



CZECH TELECOMMUNICATION OFFICE

2021

ANNUAL REPORT



CZECH TELECOMMUNICATION OFFICE

ANNUAL REPORT OF THE CZECH TELECOMMUNICATION OFFICE FOR 2021

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 performing state administration in electronic communications and postal services, 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 Association of European Regulators for Electronic Communications and Postal Services BEREC, ERGP and IRO,
- > involved in the activities of several international professional institutions such as ITU and UPU, and also working within the structures of the European Union.

In 2021

In electronic communications:

- > we were creating conditions for the development of competition, technological innovation and wide availability of quality services,
- > in justified cases, we were applying ex-ante regulation tools,
- > we were managing the radio spectrum and numbers, and efficient and effective use thereof in accordance with international harmonization,
- > we decided on the provider of the universal service and ensured its availability, quality and funding,
- > we were checking the quality of services provided and established regulatory measures,
- > we issued 27 % more first instance decisions than the previous year.

In the area of postal services:

- > we were creating conditions for the development of competition in the postal market,
- > we worked on ensuring the availability, necessary quality and affordability of universal postal services, and we verified the costs of funding thereof,
- > we were preparing conditions for the designation of postal licence holder for 2023–24,
- > we were checking the quality of universal and other postal services provided and established regulatory measures

For consumers and service users:

- > we worked on ensuring protection of their rights,
- > we were handling their complaints and submissions regarding the terms and conditions, quality and price of services,
- > we decided their disputes with service providers,
- > we paid attention to the legal requisites and comprehensibility of the contract terms and conditions,
- > we provided advice, recommendations and other forms of support.

A WORD OF INTRODUCTION BY THE COUNCIL CHAIRWOMAN

Dear users and providers of electronic communications services and postal services, the past year was quite a breakthrough for the Czech Telecommunication Office (hereinafter referred to as "the Office") and, consequently, for the entire telecommunications sector. I perceive most of the events that have driven the telecommunications market as clearly positive.

In particular, the approval of the transposition amendment to the Electronic Communications Act (hereinafter referred to as the "amendment to the Electronic Communications Act") was one of the Office's priorities for the past period, although the real work has only just begun - the drafting of implementing legislation and its implementation in practice. I am glad that thanks to the amendment to the Electronic Communications Act, the protection and rights of consumers on the Czech telecommunications market will improve again.

Take, for example, the portability of Internet access services, where changing providers should be as easy as porting a telephone number. Another clear benefit is the increased customer awareness of contract details. The third big positive change is the issue of marketing calls. From an unsatisfactory situation where anyone could harass, for example, your elderly relatives with a telephone offer of virtually anything imaginable and possibly even get them into difficult situations after concluding a contract over the phone, and the only defence was to actively express disagreement, we have reached a situation which, in my opinion, is much more normal. Now, these calls are not prohibited, but the subscriber of electronic communications services must explicitly agree to them in advance.

Although the amendment to the Electronic Communications Act is certainly a major positive change, I would like to mention other important topics.

We have launched and are further developing a price and quality comparison tool for electronic communications services so that customers can get a better idea of what is good for them without having to use commercial comparison tools that may favour certain providers and services.

Publication of the amended general authorisation measure, which represented an end to unrealistic advertised speeds, was followed by a nationwide and multi-stage check on compliance with the new obligations, but above all by the launch of the NetTest measurement tool, accompanied by an extensive TV, radio and media campaign. Our goal is an educated customer who knows their rights and knows how to measure the speed of their Internet access service correctly, how to lodge a complaint and whom to contact. In addition to the NetTest tool, our educational and instructional videos can also help. Our aim is to ensure that operators provide the agreed quality of service as a matter of course, and in the event of problems it is in their own interest to resolve them with their customers. The Office is there as an instance for disputes, if any - but we will be very happy if such disputes will not arise and everything will be resolved in the communication between the provider and the customer. We still have a long way to go in this area, but I am very pleased that we have made a successful start. I would also like to mention other important facts and moments. Although the world is already dominated by 5G networks and 6G networks are beginning to be very tentatively pronounced, 2G networks are still essential for communication, especially for users who own older or simpler types of phones. That is why I considered it important to guarantee their operation for a certain period, as regulators abroad, such as the UK, have done. This was achieved in a rather innovative way, where the obligation to maintain network operations until 2028 was embodied in the award of a new 2100 MHz block allocation to the operator O2.

In the area of postal services, we were busy in 2021 with the steps leading up to this year's announcement of the tender for a new postal licence holder, as well as providing assistance to the European Commission (the "Commission") so that process of notification of the reimbursement of the net costs of providing universal service to the current postal licence holder, i.e. Česká pošta ("ČP"), could be closed as soon as possible.

Speaking of the post, in late 2021, the Office succeeded before the Supreme Administrative Court on the issue of postal regulation when the court held that the Postal Services Act applies to all entities that engage in activities that meet the definition of a postal service. This is regardless of how the undertakings themselves label the service or activity. We are pleased that the ruling has resulted in additional notified business activities and improved oversight of the Office over postal market.

We also succeeded in speeding up and streamlining the resolution of subscriber disputes, with the Office issuing 27% more decisions than in 2020. Virtually all of the thousands of submissions are being processed within the legal deadlines. The backlog of second instance administrative cases has also been reduced, with an 81% reduction compared to 2020.

We have not given up on the Telecommunication Academy project, which in fact has undergone substantial development and found further partners for cooperation, thus reaching a wider target group. Similarly, we have not abandoned the new, more user-friendly design of the Office's website.

To conclude my word of introduction, I would like to thank my colleagues for managing a challenging year and express my conviction that we will succeed in achieving all important projects and goals so that we continue to work towards positive changes in the telecommunications market.

Mgr. Ing. Hana Továrková

Czech Telecommunication Office 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 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 network 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 sales-promo meetings organisers and door-to-door salespeople. As of 1 July 2019, he was appointed a member of the CTU Council by the Government. From the beginning, he has been active in the field of consumer protection issues and related consumer legislation. One of his goals is to present CTU to consumers as a supervisory body they can turn to 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 a director of one of the Regional Departments, later of the Department of Regulation of Telecommunications Networks and Services, and since 2007 as a director of the Regulation Section. 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

Even in the second year of the Covid-19 pandemic, the Office ensured a fully functional exercise of its scope of powers and responsibilities. In particular, in 2021, we gradually:

- worked with the authorities concerned in completing the transposition of the European Electronic Communications Code into Czech law,
- granted radio frequency block allocations following the results of the auction of frequencies for 5G networks,
- carried out a comprehensive check of compliance with the conditions for informing service users about the quality parameters of the Internet access service,
- launched a price and quality comparison tool for electronic communications services,
- implemented a consumer awareness campaign regarding the indication of the speed of the Internet access service in contract documents,
- launched our own measurement tool, the NetTest,
- carried out a review of the level of quality and the way universal postal services are provided, as a basis for preparing the conditions of the tender for a new postal licence holder,
- checked compliance with our 4G auction commitments relating to coverage of motorways, expressways, and rail corridors,
- renewed the full-time activities of the Telecommunication Academy with the addition of educational videos,
- completed the analysis of the Office's website and launched it in a new form at the beginning of 2022.

