200 fewer decisions than in 2019, a drop by 5,8%.

Overviews of subscriber disputes for the year 2020 are provided in *annex No. 1* hereto.

2.2 Second-instance administrative proceedings

In 2020, the Office processed, in the 2nd instance administrative proceedings, a total of 1,032 administrative appeals in disputes concerning the payment of prices for electronic communications services (Section 129(1) in conjunction with Section 64(1) of the Electronic Communications Act). Compared to the previous year, when a total of 3,039 administrative appeals were recorded in these cases as of 31 December 2019, this is a significant decrease.

A total of 12,168 administrative appeals were decided in these dispute proceedings, and therefore the number of decisions issued in 2020 increased by approximately 50% compared to the previous year, when 8,103 administrative appeals were decided in the same period. As of 31 December 2020, the total number of pending administrative appeals (i.e. including administrative appeals not settled in the previous period) was 4,283, and the majority out of this number were administrative appeals filed by providers of electronic communications services. Thus, in dispute proceedings of this type, there has been an increase in the speed of issuing decisions compared to 2019 (the total number of pending administrative appeals at the end of 2019 was 15,284) and thus a significant decrease in the number of pending cases.

2.3 Disputes in the area of postal services

Within its scope of powers laid down by the Postal Services Act, CTU decided in 367 cases and issued 300 decisions during 2020. 67 proceedings on objections to the handling of a complaint are carried over to the following period.

In addition to the decision on objections against the handling of a complaint, CTU checked whether the operators of postal services comply with other legal obligations – e.g. timely publication of information on the changes of the postal terms at each post office and in a manner allowing remote access, information on the opening hours of the post offices, information on mailboxes, etc. Nationwide inspections, focused on so called two speed deliveries of postal items introduced by Česká pošta, took place in 2020. These two-speed deliveries distinguish between priority and economy delivery of postal items. The details of these inspections are provided in the text dealing with the inspection activities of the Office. Overall 184 inspections and 33 local investigations were carried out in the period in question which were probing the availability of the mandatory information or probing specific complaints and objections of the customers.

Based on proposals from the general public or findings from the Office's own activities, in 2020 the Office launched 57 proceedings concerning administrative offences. The result of the proceedings conducted by CTU in 2020 is 56 fines imposed in total amount of CZK 899,900.

Overviews of activities by carrying out inspection of postal services and subscriber disputes for the year 2020 are provided in *annex 6* hereto.

2.4 Complaints of the subscribers and users of electronic communication services

Within the scope of its powers, the Office also handles complaints of subscribers or users of electronic communications services. But such complaints are certainly not complaints according to Section 175 of the Administrative Procedure Code (complaints about inappropriate conduct of officials or about the procedures of an administrative body).

In 2020, the Office handled 2,084 complaints, of which:

- investigation of 455 (21.8%) complaints did not find any breach of the Electronic Communications Act,
- the Office was not competent to handle 151 complaints (7.3%) and referred them to the competent state administration bodies,
- 1,478 (70.9%) complaints were handled by the Office in accordance with the Electronic Communications Act (by carrying out an inspection, initiating proceedings concerning an administrative offence or providing information to the complainant on how to proceed in the matter).

For the year 2020 the Office registers 114 more complaints processed than in 2019 (i.e. an increase by 5.8%).

As in the previous years, most complaints pertained to billing of the price for services (396 complaints, which represents 19% of the total number of complaints) and subscriber contracts (501 complaints, which represents 24% of the total number of complaints). These complaints are processed by the Office by providing information to the complainant about possible further procedure, about related legislation, or by settling them in administrative proceedings pursuant to Section 129 of the Electronic Communications Act (subscriber disputes) as objections to the handling of a complaint about the price for the services provided.

Since 2012 the Office has also recorded the number of written queries related to the electronic communications services. For the year 2020 a total of 4,830 queries were answered, which is 8.8% more than in 2019. Most queries involved the issue of the conditions of carrying out business activities in electronic communications and exams of professional competence, and apart from the above-mentioned categories, the majority of queries involved the issue of billing of services, subscriber contracts, reception of TV signal in connection with the transition to DVB-T2, quality of services, and telephone number portability in the mobile network.

With regard to universal service, the Office dealt with a single query concerning public payphones. The overview of complaints of subscribers/users of electronic communications services is provided in *Annex 2* to this Report.

2.5 Complaints of the users of postal services

Within its scope of powers and responsibilities, the Office handled complaints concerning postal services and registers complaints about non-postal services, although it does not resolve them factually, but refers them to a competent authority for handling.

In 2020, the Office registered and handled 168 complaints related to universal postal services. There were 388 complaints relating to the basic parameters of postal services providing. A table presenting an overview of customer complaints about postal services in 2020 can be found in *Annex 7* hereto.

3 AUTOMATED SYSTEM OF MONITORING OF FREQUENCY SPECTRUM

According to Section 15 of the Electronic Communications Act, CTU carried out inspections of effective use of the radio spectrum. In 2020, 4,984 cases were entered through automated frequency spectrum monitoring system ASMKs, of which:

- 1,741 requirements for monitoring of the radio spectrum and other measurements,
- 667 requirements for inspections of radio and electrical equipment, electronic equipment, networks and services,
- 1,792 requirements for investigation of the interference with the radiocommunication services.

4,660 cases were concluded in total (including cases carried over from the previous year).

The structure of devices and electronic communication networks under interference is provided in *Annex 5* hereto.

4 INSPECTION ACTIVITIES

4.1 Keeping records and supervising undertakings in electronic communications and postal services

Pursuant to Section 14 of the Electronic Communications Act, in 2020 CTU issued:

- 86 certificates certifying that the entity intending to carry out business in the area of electronic communications has fulfilled the obligation pursuant to Section 13 of the same Act and reported this fact to CTU in writing
- 146 certificates of notification of a change of information provided in the notification of business activities pursuant to Section 13(6) of the Electronic Communications Act.

CTU performed regular inspection of businesses in the field of electronic communications, whether they carry out their activities in accordance with the activity notified pursuant to Section 13 of the Electronic Communications Act. Inspections performed by CTU also revealed 34 instances of performance of communication activities without a certificate; these were subsequently dealt with in misdemeanour proceedings.

Pursuant to Section 19 of the Postal Services Act, CTU issued:

- 3 certificates certifying that the entity intending to carry out business in the area of postal services has submitted the notification pursuant to Section 18 of the Postal Services Act
- 3 certificates of notification of a change of information provided in the notification of business activities pursuant to Section 19(4) of the Postal Services Act.

4.2 Checking compliance with CTU decisions

4.2.1 Inspection of public payphones and availability and quality of mobile networks signal at the public payphone location

The following inspections were carried out as part of the periodic review:

- From October 2019 to February 2020, a total of 1,298 locations were physically inspected, where an obligation to operate public payphones / public telephone stations within the universal service was imposed according to a decision of the Office. In each location, the signal availability of the mobile networks of O2, T-Mobile and Vodafone was verified. In case that no mobile signal was available from any of the three operators or only one operator's signal was available, the signal was measured at two different locations in the municipality at least 200 metres from the public payphone / public telephone station location, preferably in the most densely populated area.

- In the period from October 2019 to February 2020, compliance with the obligation to provide a partial service of public payphones (or other similar technical means enabling access to a publicly available telephone service) was checked. An inspection was carried out at O2, which had this obligation imposed by the decision of the Office. A total of 1,298 public payphones / public telephone stations were inspected and the location and functionality of the public payphones / public telephone stations was checked at each site.

4.2.2 Supervision over the process of portability of mobile phone numbers in selected providers of the electronic communications services according to Section 34 of the Electronic Communications Act a OOP/10/10.2012-12.

Inspections were carried out in O2, T-Mobile and Vodafone in the period from September to December 2020. Subject to the inspection was in particular the compliance with Section 34(6) and (8) of the Electronic Communications Act in relation to the provisions of Section 63(12), Section 63(1)(o) of the Electronic Communications Act, as well as the compliance with the conditions designated by Measure of General Nature OOP/10/02.2020-12 with emphasis on Article 5(1), (2), (3), (4). 34,195 ported mobile phone numbers were checked. These were all ported numbers that were ported to T-Mobile in the period between 1 July and 31 July 2020 and to O2 and Vodafone in the period between 1 August and 31 August 2020. In the course of the inspection, some ambiguity was indicated in the running of the time limit for number portability in cases where the request for number porting was made remotely and a new SIM was delivered to the subscriber by courier or postal service. This ambiguity was removed by the operators during the inspection. All three inspections did not reveal any facts that could be assessed as non-compliance with legal obligations.

4.2.3 Checking compliance with the conditions of General Authorization No. VO-R/12/09.2010-12.

In 2020, 332 inspections of RLAN operators were launched and 303 inspections were completed. Violations of regulations in the operation of RLANs and the use of frequencies were found during 256 inspections, accounting for 84.5% of all completed inspections in 2020. This is a steady state compared to 2019. The most common non-compliance findings are violations of VO-R/12/12.2019-10, typically interference with the priority radio service and operation of outdoor installations on frequencies designated for indoor use. Another frequent offense is the operation outside VO-R/12/12.2019-10 bands, which is classified as using frequencies without individual authorization. The performance of inspection activities, in particular physical inspections, was significantly affected by measures against the spread of Covid-19.

In 2020, 160 complaints were received from the Czech Hydrometeorological Institute about the interference with meteorological radars by RLAN devices. Investigation of the interference with meteorological radar was also carried out as a priority during the measures related to Covid-19, because interference with meteorological radars has impact on other areas (air traffic control, warning against dangerous meteorological phenomena, etc.). The sources of interference with meteorological radar and its operator were traced and identified in 68 cases. The most common cause of interference with meteorological radar was ineffective DFS mitigation technology, which is qualified as a violation of one of the conditions of VO-R/12/12.2019-10.

4.3 Checking compliance with the legal obligations under the Electronic Communications Act, under the Consumer Protection Act, and under the Postal Services Act

4.3.1 Checking compliance with the obligation to make at least one delivery attempt pursuant to Section 3(2)(d) of the Postal Services Act in case of postal parcels included in basic postal services pursuant to Section 3(1)(d) of the Postal Services Act.

In January 2020, the Office carried out an inspection of the delivery of postal parcels classified as universal postal services. The inspection was carried out on 14 January 2020 at the Česká pošta 's postal depot in Horní Počernice and at the Bechyňská post office. Deficiencies were found in a total of 208 postal parcels. In cases where non-compliance with the obligations to deliver parcels in accordance with Section 33(1)(a) of the Postal Services Act has been established, the Office shall proceed in accordance with its powers and responsibilities.

4.3.2 Checking compliance with the obligation to make at least one delivery attempt pursuant to the provision of Section 3(2)(d) of the Postal Services Act in case of letters included in the category of universal postal services pursuant to the provision of Section 3(1)(d) of the Postal Services Act

The inspection focused on the delivery of letters classified as universal postal services in the D+1 mode. The inspection took place on two dates, from 3 August 2020 to 7 August 2020, when 38 selected postal delivery offices serving a total of 992 delivery districts were inspected, and subsequently in the period from 5 October 2020 to 16 October 2020, when 77 delivery offices serving 2,424 delivery districts were inspected, while 8 delivery offices were inspected repeatedly due to deficiencies found during the first inspection. The inspections found non-compliance with Section 33(1)(a) of the Postal Services Act in only 144 specific letters. In these cases, the Office shall proceed in accordance with its powers and responsibilities.