ELECTRONIC COMMUNICATIONS

The completion of the transposition of the European Electronic Communications Code (EECC) in 2021, in the form of a transposition amendment to the Electronic Communications Act (Act No. 374/2021 Coll.), brought the entire sector new conditions for the performance of communications activities, new powers of the regulator, and increased protection of the rights of users of services. In 2021, the Office provided the necessary cooperation and assistance to both the Ministry of Industry and Trade and the working bodies of the Chamber of Deputies and the Senate of the Parliament of the Czech Republic in approving the new legislation.

The launch of the Office's own comparison tool on price and quality of electronic communications services at the end of the first quarter of 2021 was a significant achievement. Gradually, the scope of the comparison tool was further extended to all critical electronic communications services. This has given the public the opportunity to compare the prices and parameters of the services offered, including information on the geographical scope of the services offered. This activity was also linked to a comprehensive review of the contract documents of all Internet access service providers. This was carried out during the first half of 2021, with the aim of checking compliance with the information obligation on the basic speed parameters of the services offered and provided under the conditions set by the Office with effect from 1 January 2021.

In the context of ex-ante regulation, the Office prepared new analyses of all critical wholesale markets (the so-called relevant markets) in 2021, including the wholesale market for access to mobile services. Although the Office has long found failures in this market and therefore considers it necessary to resort to the use of ex-ante regulatory instruments, it has not received the support of the Commission for this plan. Although the Commission acknowledged that there is room for improvement in the market in the Czech Republic, it did not approve the analysis in its decision at the end of February 2022. The Office will continue its efforts to improve conditions in the wholesale market for access to mobile services in 2022.

In early 2021, the Office granted new radio frequency block allocations in the 700 MHz and 3400-3600 MHz bands following the results of the previous 5G auction. All decisions on block allocations for the provision of public electronic communications networks in the frequency bands 700 MHz-3600 MHz have entered into force. The Office subsequently refarmed the entire 3400-3800 MHz band in mid-2021 in cooperation with the affected block allocation holders. This created the conditions for efficient use of frequencies in this entire frequency band, including frequencies that were auctioned in 2017.

POSTAL SERVICES

In the area of postal services, the Office focused on the preparation of the tender for the postal licence holder after 2022, when the postal licence of Česká pošta expires. In 2021 the Office therefore carried out a comprehensive review of the provision, availability and quality of universal postal services, including a consumer survey. Individual conclusions of the review documenting the level of quality and the manner of provision and assurance of universal services were published by the Office on an ongoing basis, including the final plan defining the new scope of mandatory provision of universal services and other accompanying conditions of the upcoming tender. The Office submitted this plan for public consultation at the end of last year. The Office will designate a new postal licence holder in 2022. The conclusions of the review also confirmed the need for new legislation in the form of an amendment to the Postal Services Act, on which the Office will focus, among other things, in the postal area.

Another important activity in the field of postal services in 2021 was working communication with the Commission bodies, which are dealing with the Czech Republic's request for notification of the reimbursement of net costs incurred by the current holder of the postal licence, Česká pošta, since 2018. Although the Commission representatives at working level have already indicated the possible closure of this notification procedure, this has not happened by the end of 2021. The Office will therefore continue to communicate with the Commission on the matter with a view to successfully concluding the notification during the first half of 2022, and to reimburse the net costs of the existing provision of universal services by Česká pošta.

INSPECTION ACTIVITIES:

As part of its inspection activities, the Office mainly carried out inspections on compliance with the conditions of the General Authorisation No. VO-R/12/11.2021-11 concerning operators of RLAN equipment:

- Of the 222 RLAN operator inspections initiated, 201 had been completed by 31 December 2021. 163 operators were found in breach of the conditions.
- On the basis of a suggestion from the Czech Hydrometeorological Institute, the Office also focused on cases of interference with meteorological radars by RLAN devices.

The review of the use of frequencies according to the conditions of individual licences was another important inspection was .

In the context of the gradual ramp-up of the deployment of new mobile base stations (BTS), the Office also focused on investigating interference to digital terrestrial television signal reception in connection with the operation of 5G mobile networks in the 700 MHz band and LTE networks in the 800 MHz band.

Mobile operators operated a total of 17,728 LTE base stations in 2021, both in pilot and permanent operation. The Office received 960 complaints about television signal interference during that period, and 1083 were resolved and closed. However, interference caused by LTE or 5G signals was identified in only 27 cases. The most common causes of interference were either insufficient TV signal levels in the particular location or caused by a glitch on the part of the viewer.

In the course of the year, the Office also focused on inspection activities in the area of postal services. The inspections focused not only on the fulfilment of the obligations of the postal licence holder , Česká pošta. The Office also focused on examining the quality of postal services of other notified postal operators. Although they do not provide universal services, the postal services they provide are in many respects similar to universal services and are widely used (typically, e.g. parcel services). **Deficiencies were found in more than half of the inspections carried out during 2021.** For these operators, the Office also checked the availability of postal terms and conditions and their requisites, with 14 administrative proceedings initiated based on the inspection findings and 13 fines imposed so far in connection with the inspection.

CONSUMER PROTECTION

In the area of consumer protection, the Office normally dealt with the issue of subscriber contracts, where, as in previous years, it monitored and evaluated consumer complaints and queries in relation to contract arrangements. The complaints concerned electronic services as well as postal services.

In 2021, the Office made available to the public a comparison tool on prices and quality of electronic communications services. It helps consumers navigate the range of mobile tariffs and prepaid services, including mobile Internet, as well as the range of services provided at a fixed location, namely fixed Internet access and fixed calls, and paid TV.

In the area of consumer protection, we also developed and launched our own measurement tool, NetTest. The aim was to provide the user public with a guaranteed tool for checking the quality of speed parameters of data services. Its launch was accompanied by the "Pay for Real Speed" media campaign, which we targeted at consumers. The aim of the campaign was to remind service users of their rights in the area of Internet access services, to raise awareness of the obligations of providers, to show the possibilities of measuring and checking the contractually declared parameters, or to show the procedure for raising a claim about unsatisfactory quality of service.

In 2021, the Office also continued its previous educational lectures in the framework of the so-called Telecommunication Academy. These were mainly focused on vulnerable groups of citizens and their basic awareness in the field of electronic communications and postal services. Newly, **publicly available educational videos have also been added to the activities of the Telecommunication Academy, which are aimed at the general public** and thus have a much greater reach.

ECONOMIC MANAGEMENT OF THE OFFICE

The Office's total revenue in 2021 amounted to CZK 6,696,772,491.19, while the expenditure was in the amount of CZK 697,117,241.39. In 2021, CZK 298,724,011 was spent on employees' salaries and other payments for work performed; an average gross monthly salary was CZK 43,239.

The number of systemized positions as of 31 December 2021 was 596.

2021 Budget (in CZK thousands)

Total income

- > Fees for frequencies and numbers
1,056,432.42
- > Administrative fees collected
30,370.66
- > Penalties collected
12,641.47
- > 5G auction
5,596,000.00
- > Other
1,327.94

6,696,772.49

Total expenses

- > expenses to ensure the operation of the Office
606,639.44
- > reimbursement of net costs resulting from the provision of universal service and from the loss resulting from the provision of special prices
90,477.80

697,117.24

CTU'S MAIN PLANS FOR 2022

Among other things, the Office will focus on:

- the implementation of new or amended provisions of the Electronic Communications Act following the transposition of the European Electronic Communications Code, including the issue of related by-laws within its scope of powers and responsibilities,
- further promoting the necessary level of competition, in particular by completing the 5th round of the relevant markets analyses and creating the conditions for further technological development of networks and services,
- completing the process of selecting a new postal licence holder for the years 2023 to 2024, and ensuring the financing of the associated net costs,
- preparation of substantive proposals to amend Act No. 29/2000 Coll., on postal services, and support for the related legislative process,
- reviewing the new scope of universal service and imposing an obligation to provide it in justified cases,
- continuing activities to strengthen consumer protection, including in the field of contract terms and conditions for electronic communications and postal services, as well as the introduction of new conditions for number portability and Internet access services,
- providing expert support to the Czech Presidency of the Council of the European Union in discussing issues in the field of electronic communications and postal services.



We operate:

NetTest
tool

Electronic
data collection
portals

Price and quality
comparison
tool



Radio spectrum
utilisation
portal

Registration Portal
for the 60 GHz
and 5 GHz band

Capacity building
activity named
Telecommunication
Academy

Visualisation of
telecommunication
services portal

CTU open data
portal

Territory and population
mobile signal coverage
portal

CONTENT

01 SITUATION OF THE ELECTRONIC COMMUNICATION AND POSTAL SERVICES MARKET IN 2021	18
1 Electronic communications market	18
1.1 Mobile services market	18
1.1.1 Mobile data services	20
1.1.2 Prices of mobile services	21
1.1.3 Prices for international mobile services	23
1.1.4 Portability within mobile networks	24
1.2 High-speed Internet access services at a fixed location	24
1.2.1 The retail prices of high-speed access services	26
1.2.2 Wholesale high-speed Internet access	27
1.3 Voice services provided on fixed networks	28
1.3.1 Prices of voice services in fixed networks	28
1.3.2 Number portability in fixed networks	29
1.4 Regulation of the electronic communications market in 2021	29
1.4.1 Relevant market analyses	29
1.4.2 Prices in the mandatorily published reference offers of LTE services	30
1.5 Terrestrial digital TV and digital radio broadcasting	31
1.5.1 TV broadcasting	31
1.5.2 Radio broadcasting and preparation for future digital broadcasting	31
2 Postal services market	32
2.1 Situation of the postal market	32
2.2 Development of universal services in 2021	34
2.2.1 Regulation in the area of universal services	35
2.2.2 Prices of universal services in 2021	35
2.2.3 Funding of the universal services	37
3 Legal Framework	38
3.1 Amendments of the Electronic Communications Act	38
3.2 Amendment to the Postal Services Act	40
3.3 Amendments to Act No. 194/2017 Coll	40
3.4 Other laws and regulations	40
02 EXPERT AND ADMINISTRATIVE ACTIVITIES OF THE OFFICE	44
1 Consumer protection	44
1.1 Independent comparison tool	44
1.2 Price barometer	44
1.3 Subscriber contracts	44
1.4 Net neutrality – Internet access (open Internet)	45
1.5 Telecommunication Academy	46

2 Settlement of subscriber disputes and complaints by the users of the services	46
2.1 First-instance administrative proceedings	46
2.2 Second-instance administrative proceedings	47
2.3 Disputes in the area of postal services	47
2.4 Complaints of the subscribers and users of electronic communication services	48
2.5 Complaints of users of postal services	48
3 Frequency spectrum monitoring and measuring system of electronic communication	48
3.1 ASMKs	48
3.2 MSEK	49
3.3 NetTest	49
4 Inspection activities	50
4.1 Keeping records and checking undertakings in electronic communications and postal services	50
4.1.1 Inspection of VO-S/1/08.2020-9	50
4.2 Checking the compliance with CTU decisions	50
4.2.1 Checking the compliance with the conditions of General Authorization No. VO-R/12/11.2021-11	50
4.2.2 Checking the use of frequencies under individual licences and compliance with the conditions set out in the decision granting the individual licence to use radio frequencies	51
4.2.3 Checking compliance with the development criteria by frequency block allocation holders set out in the conditions of the tender for frequencies in the 800, 1800 and 2600 MHz bands	51
4.3 Checking the compliance with legal obligations under the Electronic Communications Act, under the Consumer Protection Act, and under the Postal Services Act	51
4.3.1 Checking the availability of postal terms and their requisites	51
4.3.2 Checking the delivery of postal items	52
4.3.3 Checking the so-called Mobile Post	52
4.4 Investigation of interference to digital terrestrial television (DTT) reception in connection with the operation of LTE/5G mobile radio networks in the 700 and 800 MHz bands	52
4.5 Cooperation with Czech Trade Inspection Authority	53
5 Frequency spectrum management	53
5.1 Decisions on radio frequency block allocations	53
5.2 Decisions on authorizations to use radio frequencies	54
5.3 Conditions of use of radio frequencies under general authorizations	54
5.4 Testing qualification	55
5.5 Fees for the use of radio frequencies	55
6 Number management	55
7 Dispute settlement between entities carrying out communication activities	56
8 Dispute settlement between providers of postal services	56
9 Dispute settlement pursuant to Sections 5, 9, 10 and 14 of Act No. 194/2017 Coll	57
10 Crisis management and security	57
11 International activities	58