4.4 Investigation of interference with the digital television signal in relation to the operation of LTE networks in the 800MHz frequency band and transition to DVB-T2

In 2020, there was a transition in DTT (digital terrestrial TV) to the DVB-T2 standard. With respect to the fact the procedural actions that were primarily designed to ensure the protection of DTT from undesirable interference from the 800 MHz band were also applied in 2020, all cases were assessed in accordance with the set procedures and policies.

For all submissions concerning interference with DTT reception, the possible negative impact of LTE mobile networks operating in the 800 MHz band was assessed first. Both newly commissioned base stations (eNodeB) in the 800 MHz band and stations where changes were made to their technical parameters, such as power, antenna routing and number of sectors, were examined, always in relation to the specific location of the TV reception subject to interference. However, it can be concluded that the operation of LTE networks had a negligible impact on the quality of TV signal reception in 2020.

As of 31 December 2020, LTE operators in the 800 MHz frequency band operated 331 stations in pilot operation and 17,005 stations in permanent operation; the total number of LTE base stations operated was 17,336. In 2020, the Office received 1,369 complaints of television viewers about the interference with DTT, whereas as of 31 December 2020 1,130 submissions (including cases from the previous years) regarding interference with television signal (including community antennas) have been settled and closed. Interference caused by the LTE signal was proven in 31 cases. Investigation of the remaining 1,099 complaints most often resulted in the discovery of a defect in the TV viewer's own receiving equipment, insufficient TV signal, or no interference was observed at the viewer's place. There have been no changes in relation to the transition to DVB-T2. In locations where mutual compatibility of LTE operation and DTT reception could only be ensured by interfering with the viewer's receiving system, the implemented measures are still functional.

4.5 Cooperation with Czech Trade Inspection Authority

In 2020, CTU worked with the Czech Trade Inspection Authority according to the "Agreement on cooperation between Czech Telecommunication Office and Czech Trade Inspection Authority". The cooperation consisted in particular of participation of the CTU employees in the inspections of telecommunication terminal and radio equipment and RC models. CTU provided assistance and cooperation in verifying the parameters of radio equipment in the field or in measuring samples collected during inspections by the Czech Trade Inspection Authority. Measurements for the needs of the Czech Trade Inspection Authority were undertaken as part of 32 joint inspections. Deficiencies were found mainly in short-range equipment. The equipment used unauthorised frequencies and no declaration of conformity was submitted. The Czech Trade Inspection Authority deals with the shortcomings identified within the scope of its duties.

5 RADIO SPECTRUM MANAGEMENT

5.1 Decisions on radio frequency block allocations

In 2020, CTU decided on the following cases of radio frequency block allocations:

1. Change in block allocations for terrestrial digital TV broadcasting throughout the Czech Republic - interruption of the process of transition to DVB-T2

Pursuant to Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017 on the use of the 470-790 MHz frequency band in the Union, it was necessary to release the 694-790 MHz frequency band (hereinafter referred to as the "700 MHz band") in favour of mobile broadband networks by 30 June 2020. The necessary legislative prerequisites were created earlier by the adoption of Act No. 252/2017 Coll., of 19 July 2017, amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and Act No. 483/1991 Coll., on Czech Television, as amended, and Government Regulation No. 199/2018 Coll., on Technical Plan of Migration of Terrestrial Digital TV Broadcasting from DVB-T Standard to DVB-T2 Standard (Government Regulation on Technical Plan of Migration to the DVB-T2 Standard), which make it possible to release the 700 MHz band.

However, during the ongoing transition, the Government of the Czech Republic adopted Resolution No. 194 of 12 March 2020 declaring a state of emergency for the territory of the Czech Republic due to the health threat related to the proven presence of coronavirus, and on the basis of this Resolution, the Government of the Czech Republic decided to issue Government Regulation No. 120/2020 Coll. amending the TPP.

The amendment to the TPP designated a temporary suspension of the process of transition of terrestrial digital broadcasting from the DVB-T standard to the DVB-T2 standard in specified areas.

The Office therefore evaluated this situation and, pursuant to Section 22a(4) of the Electronic Communications Act, decided to change the block allocations, stating that the induced change of the deadlines according to the operative part of these decisions is necessary to ensure the security of the Czech Republic, as television broadcasting provides information to the vast majority of its population. Such a change could therefore be made by a decision of the CTU Council Chair without prior public consultation.

2. Change in block allocations for terrestrial digital TV broadcasting throughout the Czech Republic - resuming the process of transition to DVB-T2

After the end of the state of emergency, Government Regulation No. 268/2020 Coll. was adopted, restarting the entire transition process with the deadline for completion postponed until 31 October 2020. In order to resume the process of transition to the DVB-T2 standard and for the efficient use of the allocated radio frequencies or, more precisely, radio channels, the Office decided to change the block allocations, and in the operative part of these decisions designated new deadlines for use of individual radio frequencies for specific areas (group block allocations 1-14) both within the DVB-T standard and for DVB-T2.

3. Review whether there are still reasons for limitation of the number of rights to use radio frequencies in frequency range of 410–410.5 / 420–420.5 MHz

During the year, the Office initiated a review pursuant to Section 20(4) of the Electronic Communications Act as to whether the reasons for limiting the number of rights to use radio frequencies in the frequency range of 410–410.5 / 420–420.5 MHz still continue. On the basis of this review, the Office concluded that no limitation of the number of rights for the next period was necessary. The frequency range in question has not been used by the block allocation holder and serves in fact only as a protection range.

5.2 Decisions on authorizations to use radio frequencies

The total numbers of decisions in the related administrative proceedings, divided according to individual radiocommunication services, are clearly presented in the table in *Annex 3* to this Report.

In comparison with the previous years, the number of individual authorizations issued has slightly increased. The number of individual authorisations issued for an amateur radio communication service and also for radio broadcasting service has increased. This was the result of implementation and completion of the transition of

television broadcasting to DVB-T2 networks and also development of regional television broadcasting and digital radio broadcasting DVB+. As in previous years, greatest interest is shown in radio frequencies of fixed service (point-to-point connection) required to ensure a public electronic communication service consisting mainly of wireless access to high-speed data services (e.g., Internet access) or used for radio connection of the base stations of mobile operators. The reasons for this include in particular flexibility and time availability of radio infrastructure, although broadcasting network operators are focusing on the construction of an optical network with regard to future anticipated transmission capacities.

The development of new mobile networks in the 800MHz frequency band continued, but there were in certain cases compatibility problems between the operation of LTE base stations and the reception of terrestrial digital television broadcasting in the DVB-T system. All the problems that arose were operatively resolved and eliminated during test operation which in the case of LTE base stations in the 800 MHz frequency band continues mandatorily for the period of two months.

The trend continued in 2020 where allocation holders decided in some cases to use for the LTE system a section of radio frequencies allocated and formerly used for the 3G – UMTS system (2100 MHz frequency band), the full development of which never occurred in the Czech Republic. Vodafone has announced that the use of remaining frequencies for the 3G will be finished in 2021. In 2020 the holders of block allocations in compliance with assumed liabilities and development plans expanded the use of radio frequencies in the 2600 MHz and 3700 MHz frequency band. Radio signal coverage of public high-speed networks in the frequency bands of 800 MHz, 1800 MHz, 2100 MHz and 2600 MHz can be found on the relevant website at <https://digi.ctu.cz/lte-pokryti> a v pásmu 3 700 MHz na <https://digi.ctu.cz/3g7/>.

5.3 Conditions of use of radio frequencies under general authorizations

In 2020, the Office issued updates of the following three general authorizations:

- 1. General Authorization No. VO-R/1/12.2020-12** [available online: <https://www.ctu.eu/sites/default/files/obsah/stranky/74784/soubory/vo-r-1122020-12en.pdf>] for the operation of user terminals of electronic communications radio networks; update in particular to adjust the parameters of the 3400-3800 MHz frequency band so that, following the auction of radio frequencies in the 3400-3600 MHz band, it will be possible to operate these user terminals in the networks deployed, in order to adjust parameters of the 24-27 GHz frequency band, where 5G networks are also expected to be used in the future, and to partially adjust the conditions in the area of satellite terminals resulting from international harmonisation.
- 2. General Authorization No. VO-R/14/05.2020-7** [available online: https://www.ctu.eu/sites/default/files/obsah/ctu/vseobecne-opravneni-c.vo-r/14/05.2020-7/obrazky/vo-r-14_-05.2020-7_en_fin.pdf] for the use of radio frequencies and for the operation of devices in the 10 GHz frequency band; update in particular to enable the use of radio frequencies with a larger occupied bandwidth - 56 MHz, in line with the need to transmit larger volumes of data and thus ensure high-speed data transmission.
- 3. General Authorization No. VO-R/16/05.2020-6** [available online: https://www.ctu.eu/sites/default/files/obsah/ctu/vseobecne-opravneni-c.vo-r/16/05.2020-6/obrazky/vo-r-16-05.2020-6_en_fin.pdf] for the use of radio frequencies and the operation of equipment jointly operated on determined radio frequencies in the 27 MHz to 450 MHz bands; an update resulting from the performance of radio spectrum management, user complaints due to the lack of available frequencies for these stations when organizing cultural, social and sporting events and the need to operate temporary stations for transmission of differential signals of global navigation satellite systems without administrative and economic barriers resulting from the current need to apply for individual authorization to use radio frequencies for such purpose.

5.4 Testing qualification

Section 26(1) of the Electronic Communications Act lays down the cases in which professional qualification is required to operate transmitting radio equipment. Under Section 26(2) of the Electronic Communications Act,

only a person having a valid professional qualification certificate for the relevant radio equipment may operate that equipment. The CTU examination committees test the professional qualification of the candidates for an aeronautical mobile service radio operator certificates, maritime mobile service certificates and certificates for HAREC and NOVICE amateur radio communication station operators.

In 2020, based on the exam or recognition of professional competence CTU issued 1301 new professional qualification certificates. This is a decrease compared to 2019 which was caused by the limitation of exams due to anti-epidemic measures during the declared period. CTU has extended the validity of 2730 professional qualification certificates, which on the contrary is the highest number in the recent years. An overview of the certificates issued in 2019 can be found in *Annex 4* hereto.

6 NUMBER MANAGEMENT

Throughout 2020, CTU decided on requests of businesses for a licence to use numbers, number series and codes, addresses and names (hereinafter referred to as "numbers") or, more precisely, on requests of businesses for a change, extension of the validity period, and revocation of the licences from the numbering plans pursuant to Section 30 et seq. of the Electronic Communications Act. In this area CTU issued 490 decisions, of which 71 decisions on granting a licence to use numbers, 37 decisions on a change of a licence, 299 decisions on extension of validity period of a licence, 26 decisions on revocation of a licence, 3 consents to transfer of rights, 46 decisions on transfer of rights, and 8 decisions on termination of administrative proceedings.

7 SETTLEMENT OF DISPUTES BETWEEN ENTITIES CARRYING OUT COMMUNICATION ACTIVITIES

In the area of dispute settlement between persons carrying out communication activities pursuant to Section 127 of the Electronic Communications Act, 4 new dispute administrative proceedings were initiated in 2020, which is a similar number as in previous periods.

In terms of the subject matter, an overwhelming majority of motions to initiate proceedings concerned disputes about the conclusion of an Annex making changes to the contract, the interconnection and the arrangement of mutual (non-monetary) relations after termination of the concluded contract. Disputes over obligations to make payment (payment of monies owed for electronic communications services provided) were in the minority.