03 INFORMATION ON THE NEED TO PASS NEW REGULATIONS OR AMEND THE EXISTING REGULATIONS	60
1 Electronic communications	60
1.1 The need for an amendment of the Electronic Communications Act	60
1.2 The need to issue implementing regulations for the Electronic Communications Act	60
2 Postal services	61
3 Act No. 194/2017 Coll., on measures to reduce the costs of implementation of high-speed networks of electronic communications	61
04 ORGANIZATION AND OPERATION OF THE OFFICE	63
1 Financial results of the Office	63
1.1 Evaluation of the achievement of the indicators of chapter 328 – Czech Telecommunication Office	63
1.1.1 Total income	63
1.1.2 Total expenses	63
2 Management of non-budgetary funds	64
2.1 Radiocommunication Account	64
3 Human resources	65
3.1 Number of systemized positions	65
3.2 Employee training	65
3.3 Funds for the salaries of CTU employees	66
3.4 Remuneration of the members and chair of the CTU Council	66
05 MANDATORY PARTS OF THE ANNUAL REPORT	68
1 Annual report on the Universal Service	68
1.1 Partial services of the universal service	68
1.2 Launch of the review of partial services	69
1.3 Funding of the universal service	69
1.3.1 Funding under the Telecommunications Act (status in 2021)	69
1.3.2. Funding pursuant to the Electronic Communications Act	70
1.3.3 Updating the value of the Weighted Average Cost of Capital (WACC)	72
1.4 Loss from the provision of the universal service of “Special prices”	72
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 2021	72
3 Annual Report of the Czech Telecommunication Office on out-of-court settlement of consumer disputes (Section 20k(3) and (4) of the Consumer Protection Act)	76
4 Information on handling complaints about the activities of CTU for the year 2021	77

06 ANNEXES	81
1. Overview of subscriber disputes in electronic communications services in 2021	81
2. Subscriber/user complaints on electronic communications services in 2021	81
3. Overview of issued decisions on individual authorisation to use radio frequencies in 2021	82
4. Verification of professional competence to operate radio equipment in 2021	83
5. Identification of source of interference with operation of electronic communications equipment and networks or with provision of electronic communications or radiocommunications services in 2021	83
6. Overview of activities in performing supervision over postal services and on subscriber disputes in 2021	84
7. Overview of customers complaints about postal services in 2021	85
8. Measures of general nature (OOP) according to the Electronic communications act issued in 2021	86
9. Fulfilment of binding indicators of state budget in 2021	89
10. Chapter indicators – budget overview for 2022	90

01 SITUATION OF THE ELECTRONIC COMMUNICATION AND POSTAL SERVICES MARKET IN 2021

1 ELECTRONIC COMMUNICATIONS MARKET

1.1 Mobile services market

In addition to the three mobile network operators (hereinafter also referred to as the "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"), approximately 130 mobile virtual network operators (hereinafter also referred to as the "MVNO") also provided mobile services on the retail market in 2021.²

However, with the exception of Nordic Telecom s.r.o., none of the virtual operators operated in the mobile market in 2021 in the role of the so-called "Full MVNO", which uses only the radio access network of the host network operator (MNO). Most MVNOs operated in the role of "service providers", which also use other MNO infrastructure and in principle resell the services of mobile network operators.

Out of a total of about 130 MVNOs, three virtual operators, which are linked to MNOs by ownership, were also active on the mobile services market. Namely, these were COOP Mobil s.r.o., a company which is 1/3 owned by Vodafone, and Tesco Mobile ČR s.r.o., which is 50% owned by O2, and finally O2 Family, s.r.o., which is a wholly owned subsidiary of operator O2.

In addition to their own primary brands, some mobile service providers also operated in the retail market through other brands – e.g. BLESKmobil, MOBIL.CZ, OpenCall and innogy Mobil. In this case, these are de facto just additional sales channels of the core operators (in most cases MNOs), or so-called "branded resellers".

A basic overview of the number of undertakings in each category in the mobile market in 2021 is shown in *Table 1* below.

Table 1: Service providers on the mobile services market

Type of provider	Number of providers*
MNO	3
MVNE ³	12
MVNO (total nominal number)	130
from them MVNO >100 ths. SIM cards	4
branded reseller	7

*Data are as of 30 June 2021

Looking at the total number of active SIM cards, it is clear that the three network operators continue to retain the vast majority of the market, namely 92.4%. Similarly, the aggregate share of all MVNOs is stable over the long term, reaching 7.6% in 2021. Of these, the market share of independent MVNOs was only 3.7%. In terms of aggregate retail sales of mobile services, independent MVNOs have a market share of only 1.9%, MVNOs with ownership links have a market share of 3.7% and MNOs have an aggregate market share of 94.4%.

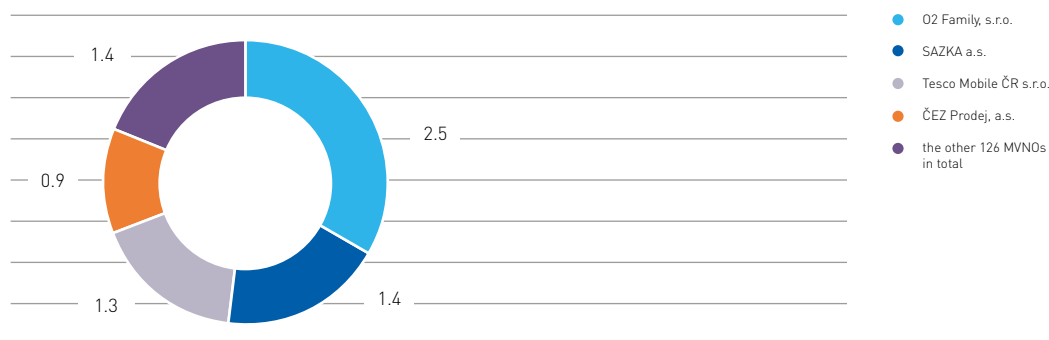
¹ MNO (Mobile Network Operator) is an entity providing mobile services to end subscribers on its behalf, having its own radio access network.

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

³ MVNE – Mobile Virtual Network Enabler – is an entity providing wholesale services to other operators (MVNOs or branded reseller), i.e. without its own subscriber contracts.