In addition to the newly initiated administrative proceedings, the administrative authority continued to hear 2 administrative proceedings concerning payments that were initiated in 2019. Therefore, a total of 6 disputes between persons carrying out communication activities were heard in 2020, with 5 disputes finally settled in the same year. One dispute over the conclusion of an addendum to the interconnection agreement was not settled in 2020.

For the first time in its decision-making practice, the Office proceeded in accordance with Section 128 of the Electronic Communications Act when in one administrative proceeding it refused to decide on the dispute because during the hearing it became clear that the parties had not yet exhausted all options of amicable settlement of the dispute and, at the same time, they were willing to continue negotiating on the subject of the dispute, under the mediation of the Office. In another administrative proceeding, the Office, for the first time in its decision-making practice, also dealt with a situation where an arbitration clause had been validly agreed between undertakings, thereby transferring the Office's jurisdiction over the matter to the Arbitration Court attached to the Chamber of Commerce of the Czech Republic and the Agrarian Chamber of the Czech Republic, which prevented the Office from acting in the case.

As in previous years, no dispute administrative proceedings were initiated in 2020 between an undertaking providing the service of transmitting radio and television broadcasting and a radio and television broadcasting operator about the conclusion of a contract for the provision of this service (Section 72a of the Electronic Communications Act). However, such disputes must be expected in the future, in particular in the context of the process of digitisation of radio broadcasting.

An increase in the number of disputes between undertakings in electronic communications can be expected in the future in view of the pending amendment to the Electronic Communications Act, which transposes Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code into Czech law.

Final decisions issued in administrative proceedings under Section 127 of the Electronic Communications Act in disputes between persons carrying out communications activities are available on the website of the Office [available at [Decisions on disputes pursuant to Act No. 127/2005 Coll. - Section 127 | Czech Telecommunication Office \[ctu.cz\]](#)]

8 SETTLEMENT OF DISPUTES BETWEEN PROVIDERS OF POSTAL SERVICES

In the area of dispute settlement between a postal license holder and another operator of postal services concerning access to postal infrastructure elements and special services related to the operation of the postal infrastructure pursuant to Section 34 of the Postal Services Act, one dispute administrative proceeding was newly initiated in 2020. The postal service operator sought from the postal license holder that an annex be signed changing the term of the existing contract for access to the postal infrastructure of the postal license holder. This decision entered into force in 2020.

The Office continued to hear two very complex administrative proceedings in which the postal licence holder sought a decision on the imposition of an obligation on a postal service operator to sign annexes with it to the existing contract on access to the postal infrastructure and to special services related to the operation of the postal infrastructure on the basis of a change in the so-called reference offer. In particular, new prices and conditions of access to postal infrastructure elements were the subject of the dispute.

Proposals for the settlement of both disputes were modified several times during the proceedings by the postal license holder, as additional changes were made to its reference offer, most recently with the introduction of the so-called two-speed delivery, i.e. delivery in the so-called priority mode and delivery in the so-called economy mode. In both cases, first instance decisions were issued by the administrative authority in 2020, but both were challenged by appeals. The appeal proceedings had not been completed by the end of 2020.

In view of the fact that the postal license holder has again changed its reference offer at the very end of 2020, which is valid from the beginning of 2021, it can be assumed that the new change in access conditions may generate further disputes between the postal license holder and postal service operators in the future. Final decisions issued in administrative proceedings under Section 34 of the Postal Services Act in disputes about access to the postal infrastructure are available on the website of the Office [available at [Decisions on disputes pursuant to Act No. 127/2005 Coll. - Section 127 | Czech Telecommunication Office \[ctu.cz\]](#)]

9 SETTLEMENT OF DISPUTES PURSUANT TO SECTIONS 5, 9, 10 AND 14 OF ACT NO. 194/2017 COLL.

In the area of dispute settlement regarding access to physical infrastructure (Section 5), on-site survey (Section 9), coordination of construction works (Section 10) or access to physical infrastructure inside a building (Section 14) under Act No. 194/2017 Coll., two dispute administrative proceedings were newly initiated in 2020. The number of newly initiated administrative proceedings has thus decreased significantly compared to 2019, when 5 administrative proceedings were initiated.

As all disputes initiated in 2019 was settled by a final decision in the same year, no dispute has been carried forward to 2020. Thus, a total of 2 disputes between persons carrying out communication activities as authorized persons and owners of physical infrastructure as obliged persons, solely concerning disputes over access to physical infrastructure, were heard in 2020. The disputes were not settled by a final decision during the period in question due to the complexity of the process of obtaining documents of an accounting and economic nature, as the disputes also required designation of prices for access. Beyond that, it was necessary to secure the cooperation of another regulatory authority in the form of a binding opinion.

In the future, disputes can be expected to increase, in particular over the conclusion of contracts for access to physical infrastructure in connection with the deployment of electronic communications networks for 5G services. Likewise, we can expect to see an increase in disputes over the conclusion of a contract for access to the physical infrastructure inside a building, not only with regard to the deployment of next generation networks, but also in the context of property development.

Final decisions issued in administrative proceedings under Sections 5, 9, 10 and 14 of Act No. 194/2017 Coll. are available on the Office's website, sorted by the individual subjects of disputes, here. [available at Decisions on disputes pursuant to Act No. 127/2005 Coll. - Section 127 | Czech Telecommunication Office (ctu.cz)]

10 CRISIS MANAGEMENT AND SECURITY

In accordance with its authority, the Office also carries out inspection and regulatory activities in the field of security and crisis management. In 2020, emphasis was placed on the performance of activities aimed at compliance with Sections 88 and 99 of the Electronic Communications Act, including the relevant implementing decrees.

In accordance with the approved plan of Inspection activities of the Office for the year 2020, administrative inspections of practical fulfilment of the obligations imposed by law in the area of ensuring protection of operational and localization data, security, confidentiality, integrity and provision of services in crisis situations were performed in Moraviatel a.s., Fayn Telecommunications s.r.o., STARNET, s.r.o., Český bezdrát s.r.o., NEW TELEKOM, s.r.o., PODA a.s., sipcz.net s.r.o. and SMART Comp. a.s.

A physical inspection was carried out at Vodafone's place of residence during the suspension of government measures in connection with the Covid-19 pandemic.

Pursuant to Section 98(4) and (5) of the Electronic Communications Act, the Office is responsible for collecting information from entities providing a public communications network or a publicly available electronic communications service in the form of receipt of reports of material breaches of security and loss of network integrity. During the year, the Office received a total of 5 reports from entities operating in the public networks market.

11 INTERNATIONAL ACTIVITIES

In accordance with Government Decision No. 507/2011 of 29 June 2011 and the performance of tasks which arise from the Electronic Communications Act, in 2020 CTU ensured direct participation in the European Commission advisory committees, in the BEREC, RSPG, ERGP, ENISA working groups and working groups of international organizations (ITU, CEPT, OECD, ETSI and NATO), and also direct cooperation among regulatory authorities.

Due to the restrictions related to the Covid-19 pandemic, a number of planned business trips abroad were cancelled and most of the aforementioned tasks were carried out by ensuring the participation of the Office's staff in international meetings through remote access. Most of the sessions were organized entirely in the form of virtual sessions.


In 2020, four regular plenary meetings of the Body of European Regulators for Electronic Communications (BEREC) and the Independent Regulators Group (IRG) were held at a top level by means of videoconference. The chairs of regulatory authorities approved a number of important documents there. In particular, BEREC has succeeded in meeting the requirements of the Code and adopting a complete set of implementing guidelines for the relevant articles of this Directive (*Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code*).

Two regular plenary meetings of the European Regulators Group for Postal Services (ERGP) were also held. The group focused on discussing the need to amend the Postal Services Directive and the available regulatory instruments (*Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service*), and also on analyses related to the main consumer issues.

The Czech Telecommunication Office in a Nutshell...

In the area of postal services

- > **we create conditions** for the development of competition in the postal market,
- > **we ensure the availability, necessary quality and affordability** of universal postal services, and we verify the costs of funding thereof,
- > **we decide on the designation** of postal licence holder and supervise the fulfilment of the set conditions,

- 
- > we check the quality of services provided and established regulatory measures
 - > we follow Act No. 29/2000 Coll., on postal services and on amendment of certain related acts, as amended.

03 INFORMATION ON THE NEED TO PASS NEW REGULATIONS OR AMEND THE EXISTING REGULATIONS

1 ELECTRONIC COMMUNICATIONS

1.1 The need for an amendment of the Electronic Communications Act

On 17 December 2018, the wording of the approved Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code was published in the Official Journal of the European Union. The deadline for transposition of the Directive in question was set at 21 December 2020 and its sponsor and coordinator is the Ministry of Industry and Trade. On 16 November 2020 the Government submitted the bill amending Act No. 127/2005 Coll., on Electronic Communications and on Amendment to Certain Related Acts (Electronic Communications Act), as amended, and certain other Acts (press 1084) to the Chamber of Deputies, Parliament of the Czech Republic. By the end of 2020 this bill has not been discussed, it is expected to pass during 2021.

1.2 The need to issue implementing regulations for the Electronic Communications Act

In connection with the expected adoption of the transposition amendment to the Electronic Communications Act, it will also be necessary to ensure appropriate changes to the implementing regulations to this Act. The Office is responsible for six cases of amendments to existing decrees and three cases of new decrees. The Ministry of Industry and Trade is responsible for five implementing regulations, for which an amendment will be necessary due to changes in this Act.

2 POSTAL SERVICES

In the area of postal services, in 2020 the Office did not identify the need for amendments to the Postal Services Act or its implementing regulations, which are within its scope of powers and responsibilities or within the scope of powers and responsibilities of the Ministry of Industry and Trade.


3 ACT NO. 194/2017 COLL., ON MEASURES TO REDUCE THE COSTS OF IMPLEMENTATION OF HIGH-SPEED ELECTRONIC COMMUNICATIONS NETWORKS

Based on the experience from the current application of Act No. 194/2017 Coll., on measures to reduce the costs of implementation of high-speed networks of electronic communications and on the amendment of certain related acts, the Office identified the need to make some adjustments of legislative and technical nature. They were reflected in the proposed transposition amendment to the Electronic Communications Act.

The Czech Telecommunication Office in a Nutshell...

For consumers and service users

- > **we ensure** their complaints and submissions regarding the terms and conditions, quality and price of services,
- > in disputes **we decide** on the rights and obligations of service providers and their users,

- 
- > **we pay attention** to the legal requisites and comprehensibility of the contract terms and conditions,
 - > **we provide** advice, recommendations and other forms of support.

04 ORGANIZATION AND OPERATION OF CTU

1 FINANCIAL RESULTS OF CTU

The binding indicators of Chapter 328 – CTU – ensue from Act No. 355/2019 Coll., on the state budget of the Czech Republic for 2020, as amended. An overview of the achievement of these indicators is provided in *Annex No. 9*, while Annex No. 10 presents an overview of binding indicators for 2021 (an obligation laid down by the Electronic Communications Act).

1.1 Evaluation of the achievement of the indicators of chapter 328 – Czech Telecommunication Office

1.1.1 Total income

The approved budget for the binding indicator of total income was in the amount of CZK 803,430,000. The actual amount is CZK 862,801,049.67, i.e. the adjusted budget was achieved at a level of 107,39% and exceeded by CZK 59,371,049.67.

Tax income - administrative fees amounting to CZK 36,891,834.84 were collected, meaning that the adjusted budget was achieved at a level of 103,89% and exceeded by CZK 1,381,834.84.

A significant part of non-tax income, capital gains and transfer payments received is the income arising from CTU activity, i.e. income from the radio spectrum management in the amount of CZK 716,187,649.36 and income from the number management in the amount of CZK 105,048,751.

For the year 20120, CTU collected fines imposed in administrative proceedings in the amount of CZK 4,219,592.30.

1.1.2 Total expenses

Total expenses for the year 2020 were used in the amount of CZK 967,222,568.85, i.e. use of 37,42% of the adjusted budget.

The expenses budget of CTU is structured according to the budget composition in terms of sectors into 5 sections, namely:

- Section 241100 – Post matters,
- Section 241200 – Telecommunication matters
- Section 246100 – Activities of central bodies of state administration in communications
- Section 249100 – International cooperation in communications,
- Section 527334 – Other management in the area of crisis management

Table 12: The structure of expenses in terms of sectors

Indicator / Section	Approved budget 2020	Adjusted budget 2020	Actual use as of 31 December 2020	% of usage (3/2)
Total expenses	2,585,053,062	2,584,986,828	967,222,568.85	37.42
of which: Section 241100	1,800,000,000	1,800,000,000	300,000,000.00	16.67
Section 241200	120,000,000	120,000,000	93,609,922.78	78.01
Section 246100	655,908,062	655,841,828	570,636,712.09	87.01
Section 249100	9,075,000	9,075,000	2,935,694.98	32.35
Section 527334	70,000	70,000	40,239.00	57.48

Expenses are further segmented into current expenses and capital expenditures.

Table 13: Expenses – generic structure

Indicator	Approved budget 2020	Adjusted budget 2020	Actual use as of 31 December 2020	% of usage (3/2)
Total expenses	2,585,053,062	2,584,986,828	967,222,568.85	37.42
of which: Current expenses	2,466,253,062	2,466,186,828	931,964,908.52	37.79
Kapitálové výdaje	118,800,000	118,800,000	35,257,660.33	29.68

Current expenses

In 2020, current expenses were used in the amount of CZK 931,964,908.52, i.e. 37.79% of the adjusted budget.

Capital expenditures

Capital expenditures were used by CTU for the programme with registration number 128 02 Development and renewal of the material and technical basis of CTU, the approved budget for 2020 was CZK 118,800,000. Capital expenditures were used in the amount of CZK 35,257,660.33, i.e. use of 29.68% of the adjusted budget.

2 MANAGEMENT OF NON-BUDGETARY FUNDS

2.1 Radiocommunication Account

The obligation to set up the Radiocommunication Account arose for CTU from the Electronic Communications Act. The account was opened at the Czech National Bank, Prague branch, as an external resources account with the broadened prefix of "26016". It is created according to Government Regulation No. 153/2005 Coll., on the determination of the method of providing funds to the radio communication account, the amount thereof, and the method of fund withdrawal, at 30% of the fees collected for the use of radio frequencies. Money is transferred to the account on a quarterly basis (invariably after the quarter having passed).

The funds are used for the coverage of effectively and practically spent costs incurred by the holders of individual authorizations to use radio frequencies who incurred these costs as a result of the changes in the use of radio spectrum for reasons due to the Electronic Communications Act. They can be further used for the coverage of the expenses associated with the fulfilment of the obligation of CTU within the radio spectrum management. In 2020 CTU paid from the radiocommunication account expenses in total amount of CZK 97,297,093.55.

Table 14: Radiocommunication account

Account balance as of 1 January 2020	1,122,632,172.68
Budgeting for the year 2020	270,462,070.00
Drawing for the year 2020	97,297,093.55
Account balance as of 31 December 2020	1,295,797,149.13

3 HUMAN RESOURCES

3.1 Number of systemized positions

There were 596 systemized positions in CTU in 2020. For the year 2021, the number of systemized positions remains unchanged.

Table 15: Headcount (for 2020 in comparison to 2018 and 2019)

Indicator / period	2018	2019	2020
Systemized number of employees	663	627	596
Average FTEs	582	577	564
Number of newly hired employees	64	39	42
Number of terminated civil service/employment contracts	47	54	50
Number of employees in post-productive age as of 31 December	53	47	39

3.2 Employee training

Employee training is long-term carried out according to Act No. 234/2014 Coll., on civil service, as amended, Act No. 262/2006 Coll., Labour Code, as amended, and CTU Binding Guideline No. 15/2016 which lays down the procedures for improvement and increasing of education of CTU employees. Training events were organized according to the CTU Employee Training Plan drawn up specifically for the year 2020. They were focused primarily on electronic communications, postal services, file administration, labour code and other relevant laws and regulations, information technologies, foreign languages, personal skills, and managerial skills.

Training events in attendance form were limited, compared to previous years, due to COVID-19 pandemic in the Czech Republic. Education in the form of e-learning, webinars or other distance forms was more widely used.

The initial training for newly hired employees was conducted mainly by means of e-learning, which considered basic information about state administration and CTU, the fundamental rights and obligations of CTU employees, the fundamentals of working with information technologies used in CTU, the code of ethics, prevention of corruption, the environmental policy, filing rules, the obligation of employees at times of crisis management and other selected regulations. New employees also received follow-up initial training where they were prepared for the general and special parts of the clerical test.

36 employees passed the clerical test, 25 of them passed the test in the field of service No. 36 Electronic communications and postal services.

Language training was provided to employees in the form of group and individual courses in English and French. During the year the attendance lessons were replaced by online form.

All the CTU employees have completed a cyber security basic courses in form of e-learning. The selected staff participated in courses focused on the development of personal skills (e.g. conflict management, concentration and maintenance of attention, assertive behaviour and handling a stress). Employees attended various training events organised by external agencies according to their individual training needs.

The costs of training and education services as of 31 December 2020 were CZK 3,034,000 and the expences on conference fees CZK 14,000.

Table 16: Number of employees who have completed training in 2020

Type of training	Number of employees
Initial training	38
Initial follow-up training	37
Continuous training	1011
Training of senior officers	6
Language training	224

3.3 Funds for the salaries of the CTU employees


The budget of funds for the salaries of civil servants without EU projects for the year 2020 was CZK 298,724,011.

The average salary of a CTU employee in 2020 was CZK 44,025.

The Czech Telecommunication Office in a Nutshell...

We operate

- > 3 important information systems:
SPECTRA, ASMKS a MOSS
- > "Radio Spectrum Utilisation" portal at <http://spektrum.ctu.cz/en/>
- > CTU Open Data portal at <https://data.ctu.cz>
- > Portal for registration in the 60 GHz and 5 GHz band at <https://rlan.ctu.cz/cs>
- > Portal with CTU measurement results of quality of services at <https://qos.ctu.cz/intro?l=en>
- > Portals for electronic data collection at <https://monitoringtrhu.ctu.cz> and <https://vor-kmitocty.ctu.cz>

- 
- > Portal on territory and population coverage with mobile signal at <https://digi.ctu.cz>
 - > Education activity named Telecommunication Academy at <https://akademie.ctu.cz>
 - > NetMetr service at <https://www.netmetr.cz> (together with CZ.NIC).
 - > Comparison tool on price and quality of services at <https://srovnac.ctu.cz> (launched in 2021)

05 MANDATORY PARTS OF THE ANNUAL REPORT

1 ANNUAL REPORT ON THE UNIVERSAL SERVICE

The CTU compiles an Annual Report on the Universal Service in accordance with Section 50(2) of the Electronic Communications Act. In addition to information about the scope of services provided within the universal service, this report also contains information about the manner of financing the universal service laid down by the Electronic Communications Act for the period under consideration, 2020.

1.1 Mandatorily provided sub-services of the universal service

Public payphones

The obligation to provide the sub-service of public payphones or other, similar means of technology as allowing access to the publicly available telephone service (hereinafter referred to as "payphones") (Section 38(2)(e) of the Electronic Communications Act) was imposed upon O2 based on the result of a tender, with effect from 1 January 2018 to 31 December 2020. The decision includes an annex containing the list of public payphones included in the universal service in 2020. For the sake of ensuring the economic efficiency of the sub-service provided, CTU determined the precise extent of the provision of the service using the criterion of density and based on a declining level of usage, so that in 2020 the gradual reduction in the number of the payphones operated within the universal service continues.

In the first half of the year, the Office reviewed whether the reasons on the basis of which the obligation to provide this partial service was imposed still continue. On the basis of the review, the Office drew up a plan not to impose the obligation in the future. Following the settlement of comments arising from the public consultation, the Office published on 18 June 2020 the final plan not to impose the obligation to provide this partial service in the future.

The mandatory provision of the partial service of public payphones within the universal service thus ended on 31 December 2020.

Access of people with disabilities to the publicly available telephone service

The obligation to provide services involving access for the disabled persons to publicly available telephone service, the directory inquiry service and to directories equivalent to that enjoyed by other end users, particularly by means of specially equipped telecommunication terminal devices (Section 38(2)(f) of the Electronic Communications Act), was imposed on O2 based on the tender with effect from 16 July 2018 to 16 July 2021.

In view of the expiring effect of the decision, the Office initiated on 20 October 2020 a review of the grounds on which this obligation was imposed, and on 9 December 2020 published its plan to further impose the obligation to provide this partial service.

Special prices or price plans

The obligation to allow persons with special social needs according to Section 44 and Section 45 of the Electronic Communications Act to choose prices or price plans that differ from the price plans provided under normal commercial terms and conditions such that these persons have access to and are able to use a sub-service and a publicly available telephone service (Section 38(3) of the Electronic Communications Act), hereinafter referred to as "special prices", was imposed on O2 based on the tender with effect from 4 July 2017 to 4 July 2020.

Based on the results of the tender, an obligation was imposed on O2 to continue providing special prices, namely from 5 July 2020 to 31 December 2021.

1.2 Partial services of the universal service provided on a commercial basis

The partial services listed below, which are provided commercially, are subject to regular monitoring the evaluation of which is reported by CTU every year. In May 2020, based on monitoring for the year 2019, CTU found no reasons to impose obligations and therefore didn't take such step. The partial services listed below were provided also in 2020 on commercial basis. They were specifically:

- a) connection to the public communication network at a fixed location (Section 38(2)(a) of the Electronic Communications Act),
- b) access to the publicly available telephone service at a fixed location (Section 38(2)(b) of the Electronic Communications Act),
- c) periodical publication of subscriber directories and access of end users to these directories (Section 38(2)(c) of the Electronic Communications Act),
- d) information service on telephone numbers of the subscribers of the publicly available telephone service, available for end users (Section 38(2)(d) of the Electronic Communications Act),
- e) supplemental services to services specified in paragraphs a) and b) of the Electronic Communications Act (Section 38(2)(g) of the Electronic Communications Act), namely:
 - gradual repayment of the price for the set-up of the connection to the public communication network for consumers,
 - free selective blocking of outgoing calls, sending of premium text or multimedia messages or, if technically feasible, access to similar services with a higher price or calls to specified types of numbers for the subscriber,
 - free itemised billing of the price for the subscriber,
 - the provision of information, at the request of the subscriber, on lower prices or more favourable price plans and the terms and conditions under which these are applied, if this information is available, and
 - monitoring of the subscriber's expenditures associated with the use of the publicly available telephone service, including free notification of the consumer in the event of unusual or excessively increased usage of this service.