However, the real influence and ability to reach a larger group of customers is mainly with the 4 largest MVNOs (2 of which, however, are linked to MNOs). These MVNOs individually manage more than 100,000 SIM cards. The aggregate market share of these 4 MVNOs is 6.13%, i.e. the vast majority of the total market share (7.6%) of all MVNOs, as shown in *Figure 1*

Figure 1: Market shares of the largest MVNOs by the number of SIM cards



In 2021, the largest MVNO was O2 Family, s.r.o. with a market share of 2.5%. The second largest MVNO, and at the same time the largest entity from the group of independent virtual operators, was SAZKA a.s. with a market share of 1.4%. The third place was occupied by Tesco Mobile ČR s.r.o. (1.3%) and the last of the above four was ČEZ Prodej, a.s. (0.9%). The majority of MVNOs' customer base is households, where they have a market share of around 12%. On the contrary, MVNOs have the minimum number of customers in the corporate segment, where they have a market share of only 0.7%.

Overall, even in 2021, it is confirmed that MVNOs are not significantly expanding in the mobile market. This development is a reflection of the wholesale dependence of MVNOs on network operators, primarily in the form of the terms (especially price terms) of commercially concluded wholesale contracts. According to the Office's findings from its ongoing market monitoring and analysis, these conditions limit MVNOs' ability to create retail offers comparable to those of MNOs. It restricts their ability to further expand their customer base and put competitive pressure on network operators.

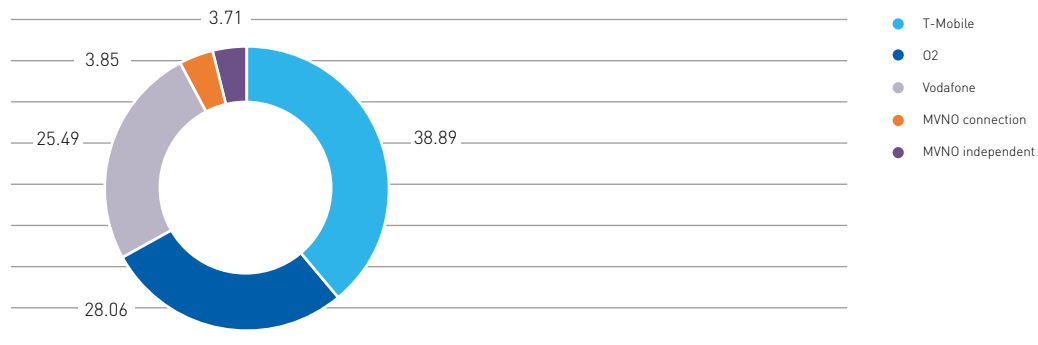
This position of MVNOs has been further exacerbated in the period since 2019, when new retail mobile tariffs with high data volumes or unlimited data usage have been introduced by MNOs, to which MVNOs have not yet been able to respond adequately.

The Office has therefore continued its efforts to improve this situation in 2021 through the process of proposed ex-ante regulation of the wholesale market for access to mobile services. The aim is to reduce the level of wholesale prices for MVNOs, thereby promoting competition in this market with a positive impact on the level of retail prices. For details on this regulatory activity of the Office, see Chapter 1.4.

The aggregate indicators of the mobile market in the Czech Republic show, among other things, that the total number of active SIM cards at the end of 2021, according to the Office's estimates, will be just under 14.8 million, which represents an increase of approximately 185,000 SIM cards compared to 2020. Over time, however, there is a noticeable shift from pre-paid to post-paid services. They dominate the total number of active SIM cards with a share of 74%. This trend reflects the increased attractiveness of flat-rate tariffs, which in recent years usually include not only unlimited calls and SMS, but also sufficiently high volumes of mobile data (or their completely unlimited volume).

The following figure shows the market share of each mobile service provider as of mid-2021. It shows that T-Mobile has the largest market share (38.9%), followed by O2 with a difference of more than ten percentage points (28.1%), and Vodafone rounds out the top three MNOs with about a quarter of the market share (25.5%). Ownership-linked and independent MVNOs each have about one half of the aggregate market share of 7.6%.

Figure 2: Market shares based on the total number of active SIM cards on the retail market in the first half of 2021



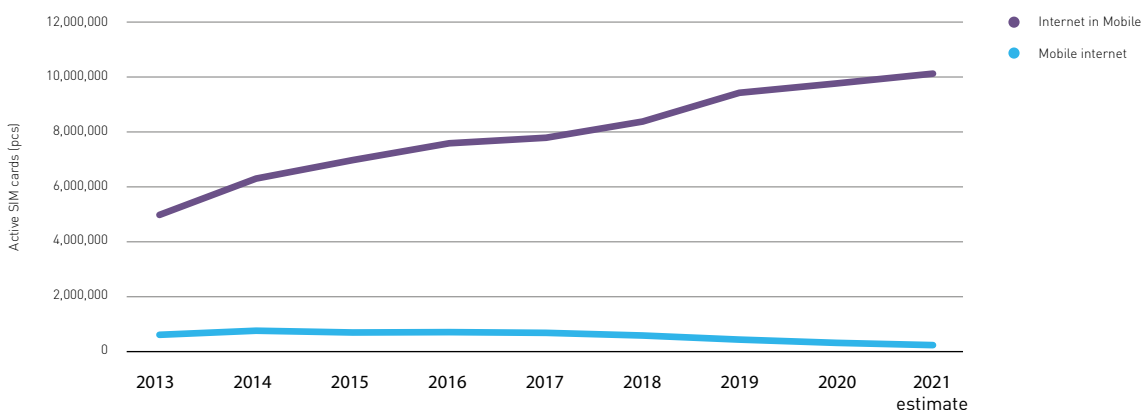
The growth in the number of active M2M⁴ SIM cards seen in the past years continued in 2021. According to the Office's estimates, their number will exceed 1.3 million by the end of 2021, which corresponds to a year-on-year increase of around 10%.

1.1.1 Mobile data services

In 2021, as in previous years, mobile data service providers offered two basic types of mobile Internet access services – so-called Internet in a Mobile Phone, used in mobile phones and smartphones, and so-called Mobile Internet, which is designed for portable devices such as tablet PCs, laptops, etc., using a separate data SIM card. The LTE networks of MNOs, and a few other operators (MVNOs), also offer high-speed Internet access services at a fixed location via SIM cards (so-called fixed LTE). However, by their nature, these are Internet access services provided at a fixed location. The volume of data transferred within fixed LTE is therefore not included in the mobile data volumes shown below.

According to the number of active SIM cards, the service of Internet in a mobile phone (under mobile tariff programmes) continued to grow in 2021 and exceeded 10.3 million. On the other hand, the number of active SIM cards for Mobile Internet continued to decline to around 349,000 in 2021. This development reflects, on the one hand, the migration of customers to Internet in a mobile phone and, on the other hand, the generally higher take-up of Internet access via fixed networks. The importance of standalone data SIM cards, especially for residential customers, is thus steadily declining. The development of the number of SIM cards in these categories over the period 2012-2021 is documented by the following *Figure 3*.

Figure 3: V Development of the number of active SIM cards for the services “Internet on a Mobile Phone” and “Mobile Internet”



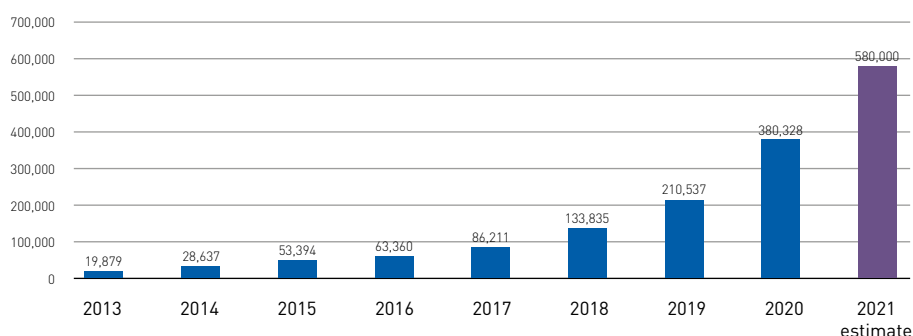
⁴ Meaning "machine to machine". These are SIM cards used for communication between machines.

Volume of mobile data transferred

The total volume of mobile data transferred in 2021⁵ is estimated by the Office to have reached 580 PB, and its year-on-year growth can be estimated at 53%. This positive development reflects the fact that the data components (volumes) of the mobile tariffs offered have been increased several times since 2017, and in 2019 customers were also offered tariffs with unlimited data usage.

In the last two years, the change in the behaviour of users of mobile services triggered by the measures taken in the wake of the Covid-19 pandemic has also played a role in mobile data consumption. The following *Figure 4* shows the development of mobile data traffic in the individual years.

Figure 4: Volume of mobile data transferred (in TB)



Similarly, the average monthly data consumption per SIM card using mobile data services increased year-on-year in 2021, reaching an estimated 4.5 GB, according to the Office's estimates. There was a year-on-year increase of approximately 44% in an average monthly usage.

According to the Office's estimate, a total of 4.6 PB of data was transferred via M2M SIM cards in 2021, which corresponds to a year-on-year increase of 81% from 2020. The average monthly volume of data transferred via one M2M SIM card was 584 MB, up from 175 MB in 2020. The Office expects the growth trend to continue in the coming years, especially in the context of the deployment of 5G networks, the development of IoT (Internet of Things), the SMART concept⁶ and Industry 4.0.

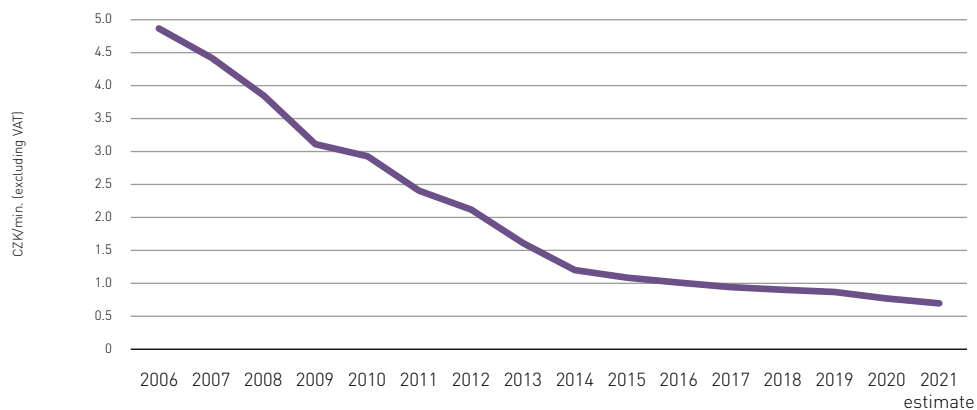
1.1.2 Prices of mobile services

Price development according to average minute price for mobile calls

The long-term trend of decrease of the average price per minute of call continued in 2021. In the first half of the year, there was a decrease of approximately 8% to CZK 0.71 per minute compared to the average for the whole of 2020. This trend was driven by both the average price for business customers falling by 2.4% and the average price for non-business (residential) customers falling by 11.4%.

⁵ Excluding data transmitted over mobile networks under fixed LTE or fixed 5G services that fall under fixed location access services.

⁶ For example, smart wearable, smart city, smart home, smart health, smart agriculture, etc.

Figure 5: Average retail price per actual call minute

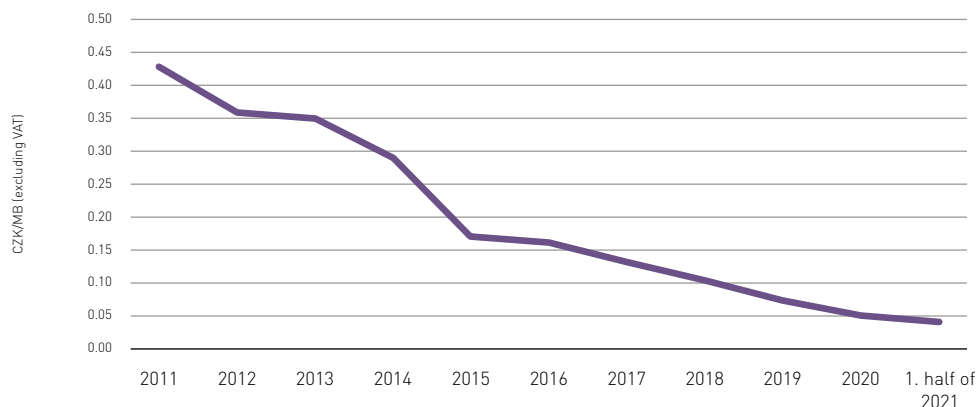
Please note that the resulting price also takes into account the price which the operators charge legal entities and individuals carrying out business activities. However, even these pricing conditions reach ordinary users in many cases through corporate tariff programmes.