1.3 Funding of the universal service

The funding of the universal service was performed in the previous years according Act No. 151/2000 Coll. on Telecommunications and on Amendment to Other Acts, as amended (hereinafter referred to as "Telecommunications Act") for the period from 2001 to 2005 and for a part of 2006, and subsequently according to the Electronic Communications Act for the period from 2006 to 2019.

The funding of the universal service for the period 2001–2003 has been closed. CTU therefore only provides information on pending proceedings.

1.3.1 Funding According to the Telecommunications Act (situation in 2020)

LOSS FOR THE YEARS 2004-2006

Following a previous court decision, CTU heard again in 2016 and 2017 the administrative proceedings concerning the verification of the demonstrable loss for the period 2004 - 2006. During the new hearing, in accordance with the EU Directive on universal service which, according to the courts, has direct effects in this case, CTU quantified the intangible benefits of the provider of the universal service and assessed whether the verified loss constitutes unfair burden for the provider. In all three decisions issued, only the loss resulting from the provision of free services or services whose price did not cover the costs incurred was recognized for compensation, i.e., not a loss for the full range of the universal service imposed, as the following *Table 17* shows.

Table 17: Summary overview of reimbursements for the loss from universal service provided in 2004–2006 in CZK

Loss in	Amount of loss verified by CTU	Payments to the account of US	Contribution of O2
2004	CZK 302,622,498	CZK 208,614,879	CZK 94,007,619
2005	CZK 286,966,147	CZK 206,967,794	CZK 79,998,353
2006	CZK 280,274,507	CZK 137,152,181	CZK 143,122,326

New administrative decisions on the verified amount of loss and contributions to the financing of universal service for these years (2004–2006) were gradually challenged again by an administrative action brought by some of the companies which contributed to the coverage of the loss.

CTU therefore states in this Annual Report that in 2020, none of these legal actions were finally decided by the court. Funding the coverage of the loss from universal service for the period 2004 - 2006 was therefore not closed in 2020.

1.3.2. Pursuant to the Electronic Communications Act

NET COSTS FOR THE YEARS 2006 - 2009

In 2010 and 2011, decisions were issued on the amount of the net costs for the period 2006 - 2009. Subsequently, the decisions were challenged by some parties to the proceedings through administrative appeals and legal actions, and therefore the cases were heard again in the period 2014 to 2020. The determined amount of the net costs did not change in any of the cases, and the conclusions assessing the net costs as an unbearable burden were confirmed. The decision was supplemented by detailed arguments relating in substance to the claims, in particular as regards the method of allocating overheads, findings relating to the intangible benefits and new calculations to assess the unbearable burden, including taking into account all the criteria set out in the case law of the European Court of Justice. As regards the net costs for the year 2007, a new decision had been issued in 2020, which was challenged by an administrative appeal which had not been decided as by 31 December 2020. The decisions of the second-instance body on net costs for the years 2006 and 2008 were challenged by a legal action, but no judgments had been delivered by 31 December 2020. The proceedings concerning net costs for the year 2009 have already been concluded by a final decision. Detailed information on the amount of the payments is presented in *Table 18* (see below).

With respect to the fact that the judgments issued based on the legal actions brought by T-Mobile revoked the decision on the amount of net costs, which was the basis for issuing payment orders, the original payment orders of T-Mobile for the years 2006, 2008 and 2009 were also cancelled. New payment orders were issued for T-Mobile in 2018 and 2019 and they are challenged by actions again. Payment order for 2007, issued in 2010, hadn't been reviewed by the Court by 31 December 2020.

Given the fact that the insolvency procedure of MobilKom, a.s. was closed, the remaining part of the contribution in the amount of CZK 272,872.30 for 2009 was paid to the universal service account from the state budget and then transferred to O2 in May 2020.

NET COSTS FOR THE YEARS 2010 - 2018

The reimbursement of the net costs determined by the final decisions of CTU for the individual years of provision of the universal service to the defined extent was fully made from the state budget for the benefit of O2 which provided this service in the period 2010–2018.

NET COSTS FOR THE YEARS 2019

On 23 July 2020, O2 submitted a request for reimbursement of the net costs for the provision of the service of public payphones and the service of the sale of specially equipped telecommunication terminals in 2019. CTU verified this bill, in particular by means of a comparison with the results of separate records of costs and revenues, by checking the methodology of construction of the allocation keys, assessment of the development of the costs in time, and by verification of the correctness of the allocation of the invested capital.

The provision of the service of public payphones was verified already in 2019. The legitimate claim of people with disabilities for purchase of specially equipped telecommunication terminals for the price of standard terminals

was also verified. The net costs of the service of public payphones were quantified as CZK 25,492,736.32 and the net costs of the sale of special telecommunication terminals were included in the amount of CZK 55,877.51. Intangible benefits were not identified. Total net costs in the amount of CZK 25,548,613.83 were assessed as unbearable burden. The net costs were determined by a final decision of CTU dated 26 October 2020, and the reimbursement thereof was fully made from the state budget to O2 which provided the universal service in 2019.

Table 18: Summary overview of reimbursements of the net costs incurred in 2006–2019 in CZK

Net costs for the year	Amount of reimbursement of net costs required by the provider	Amount of net costs verified by the Office	Payments made to the universal service account	Note
2006	CZK 84,169,933	CZK 73,875,953	CZK 37,533,749	The contribution of O2 was quantified at CZK 36,342,204
2007	CZK 118,666,047	CZK 105,478,583	CZK 56,652,325	The contribution of O2 was quantified at CZK 48,826,258
2008	CZK 114,934,483	CZK 100,992,529	CZK 55,688,078	The contribution of O2 was quantified at CZK 45,304,451
2009	CZK 89,435,212	CZK 73,363,998	CZK 40,367,067	The contribution of O2 was quantified at CZK 32,723,953
2010	CZK 47,483,383	CZK 46,582,341	-	The net costs were reimbursed from the state budget
2011	CZK 54,992,883	CZK 55,028,579	-	The net costs were reimbursed from the state budget
2012	CZK 51,285,028	CZK 50,136,727	-	The net costs were reimbursed from the state budget
2013	CZK 46,984,256	CZK 46,969,448	-	The net costs were reimbursed from the state budget
2014	CZK 48,244,872	CZK 48,240,857	-	The net costs were reimbursed from the state budget
2015	CZK 37,728,377	CZK 37,548,680	-	The net costs were reimbursed from the state budget
2016	CZK 35,833,679	CZK 35,822,312	-	The net costs were reimbursed from the state budget
2017	CZK 34,078,959	CZK 34,066,380	-	The net costs were reimbursed from the state budget
2018	CZK 32,219,508	CZK 32,219,342	-	The net costs were reimbursed from the state budget
2019	CZK 25,553,251	CZK 25,548,614	-	The net costs were reimbursed from the state budget

1.4 Loss from the provision of the universal service of "Special prices"

The loss on the mandatory provision of the partial service of "Special prices" (according to Section 38(3) of the Electronic Communications Act) was covered by the state budget from the beginning of the very first year of its provision, i.e. from 2007, and the same approach was used in 2020 when the loss from the provision of special prices for the year 2019 was covered.

On 23 July 2020, O2 filed a request for the coverage of loss on the provision of special prices in 2019. The Office reviewed the data submitted and, after removal of the defects found, issued a decision on 29 October 2020 on designation of the loss on the provision of special prices within the universal service in the amount of CZK 67,788,436.65. The recognized loss was reimbursed to O2 from the state budget.

Table 19: Overview of reimbursements for the loss of O2 from the provision of special prices incurred in 2019 in CZK

	Presented loss	Recognized loss
Fixed network of O2	CZK 52,774,922	CZK 52,704,489
Mobile network of O2	CZK 15,088,867	CZK 15,083,947
Total O2	CZK 67,863,789	CZK 67,788,436

2 ANNUAL REPORT OF THE CZECH TELECOMMUNICATION OFFICE ON PROVISION OF INFORMATION PURSUANT TO ACT NO. 106/1999 COLL., ON FREE ACCESS TO INFORMATION, AS AMENDED, FOR THE YEAR 2020

The Czech Telecommunication Office publishes this Annual Report on the Provision of Information in the Year 2020 which has been prepared according to Section 18 of Act No. 106/1999 Coll., Free Access to Information Act, as amended (hereinafter referred to as "Act No. 106/1999 Coll.").

According to Section 3 of Act No. 127/2005 Coll., on electronic communications and amending certain related acts [Electronic Communications Act], as amended (effective as of 1 May 2005), CTU is the central administrative body for the exercise of state administration in the matters laid down by this law, including market regulation and determining the conditions of undertaking business in particular in the spheres of electronic communications and postal services. Within its scope of powers and responsibilities laid down by the law, i.e. as the body of state administration, it supervises adherence to legal regulations in the spheres of electronic communications and postal services and also compliance with the obligations in the above-mentioned areas aimed at consumer protection, as stipulated by Act No. 634/1992 Coll., the Consumer Protection Act, as amended, as well as compliance with the obligations laid down by Act No. 194/2017 Coll., on measures to reduce the costs of implementation of high-speed networks of electronic communications and on amendment of some related Acts, as amended.

Basic information on the organisation structure and activity of CTU is available to the general public at CTU's website at www.ctu.eu/, including its electronic notice board, and on the notice board placed on the information panel in the lobby of the CTU headquarters. Information on the resolution of situations according to Decree No. 515/2020 Coll., on the structure of information published about an entity obliged and on the outline of actions performed under the agenda, are also available from the public administration portal (portal.gov.cz/en).

CTU publishes the following data according to Section 18(1) of Act No. 106/1999 Coll.:

a) Number of requests for information submitted

96 written requests for information were submitted to CTU in 2020.

The requests for information were related to areas where CTU is active, and generally focused in particular on:

- provision of electronic communication services and postal services, complaints filed about the defects of the electronic communication services provided, granting of rights to use radio frequencies (14 requests),
- general administrative activities of CTU or decisions issued by CTU both in the area of electronic communications and postal services (60 requests),
- administrative court proceedings to which CTU is a party, or compensation for damage pursuant to Act No. 82/1998 Coll., on liability for damage caused in the performance of public authority by a decision or incorrect official acts and on amendment of Czech National Council Act No. 358/1992 Coll., on notaries and their activities (Notarial Rules), as amended (4 requests).

Also provided was information on:

- economic management of CTU and internal organization matters and activities of CTU and personnel issues (7 requests),
- communication with the EU Commission,
- inspections carried out (7 requests).

b) Number of issued decisions on the rejection of a request

23 decisions on the rejection of a request were issued in 2020, 19 of which concerning only rejection of a part of the request where information was provided in part.

c) The number of suspended requests for the provision of information with notification of the applicant in accordance with Section 14(5)(c) of Act No. 106/1999 Coll. (on the grounds that the request in question is not a request pursuant to Act No. 106/1999 Coll. or concerns information which does not fall within the scope of powers and responsibilities of the entity obliged to provide information) and in accordance with Section 17(5) of Act No. 106/1999 Coll. (on the grounds that there was no response to the request of CTU to pay the costs associated with the provision of the requested information within the statutory time limit)

In 2020, CTU partially put aside 2 requests for information, 1 of which namely because the requesting person did not pay the required amount of costs within the statutory time limit and 1 of which because the requesting person required information that doesn't relate to CTU competence

d) Number of appeals (administrative appeals) filed against a decision

5 administrative appeals were filed in 2020 against a decision to reject a request and no administrative appeal was filed against a decision to postpone a request for information.

e) Copies of the substantial parts of the court decisions (Section 16(4) of Act No. 106/1999 Coll.)

In 2020, the court did not rule on any case of rejection of a request for information by CTU.

f) Number of complaints filed pursuant to Section 16a of Act No. 106/1999 Coll., reasons for filing the complaints, and brief description of the processing

In 2020, the Office handled 1 complaint pursuant to Section 16a(3)(a) of Act No. 106/1999 Coll. about the procedure of the Office as an obligated body when processing a request for information, which consisted in issuing a decision to postpone the request for information, the reason being that the information requested concerned the interpretation of legislation which did not relate to the scope of powers and responsibilities of the Office. The Office assessed the complaint and confirmed the decision to postpone the complaint.

g) Number of review proceedings pursuant to Section 16b of Act No. 106/1999 Coll. conducted by the Office for Personal Data Protection (hereinafter referred to as "Office for Personal Data Protection")

In 2020, the Office for Personal Data Protection issued 1 decision in the review proceedings, which, on the complaint of the party requesting information, repealed the decision on the administrative appeal in connection with the decision on partial rejection of the request for information, terminated the proceedings and ordered the Office to provide the requested information to the requesting party.

h) List of exclusive licences provided, including the reasoning for the need to provide an exclusive licence (Section 14a of the Act No. 106/1999 Coll.)

In 2020 CTU did not provide any exclusive licence.

i) Other information relating to the application of Act No. 106/1999 Coll.

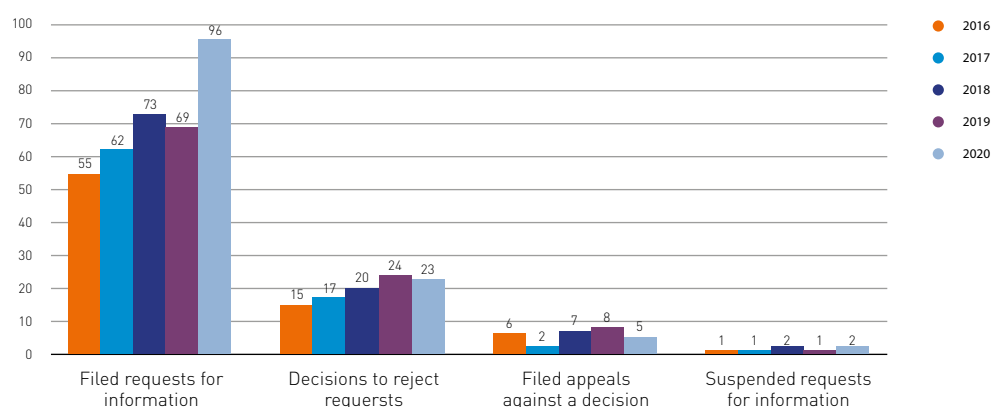
In 2020, CTU didn't collect any reimbursements of the costs associated with providing the information according to Section 17 of Act No. 106/1999 Coll.

The written requests for the provision of information included in the records for 2020 were handled in accordance with the law and the internal regulations at CTU. CTU did not put requests for the provision of information made by telephone on record and operatively handled them in the same way with regard to the quantity and character of such requests.

The information provided is published on the CTU website in accordance with Act No. 106/1999 Coll.

An overview of the settled written requests for the provision of information in 2020 in comparison with the previous years, starting from 2016, is shown in the *Figure 18*.

Figure 18: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for 2016-2020



Note: This Annual Report was published on 2 March 2021 in a manner allowing remote access, i.e., on the website of CTU (<https://www.ctu.eu/>).

Table 20: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for the period 2016-2020

	Number of requests for information submitted	Number of decisions on the rejection of a request	Number of appeals filed against a decision	Number of requests for information suspended
2016	55	15	6	1
2017	62	17	2	1
2018	73	20	7	2
2019	69	24	8	1
2020	96	23	5	2

3 ANNUAL REPORT OF THE CZECH TELECOMMUNICATION OFFICE ON OUT-OF-COURT SETTLEMENT OF CONSUMER DISPUTES (SECTION 20K(4) AND (5) OF THE CONSUMER PROTECTION ACT)

The legal framework for out-of-court settlement of consumer disputes in the area of electronic communication services and postal services in 2020 consisted in particular of Act No. 127/2005 Coll., on Electronic Communications and on Amendment to Certain Related Acts (Electronic Communications Act), as amended, and Act No. 29/2000 Coll., on Postal Services and on Amendment to Certain Related Acts (Postal Services Act), as amended, including the implementing regulations. The procedural actions of the Office within out-of-court settlement of consumer disputes is regulated by Act No. 500/2004 Coll., Code of Administrative Procedure, as amended. General obligations of the Office, as the subject of the out-of-court settlement of consumer disputes, in particular the disclosure and notification obligation, are regulated in Act No. 634/1992 Coll., the Consumer Protection Act, as amended.

Pursuant to Section 20k(4) of Act No. 634/1992 Coll., the Consumer Protection Act, as amended, CTU as the subject of the out-of-court settlement of consumer disputes provided the Ministry of Industry and Trade in the evaluation with the following information:

a) on the number disputes submitted to it and the types of suggestions related to it;

For the year 2020 the Czech Telecommunication Office received 333 requests regarding a dispute between the consumer and provider of electronic communication services or provider of postal services. The requests were related to the dispute proceedings regarding an objection against the handling of a complaint about the billing, complaint about the electronic communication service, concerning a dispute about non-pecuniary supply, and concerning an objection against the handling of a complaint about the defects of postal services.

b) on the percentage of out-of-court settlements of consumer disputes which were suspended or rejected without finding a solution, and the percentage of the reasons for the suspension or rejection, if known;

In 2020, proceedings were suspended in 27% of the total number 333 requests received for out-of-court settlement of consumer disputes. Out of the total number of suspended proceedings 89 requests were suspended for reasons stated in the table 21:

Table 21: Overview of share of applicants according to the reason for suspension of the proceedings

Reason for suspension of the proceedings	Share in %
the requesting party withdrew the request	31
the requesting party failed to rectify substantial defects of the request	12
the requesting party failed to pay the administrative fee	52
the request has become irrelevant	4

c) on the average time necessary for the settlement of the dispute;

The average time necessary for the settlement of the dispute within of the out-of-court settlement of consumer disputes was 129 days.

d) on the degree of compliance with the outcome of the out-of-court settlement of consumer disputes, if known;

Administrative proceedings conducted by the Czech Telecommunication Office have two instances. A decision issued by the Czech Telecommunication Office is binding upon the parties and enforceable by other procedures according to the law and legally.

e) on system or serious problems which occur frequently and lead to disputes between consumers and vendors;

Main causes of disputes between consumers and providers include failure to comply with legal obligations (information obligation) related to termination of the contract, in particular in case of unilateral changes consisting e.g. in an increase of the price for the agreed-upon services or, as the case may be, a change in parameters of the agreed-upon service of electronic communications. Another reason is usually not agreeing to an extension of the commitment without notification of the approaching end of the previous commitment. There are also submissions containing a complaint about the procedure in the course of conclusion of contracts at the provider's branch, where the complainants were not allowed to get thoroughly acquainted with the content of the concluded contract.

Another cause of dispute is the conclusion or change of a contract made by telephone, where the subsequently issued bill did not correspond to the agreement made during the telephone call, or activation of an unsolicited service. A specific reason for disputes was the termination of contracts due to the Covid-19 pandemic.

The general reason is inadequate awareness of consumers about the rights and obligations under the contract, incorrect interpretation of these provisions by consumers as well as inadequate explanation of the dismissed complaints from which the consumer is often unable to verify the justification of the dismissal by the provider of the consumer's complaint.

In the area of postal services, the most common cause of dispute was delivery of registered postal items in the newly introduced priority mode and economy mode and disputes over the provision of universal international postal service. A serious and recurring subject of a dispute was the damage to the contents of a postal item and the compensation for damaged contents or for the lost postal item or the failure to attempt delivery, especially during the period when the operation of the delivery offices of Česká pošta, s.p. was restricted due to the Covid-19 epidemic.

A major reason is also the insufficient awareness of consumers about the postal terms, including but not limited to packaging of the postal item, method of calculation of the damages, and permitted content of a postal item with respect to the service chosen as well as the handling of complaints by the operator of postal services where it is inadequately explained and often ambiguous and repetitive.

f) on cooperation, if any, of the subjects within a network of subjects of the out-of-court settlement of consumer disputes facilitating cross-border disputes and assessment of the effectiveness of this cooperation, if any;

In 2020 Czech Telecommunication Office did not receive any request related to a cross-border dispute.

g) on professional training of individuals for performing the out-of-court settlement of consumer disputes;

The employees responsible for performance of the out-of-court settlement of consumer disputes are trained on regular basis within the training of civil servants in the laws and regulations under which the disputes are processed.

h) on assessment of the effectiveness of the out-of-court settlement of consumer disputes and on potential improvement thereof;

With respect to the binding nature of the decision on the parties to the dispute and the procedures according to the laws, the settlement of consumer disputes is considered sufficiently effective.

4 INFORMATION ON HANDLING COMPLAINTS ABOUT THE ACTIVITIES OF CTU FOR THE YEAR 2020

In 2020, CTU handled 9 submissions which were assessed as complaints pursuant to Section 175 of Act No. 500/2004 Coll., Code of Administrative Procedure, as amended, taking into account the nature and contents thereof.

In all nine cases, the complaints were directed against the procedures of the administrative body; no complaint was directed against inappropriate behaviour of officials.

In the only case where CTU found the complainant's complaint justified after the investigation, the complainant expressed disagreement with CTU's procedure in settling the complaint against a provider of electronic communications services, in which he complained about obstructions of the provider with the processing of a request to identify an annoying call. CTU reconsidered the original opinion on the procedure of the provider of electronic communications services and initiated proceedings concerning an administrative offense.

In all other eight cases, CTU investigated the complaints and found them unfounded. In the area of conducting administrative proceedings concerning administrative offences, CTU handled two complaints. In the first case, the complainant objected that none of the replies to his three complaints concerning suspected commission of an administrative offense in the matter of breach of any of the conditions of the general authorization pursuant to Act No. 127/2005 Coll., on Electronic Communications and on the Amendment of Certain Related Acts (the Electronic Communications Act), as amended, included the information whether CTU had initiated the administrative proceedings or whether it had found no reasons for initiating the same. In the second case, the complainant, who is suspected to have committed an administrative offence, criticized CTU for errors in the conduct of administrative proceedings concerning malicious calls made to emergency numbers. Another complaint was directed against the procedure of the administrative body in compliance with Act No. 412/2005 Coll., on the protection of classified information and security clearance, as amended, consisting in handling of classified information by a CTU employee, while none of the pieces of information which the said CTU employee handles is designated as classified according to the said Act. In another case where the complainant objected in the matter of submitting of a motion to initiate administrative proceedings concerning an objection to the handling of a complaint, that CTU did not deal with this submission, CTU initiated the administrative proceedings after having provided legal assistance to the complainant and having eliminated the submission defects. In three cases, the same complainant alleged a violation of rights of the parties to the administrative proceedings conducted by CTU, specifically in the process of producing evidence in the form of a document, the economy of conducting administrative proceedings and the presentation of office hours at a CTU branch. In the last case, the complainant criticized CTU for the lengthy and deliberately prolonged investigation of complaints filed in cases of breach of the electronic communications network protection zone, where CTU responded to each submission by sending a reply and initiated ex officio administrative proceedings concerning suspicion of committing an administrative offense.