Prices of the service of internet in a mobile phone

There have been several changes to mobile operators' data service offerings in 2021. All network operators have increased data limits on their tariffs, while maintaining the price or increasing it slightly. For example, O2 increased the FUP of the cheaper FREE+ Modrý tariff from 1 GB to 3 GB, but at the same time increased the price from CZK 499 per month to CZK 549 per month. O2's price of the cheapest tariff with unlimited FUP decreased from CZK 1,099 per month to CZK 899 per month in 2021. In 2021, T-Mobile offered the cheapest tariff with unlimited FUP for CZK 875 per month, which is lower than in 2020 (CZK 1,075 per month). Vodafone's cheapest tariff with unlimited FUP saw the biggest reduction from CZK 1,597 per month (in 2020) to CZK 599 per month (in 2021).

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.

With the long-term trend of increasing data limits in mobile operators' offers, which is reflected in the growing data usage by users, the average unit price for 1 MB of data actually transferred is decreasing over time. This trend is shown by the following *Figure 6*. Over the last 5.5 years (between 2015 and mid-2021), it has fallen by CZK 0.13, i.e. by almost 79%, to CZK 0.04 per MB.

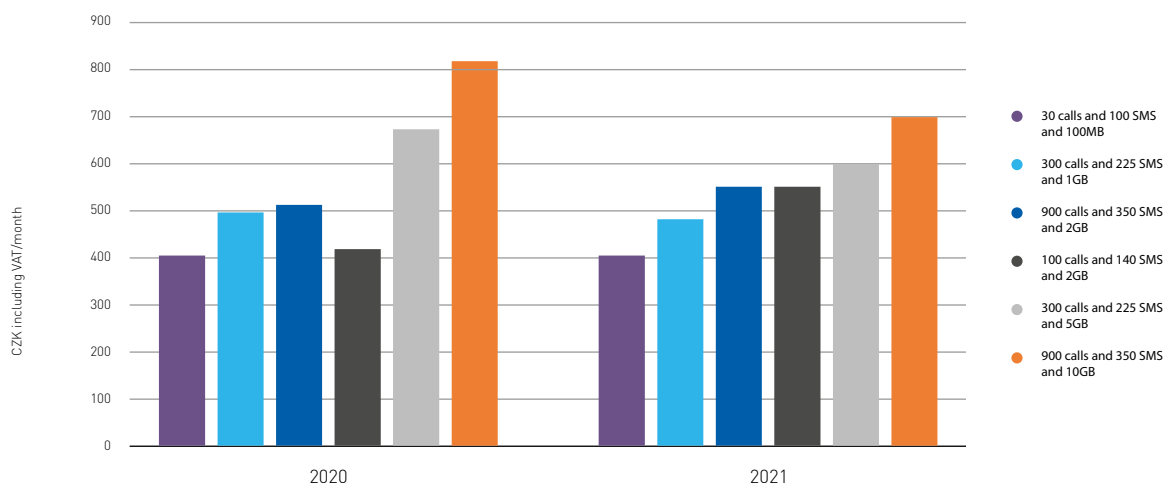
Figure 6: Average retail price for 1 MB of data actually consumed

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 Strategy Analytics data.

The results used in the comparison of the tariffs come from the 4th quarter of 2021 and 2020. They are pre-paid tariffs and post-paid tariffs with commitment for 24 months. *Figure 7* shows that the price trend for the monitored consumption baskets was not unambiguous. The largest price increase (by 29.4%, i.e. by CZK 125) occurred in the consumer basket of 100 calls, 140 SMS messages and 2 GB of data, while the largest price decrease (by 14.9%, i.e. by CZK 123) occurred in the largest consumer basket of 900 calls, 350 SMS messages and 10 GB of data. The price of the consumer basket of 300 calls, 225 SMS messages and 1 GB of data (by 4.8%) and the consumer basket of 300 calls, 225 SMS messages and 5 GB of data (by 11.1%) decreased, while the price of the consumer basket of 900 calls, 350 SMS messages and 2 GB of data increased (by 4.8%).

Figure 7: Year on year price development by consumer baskets of mobile services



1.1.3 Prices for international mobile services

Mobile roaming

On 15 June 2021, four years have already elapsed since the end of the transitional period with the possibility to charge a surcharge for roaming within the European Union ("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, with no surcharge.

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 2: Currently valid maximum regulated prices converted to CZKbv

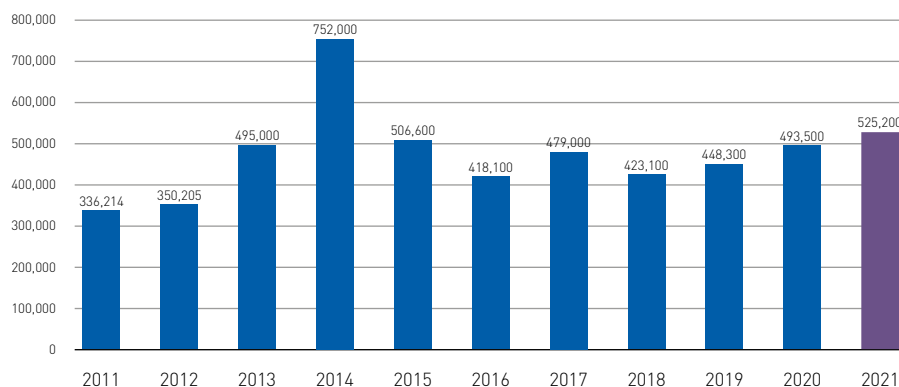
Regulated maximum prices	from 15 May 2021	
	Outgoing calls	SMS
EUR/min., 1 SMS	0.19	0.06
CZK/min., 1 SMS	4.94	1.56

The exchange rate used is CZK 26,031 CZK/€, per €, which is an average of the exchange rates designated by the ECB 15 January 15 February and 15 March 2021. Prices are stated without VAT.

1.1.4 Portability within mobile networks

Compared to the previous year, the year 2021 saw a year-on-year increase in the number of ported telephone numbers in mobile networks, by approximately 9% to approximately 525,200. The trend between 2011 and 2021 is documented in Figure 8 below.

Figure 8: Number of ported numbers – mobile networks



1.2 High-speed Internet access services at a fixed location

The Office estimates that the total number of fixed Internet access services reached almost 3,940,000 in 2021, an increase of 3% compared to 2020. The number of subscriptions per 100 inhabitants reached 37.5 (up from 35.8 in 2020).

In terms of the different methods of technical implementation, the access via wireless networks in unlicensed bands (referred to as Wi-Fi) maintained the most significant share of the retail market in 2021. The Office estimates an annual increase from 1.09 million in 2020 to around 1.1 million.