An overview of the number of complaints filed in 2020 is presented in *Table 22* at the end of this Report.

No remedial actions were adopted in the case of complaints about incorrect actions of the administrative body assessed as unjustified.

No anonymous submissions were delivered to CTU in addition to receiving and dealing with the complaints specified above, neither did CTU consider any other complaint in 2020.

In 2020, the Office received four petitions.

All the submissions in question pointed to insufficient signal coverage by the signal of mobile networks in the municipal district of Trhonice in the small town of Jimramov, in municipalities around the mount of Říp, in the municipality of Hlavňovice and in the municipal district of Přerov XII – Žeravice. Insufficient signal quality significantly complicates the possibility to call emergency numbers and also has a negative impact on tourism in these areas. For this reason, the inhabitants asked CTU to improve the coverage with radio signal of mobile networks in those municipalities.

CTU informed the authors of all petitions about its scope of powers and responsibilities pursuant to the Electronic Communications Act, stating that the coverage with radio signal which is provided by mobile operators is primarily their responsibility and depends on their business and economic judgment and goals.

In spite of the foregoing, however, CTU wishes to support as much as possible successful fulfilment of requests expressed in the petitions, and thus also ensure compliance with the principle laid down in Section 4(4) of the Administrative Procedure Code, i.e. to allow the persons in question to exercise their rights and legitimate interests. With respect to the above, CTU implemented the following measures:

It sent a letter to the operators concerned in the case of municipalities around the mount of Říp, the municipal district of Přerov XII - Žeravice and the municipality of Hlavňovice. In the case of the municipal district of Trhonice in the small town of Jimramov CTU sent a letter to the Association of Mobile Network Operators.

Furthermore, in support of the arguments provided in the petitions, CTU scheduled technical measurements to verify the actual coverage of the said areas with radio signal of mobile networks of individual operators, according to the technical conditions designated for the evaluation of the coverage. The measurement results were provided in each case to the authors of the petitions, and in the case of the municipal district of Trhonice in the small town of Jimramov also to the Association of Mobile Network Operators, which should also contribute to the proposals, if any, of possible solutions to the situation. CTU is prepared to participate in the specific discussions to resolve the situation. The authors of the petitions were informed in writing about all of the above-mentioned measures.

CTU also has on record all submissions announced or delivered to it in the matter of suspicion of corruption or fraud by any of its employees. It checks and regularly assesses these within its remit as part of an analysis of the complaints handled based on the provisions of Section 175 of the Code of Administrative Procedure.

In 2020 CTU received by means of anti-corruption e-mail address (korupce@ctu.cz) one initiative of suspected corrupt conduct by an employee of CTU. The initiative was directed towards two officials, after investigation and evaluation of the matter the incentive was settled as unfounded.

As for the messages received at the anti-corruption e-mail address (korupce@ctu.cz) which was put into operation on 10 July 2007, they are handled in a special manner within CTU in terms of the regular monitoring and responsible evaluation thereof, since the anti-corruption e-mail address could act as a potential source of information on potential corrupt conduct by CTU employees. CTU is therefore ready to respond promptly and actively to such submissions in accordance with internal regulations and based on generally applicable regulations.

The anti-corruption e-mail address also serves for submitting notices pursuant to Government Regulation No. 145/2015 Coll., on measures related to the reporting of suspected unlawful acts in a civil service authority which were processed pursuant to this Regulation. For the sake of completeness, it is necessary to state that the address korupce@ctu.cz is used by the public for submitting initiatives in the event of suspected unlawful acts of businesses in electronic communications or postal services, i.e., for submissions of a nature other than what it is supposed to serve. Such submissions are nevertheless referred to the relevant department of CTU for processing within the relevant legal framework.

Table 22: List of complaints by 31 December 2020 (Section 175 of the Act No. 500/2004 Coll., Administrative Procedure Code)

Type of submission	Amount of submissions					Carried over to subsequent period
	Received	From previous period	Settled	Justified	Unfounded	
1. Petition*)	4	0	4	4	0	0
2. Complaint**)	9	0	9	1	8	0
3. Notice**)	0	0	0	0	0	0
4. Initiative**)	0	0	0	0	0	0

*) Act No. 85/1990 Coll., on petition right

**) Act No. 500/2004 Coll., Administrative Procedure Code, as amended, Section 175

The Czech Telecommunication Office in a Nutshell...

In 2020, we

- > **organized** the auction of frequencies for 5G networks
- > **newly set** the conditions of quality of the Internet access service
- > **prepared** public comparison tool on price and quality of services (launched in 2021)
- > **released** the 700 MHz band for the use by mobile networks and we participated in the completion of DVB-T2 terrestrial broadcasting transition
- > **processed and settled** over 35 thousand disputes between users and providers of service



- > settled more than 2 thousand (mostly consumer) complaints,
- > adopted 70 regulatory measures to foster competition and technological innovation,
- > granted more than 5 thousand individual authorizations to use radio frequencies and numbers.

06 ANNEXES

1. OVERVIEW OF SUBSCRIBER DISPUTES IN ELECTRONIC COMMUNICATIONS SERVICES IN 2020

Type of activity	Administrative proceedings from previous period	Commenced administrative proceedings	Issued decisions	Decided in a favour of		Other	Administrative proceeding carried over to subsequent period
				Subscriber	Provider		
Decision on subscriber disputes	34,301	34,746	35,687	12,569	18,980	4,138	33,360
a) on objections against settlement of complaints on provided service	31	14	14	3	3	8	31
b) on objections against settlement of complaint on billing statement for services	510	143	164	59	18	87	489
ba) on access to value added services (data and voice)	0	0	0	0	0	0	0
baa) on access to data value added services provided on the Internet or other data networks (Dialer)	0	0	0	0	0	0	0
c) on payment of the price for services (financial claim)	33,334	34,586	35,505	12,506	18,959	4,040	32,415
d) other	426	3	4	1	0	3	425

2. SUBSCRIBER / USER COMPLAINTS ON ELECTRONIC COMMUNICATIONS SERVICES IN 2020

Subject-matter of complaint	I. Q	II. Q	III. Q	IV. Q	Total
1. Electronic communications services	293	264	251	274	1,082
2. Radiocommunications services	53	33	27	34	147
3. Telephone number portability in mobile network	12	18	13	23	66
4. Telephone number portability in fixed network	4	0	1	6	11
5. Failure to set up or transfer a telephone station	1	4	7	0	12
6. Customer support service provided by electronic communications service provider	0	0	0	1	1
7. Method of customer acquisition by providers and dealers	0	0	0	0	0
8. TV signal reception	10	2	18	11	41
9. Deceptive advertisement	0	4	0	3	7
10. Consumer protection	22	8	23	15	68
11. Universal service	0	0	0	0	0
12. Other	136	165	171	177	649

3. OVERVIEW OF ISSUED DECISIONS ON INDIVIDUAL AUTHORIZATIONS TO USE RADIO FREQUENCIES IN 2020

Type of authorisation		Number of decisions	
		to grant ¹⁾	to revoke
		authorisation	
1. Fixed line service	total	5,273	2,778
out of	point-point	5,243	2,747
	point-multipoint	30	31
2. Amateur service	total	1,587	0
out of	individuals	1,434	0
	club stations	117	0
	repeaters and packet nodes	36	0
3. Satellite service	total	6	0
out of	VSAT	1	0
	SNG	5	0
4. Aeronautical service	total	616	99
out of	aircraft stations	597	96
	aeronautical stations	19	3
5. Maritime service	total	176	56
out of	ship stations	136	56
	costal stations	40	0
6. Broadcasting service	total	1,036	0
out of	television transmitters	665	0
	radio transmitters	371	0
7. Land mobile service	total	512	106
8. Other radiocommunications service	total	66	7
	radio-location service	66	7
9. Short-term authorisations	total	188	0
out of	fixed line service	37	0
	amateur	0	0
	land mobile service	125	0
	aeronautical mobile service	0	0
	satellite service	10	0
	broadcasting service	16	0

1) newly issued authorisations and authorisations with extended validity

4. VERIFICATION OF PROFESSIONAL COMPETENCE TO OPERATE RADIO EQUIPMENT IN 2020

Type of professional competence certificate	Number of certificate			
	issued based on exams	with an extended validity	issued within a year of their expiration	duplicates, changes, recognition of competence
a) General certificate for radio operator of aeronautical mobile service (VF, VFL)	202	428	137	192
b) Restricted certificate for radio operator of aeronautical mobile service (OFC, OFM, OFL)	442	647	248	18
c) General certificate for operator of maritime mobile service (GOC, GO)	0	14	4	0
d) Restricted certificate for operator of maritime mobile service (ROC)	0	0	0	0
e) General certificate for radio operator of maritime mobile service (VF, VFN)	19	135	56	3
f) Restricted certificate for operator of maritime mobile service (OFP)	151	0	521	2
g) Certificate for radiotelegraph operator	0	0	0	0
h) Harmonised Amateur Radio Examination Certificate (HAREC)	37			
i) Amateur Radio Operator Certificate (NOVICE)	9			
j) General certificate for operator of maritime mobile service (LRC)	0	2	4	0
k) Restricted certificate for operator of maritime mobile service (SRC)	132	13	2	44
l) Restricted certificate for radio operator of inland waterways (OFV)	50	0	519	0
Total	1,042	1,239	1,491	259

5. IDENTIFICATION OF SOURCE OF INTERFERENCE WITH OPERATION OF ELECTRONIC COMMUNICATIONS EQUIPMENT AND NETWORKS OR WITH PROVISION OF ELECTRONIC COMMUNICATIONS OR RADIOCOMMUNICATIONS SERVICES IN 2020

Identification of source of interference with operation of electronic communications equipment and networks or with provision of electronic communications or radiocommunications services in	2020
out of Radio, television and satellite reception	1,051
Radio equipment and networks	396
Public communication networks for the transmission of R and TV signals (TKR)	4
Other (joint television aerials)	134

6. OVERVIEW OF ACTIVITIES IN PERFORMING SUPERVISION OVER POSTAL SERVICES AND ON SUBSCRIBER DISPUTES IN 2020

Type of activity	Certificates /inspections		Number of measures for provision of services	Number of administrative proceedings from previous period	Number of Initiated administrative proceedings	Number of issued decision *)	Decided to the benefit of the			Imposed fines		Administrative proceedings
	Total number	Out of which					subscriber	provider	Other	Number	Amount in CZK	
1. Number of issued certificates												
on notification of business	3											
2. Number of changes to certificates												
on notification of business	3											
3. Performance of postal activities												
without notification	0			0	0	0				0	0	0
4. Compliance with Postal Services												
Act conditions	48		0	0	3	3				3	161,500	0
a) compliance with postal conditions according to Section 6 of Postal Services Act		48	0	0	3	3				3	161,500	0
b) compliance with the conditions of quality requirements according to Decree No. 464/2012 Coll.		0	0	0	0	0				0	0	0
5. Decisions on objections to the handling of a complaint acc. to Section 6a of Postal Services Act	0			75	292	300	70	138	92			67
6. Dispute resolution acc. to Section 37, paragraph 3, point a) of Postal Services Act	0			0	0	0	0	0	0			0
7. Failure to provide information acc. to Section 32a of Postal Services Act				0	8	8				8	71,000	0
8. Other	217		0	10	54	52				45	667,400	12
a) control		184	0	0	0	0				0	0	0
b) local investigation		33	0	0	0	0				0	0	0
c) offence proceedings acc. to the Section 37a, paragraph 1, point a)		0	0	2	8	6				5	33,000	4
d) offence proceedings acc. to Section 37a, paragraph 1, point c)		0	0	1	0	1				1	2,000	0
e) offence proceedings acc. to Section 37a, paragraph 2, point a)		0	0	0	1	1				1	6,000	0
f) offence proceedings acc. to Section 37a, paragraph 2, point e)		0	0	4	13	13				11	377,500	4
g) offence proceedings acc. to Section 37a, paragraph 2, point f)		0	0	0	0	0				0	0	0
h) offence proceedings acc. to Section § 37a paragraph 3, point. a)		0	0	1	21	17				14	112,400	5
i) other offence proceedings		0	0	2	12	14				13	136,500	0
TOTAL	271	48	0	85	357	363	70	138	92	56	899,900	79

7. OVERVIEW OF CUSTOMER COMPLAINTS ABOUT POSTAL SERVICES IN 2020

Subject matter	Total complaints
1. Complaints about universal postal services according to Section 3 of Postal Services Act	
service of delivery of a postal item up to 2 kg	21
service of delivery of a postal parcel up to 10 kg	5
service of money delivery by postal order	6
service of registered item delivery	93
service of valuable postal item delivery	2
service of free delivery of a postal item up to 7 kg for the blind	0
basic foreign postal services	41
service of delivery of a postal parcel over 10 kg submitted abroad	0
service of international response	0
service of reply items in international traffic	0
service of delivery of printed matter bag	0
TOTAL	168
2. Complaints about postal services	
long waiting times	0
post office opening hours	1
change in storage post office	0
delivery of postal items	161
handling of complaints	173
breach of postal secrecy	9
postal items to / from abroad	30
service of official documents delivery	3
requests for information	11
TOTAL	388

8. MEASURES OF GENERAL NATURE (OOP) ACC. TO THE ELECTRONIC COMMUNICATIONS ACT ISSUED IN 2020

OOP - Other

No.	Registration number	Title	Date	Number of telecommunication bulletin/ date	Effective from
1.	OOP/10/02.2020-1	Measure of General Nature amending the Measure of General Nature No. OOP/10/10.2012-12, laying down the technical and organizational conditions for implementing telephone number portability and the principles for number portability billing between undertakings, according to the Section 34, paragraph 4	21 Feb. 2020	2/2020 dated 6 March 2020	1 April 2020

OOP – General Authorisation

No.	Registration number	Title	Date	Number of telecommunication bulletin/ date	Effective from
2.	VO-R/16/05.2020-6	General Authorisation for the use of radio frequencies and for the operation of equipment jointly operated on determined radio frequencies in the 27 MHz to 450 MHz bands, according to the Section 9, paragraph 2	27 May 2020	6/2020 dated 3 June 2020	1 July 2020
3.	VO-R/14/05.2020-7	General Authorisation for the use of radio frequencies and for the operation of devices in the 10 GHz frequency band, according to the Section 9, paragraph 2	27 May 2020	6/2020 dated 3 June 2020	1 July 2020
4.	VO-S/1/08.2020-9	General Authorisation amending General Authorisation VO-S/1/07.2005-9 laying down conditions for the provision of electronic communications services, as amended by General Authorisation VO-S/1/07.2007-11, General Authorisation VO-S/1/01.2012-2 and General Authorisation VO-S/1/09.2014-5, according to the Section 9, paragraph 2	18 Aug. 2020	9/2020 dated 20 Aug. 2020	1 Jan. 2021
5.	VO-R/1/12.2020-12	General Authorization for the operation of user terminals of electronic communications radio networks, according to the Section 9, paragraph 2	15 Dec. 2020	12/2020 dated 21 Dec. 2020	15 Jan. 2021

OOP - Radio spectrum utilisation plan

No.	Registration number	Title	Date	Number of telecommunication bulletin/ date	Effective from
6.	PV-P/15/02.2020-2	Part for the frequency band 380–470 MHz, according to the Section 16, paragraph 2	27 Feb. 2020	3/2020 dated 20 Apr. 2020	1 Apr. 2020
7.	PV-P/10/05.2020-5	Part of the frequency band 470-960 MHz, according to the Section 16, paragraph 2	20 May 2020	5/2020 dated 26 May 2020	15 Jun. 2020
8.	PV-P/2/10.2020-10	Part of the Radio Spectrum Utilisation Plan for the frequency band 24.25–27.5 GHz, according to the Section 16, paragraph 2	13 Oct. 2020	10/2020 dated 16 Oct. 2020	15 Nov. 2020
9.	PV-P/1/12.2020-11	Part of the Radio Spectrum Utilisation Plan for the frequency band 146-174 MHz, according to the Section 16, paragraph 2	8 Dec. 2020	11/2020 dated 10 Dec. 2020	31 Dec. 2020

OOP – Network plans

No.	Registration number	Title	Date	Number of telecommunication bulletin/ date	Effective from
10.	SP/3/06.2020-8	No. SP / 3 / 06.2020-8, which issues a network plan for signaling public communications networks, according to the Section 62, paragraph 3	2 Jun. 2020	6/2020 dated 3 Jun. 2020	15 th day from publication in the bulletin

OOP – Analyses of Relevant Markets

No.	Registration number	Title	Date	Number of telecommunication bulletin/ date	Effective from
11.	A/1/04.2020-3	Wholesale call termination on individual public telephone networks provided at a fixed location	15 Apr. 2020	4/2020 dated 22 Apr. 2020	15 th day from publication in the bulletin
12.	A/2/04.2020-4	Wholesale voice call termination on individual mobile networks	15 Apr. 2020	4/2020 dated 22 Apr. 2020	15 th day from publication in the bulletin

9. FULFILMENT OF BINDING INDICATORS OF STATE BUDGET IN 2020

In CZK thousands					
Indicators	Budget approved	Budget amended	Final budget	Actual budget as of 31 Dec. 2020	% of achievement (5/4)
Aggregate indicators					
Total Income	803,430.00	803,430.00		862,801.05	107.39 %
Total Expenses	2,585,053.06	2,584,986.83	2,708,094.29	967,222.57	35.72 %
Specific indicators - Income					
Tax Income	35,510.00	35,510.00		36,891.83	103.89 %
Total non-tax income, capital income and transfer receivables	767,920.00	767,920.00		825,909.21	107.55 %
including: total income from the European Union budget excl. Common Agricultural Policy	0.00	0.00		0.00	0.00 %
total other non-tax income, capital income and transfer receivables	767,920.00	767,920.00		825,909.21	107.55 %
Specific indicators - Expenses					
Expenses on securing the achievement of the Czech Telecommunication Office tasks	2,585,053.06	2,584,986.83	2,708,094.29	967,222.57	35.72 %
including: expenses covering loss from the provision of universal service - special prices	80,000.00	80,000.00	80,000.00	67,788.44	84.74 %
expenses covering loss from the provision of universal service - net costs	40,000.00	40,000.00	40,000.00	25,821.49	64.55 %
net costs representing unfair financial burden of postal licence holders	1,800,000.00	1,800,000.00	1,800,000.00	300,000.00	16.67 %
expenses connected with the performance of the Czech EU Presidency	0.00	0.00	0.00	0.00	0.00 %
other expenses on securing the achievement of the Czech Telecommunication Office tasks	665,053.06	664,986.83	788,094.29	573,612.65	72.78 %
Cross-sectional indicators					
Salaries of employees and other payments for work	312,610.79	312,610.79	316,576.24	312,969.27	98.86 %
Mandatory insurance paid by employer	105,451.20	105,451.20	106,811.20	104,062.66	97.43 %
Transfer of culture and social needs fund	5,974.48	5,974.48	5,974.48	5,974.48	100.00 %
Salaries of employees in work service except employees in civil service	0.00	0.00	0.00	0.00	0.00 %
Salaries of employees in civil service acc. to the Civil Service Act	298,724.01	298,724.01	301,010.56	297,735.96	98.91 %
Ensuring readiness for crisis situations according to Act No. 240/2000 Coll.	70.00	70.00	70.00	40.24	57.48 %
Total costs jointly financed by the European Union budget without CAP	0.00	0.00	0.00	0.00	0.00 %
including: from the state budget	0.00	0.00	0.00	0.00	0.00 %
share of the European Union budget	0.00	0.00	0.00	0.00	0.00 %
Total costs kept in EDS/SMVS information system of program financing	118,800.00	118,800.00	168,054.95	35,257.66	20.98 %

10. CHAPTER INDICATORS – BUDGET OVERVIEW FOR 2021

Ukazatele	In thousands CZK
Aggregate indicator	
Total Income	6,434,440
Total Expense	2,236,425
Specific indicators – Income	
Tax income ⁵⁾	28,000
Total non-tax income, capital income and transfer receivables	6,406,440
including: - total income from the European Union budget excl. Common Agricultural Policy	0
- other non-tax income, capital income and transfer receivables	6,406,440
Specific Indicators – Expenses	
Expenses on securing the achievement of the Czech Telecommunication Office tasks	2,236,425
including: - expenses covering loss from the provision of universal service - special prices	75,000
- expenses covering loss from the provision of universal service - net costs	35,000
- net costs representing unfair financial burden of postal licence holders	1,500,000
- expenses connected with the performance of the Czech EU Presidency	0
- other expenses on securing the achievement of the Czech Telecommunication Office tasks	626,425
Cross-sectional indicators	
Salaries of employees and other payments for work	311,236
Mandatory insurance paid by employer ¹⁾	105,046
Transfer of culture and social needs fund	5,974
Salaries of employees in work service except employees in civil service	0
Salaries of employees in civil service acc. to the Civil Service Act	298,724
Ensuring readiness for crisis situations according to Act No. 240/2000 Coll.	0
Total costs jointly financed by the European Union budget without CAP	0
including: - from the state budget	0
- share of the European Union budget	0
Total costs kept in EDS/SMVS information system of program financing	74,600

¹⁾ mandatory insurance for social security and contribution to the state employment policy and insurance for public health insurance

⁵⁾ not including income from mandatory insurance for social security and contribution to the state employment policy

FREQUENTLY USED TERMS

CTU, Office	Czech Telecommunication Office
Report	Annual report of the Czech Telecommunication Office for 2020
Electronic Communications Act	Act No. 127/2005 Coll., on Electronic Communications and on Amendment to Certain Related Acts
Postal Services Act	Act No. 29/2000 Coll., on Postal Services and on Amendment to Certain Related Acts
Administrative Procedure Code	Act No. 500/2004 Coll., Administrative Procedure Code, as amended
02	02 Czech Republic a.s.
CETIN	Česká telekomunikační infrastruktura a.s.
T-Mobile	T-Mobile Czech Republic a.s.
Vodafone	Vodafone Czech Republic a.s.
UPC	UPC Česká republika, s.r.o.
Česká pošta	Česká pošta, s.p.
IRG	Independent Regulators Group
ERGP	European Regulators Group for Postal Services
COCOM	Communication Committee
MVNO	Mobile Virtual Network Operator
ITU	International Telecommunication Union
BEREC	Body of European Regulators for Electronic Communications
NGA	Next Generation Access
LTE	Long Term Evolution
UPU	Universal Postal Union

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