Similarly, for xDSL accesses, the Office expects a further year-on-year increase to almost 990,000 in 2021. After a decline in xDSL accesses in 2015-2017, there has been continuous year-on-year growth since 2018. This is related, among other things, to the upgrade of the xDSL network carried out in previous years (deployment of the so-called extended DSLAMs), which made it possible to offer higher transmission speeds (up to 250 Mbit/s download) via the xDSL network.

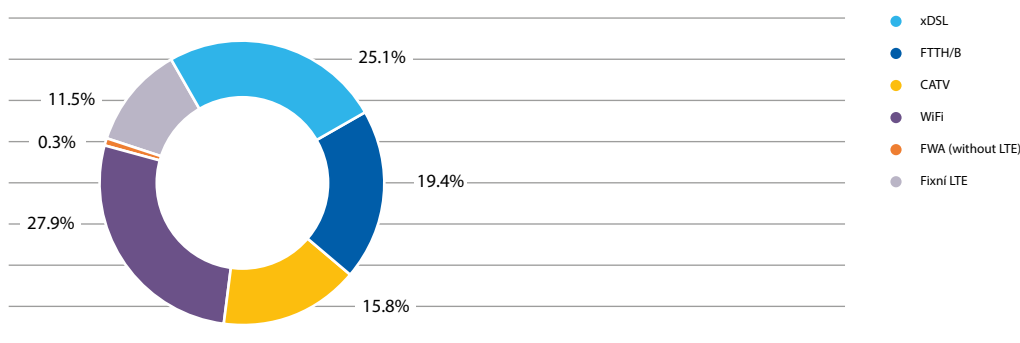
The long-term increase in the number of subscriptions via optic fibre networks (FTTH/B) continued also in 2021. In this case, the Office expects the number to reach approximately 765,000 in 2021. For CATV subscriptions, the Office expects only modest growth, to approximately 623 thousand subscriptions at the end of 2021.

High-speed wireless access using licensed bands (FWA – not including fixed LTE services) remains the least represented in terms of numbers, reaching approximately 11,000 subscriptions according to the Office's estimates (similar to last year). Fixed LTE services saw a further increase in the number of

subscriptions in 2021. The Office estimates an annual increase from almost 440,000 in 2020 to around 452,000. The category of the services of fixed LTE includes both services of purely fixed⁷ nature and services of nomadic⁸ nature.

The distribution of the retail market for high-speed access services by technology and their market share at the end of 2021 is shown in *Figure 9* below *Figure 10*. This figure shows that none of the high-speed access methods is dominant in the market.

Figure 9: Share of high-speed access per individual technological solutions (incl. fixed LTE services) as of 31 December 2021*



*Qualified estimates used.

European comparison of high-speed network coverage

The aggregate coverage by optic fibre networks (FTTH/B) and CATV networks using the DOCSIS 3.1 standard, i.e. networks capable of providing gigabit services (download) according to the methodology of the European Commission study: Broadband Coverage in Europe in 2020⁹ [available online: <https://digital-strategy.ec.europa.eu/en/policies/desi-connectivity>] was 59,3% in EU27 average. Thus, the Czech Republic lagged behind the European average in the coverage of FTTH/B and DOCSIS 3.1 networks in the indicator in question, with coverage of 33.3%. According to the study, FTTH/B network coverage in the Czech Republic in 2020 was 4 percentage points higher than in 2019 (29.3%). FTTH/B network coverage in 2020 averaged 42.5% for the EU27, which is 9.2 percentage points higher than in the Czech Republic.

Looking at international comparison of NGA network availability,¹⁰ the Czech Republic was above the EU27 average according to the above study; specifically, the coverage by these networks in 2020 was 96.9% in the Czech Republic and 87.2% in the EU. In terms of coverage in rural areas, according to the study, the coverage of households in the Czech Republic was 18.5 p.p. lower than the EU average for optic fibre networks FTTH/B in 2020 – namely 6.4% in the Czech Republic compared to 24.9% in the EU27. However, in terms of overall coverage of households by NGA networks in rural areas, the Czech Republic was still above the EU27 average, with coverage (89.9%) of 30.1 percentage points higher.

⁷ These services are provided at a particular fixed connection location which the subscriber chooses for using the service in the subscriber contract – typically it is the so-called installation address.

⁸ 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.

⁹ A previous study by the European Commission, Broadband Coverage in Europe in 2019, identified coverage of FTTH/B and CATV networks with DOCSIS 3.1 with coverage of VHCN networks, which the Office believes was incorrect and may have led to distortions as VHCNs are defined differently in the BEREC Guidelines BoR (20) 165. In light of numerous comments (from multiple NRAs) regarding this simplifying definition and the use of the term VHCN, the authors of the study are renaming this category (VHCN coverage) in the 2020 Coverage Study as aggregate FTTH/B and DOCSIS 3.1 network coverage.

¹⁰ The study includes in the NGA networks also connections implemented through VDSL, VDSL2 vectoring, FTTH/B and CATV networks with DOCSIS 3.0. and 3.1.

Consolidation of the fixed high-speed access market

As in the previous year, the retail market for high-speed Internet access in 2021 has seen some significant changes in terms of consolidations and mergers of service providers. Only the most important ones are listed below.

Telco Pro Services, a.s., whose shareholder is ČEZ, gradually acquired three smaller providers during the year: FDLnet.cz, s.r.o., ISP West s.r.o. and TaNET West s.r.o, subsequently became the sole partner of Innogy TelNet Holding. The acquisition included smaller local internet companies Magnalink a.s. and Cerberos s.r.o. At the end of 2021, Telco Pro Services, a.s. also acquired the company Internext 2000 s.r.o. from Vsetín, when the acquisition also included Optické sítě s.r.o.

In June, STARNET, s.r.o. acquired Moderní komunikace, a.s., together with NET2U Internet, Zelnet and Sluneční energie Český Ráj.

After the assets of the defunct companies CentroNet, a.s., Freebone s.r.o., itself s.r.o., LTnet, s.r.o., SporkNeT s.r.o. and Telly CE s.r.o were transferred to Nej.cz s.r.o. in October, the company doubled its share capital. In December 2021, the Office for the Protection of Competition, in a simplified procedure, authorized the merger of Nej.cz s.r.o. and SMART Comp a.s. In January 2022, Nej.cz s.r.o. subsequently became the sole shareholder of SMART Comp a.s., operator of the Netbox network and IPTV service Kuki. After the completion of the merger, Nej.cz will become a company with the highest number of FTTH/B subscriptions in the Czech Republic.

In November 2021, Nordic Telecom Regional s.r.o. acquired the assets of the defunct companies Alcom Systems, s.r.o., BITEO s.r.o. (Leháro.NET), CMS Internet s.r.o., Fifejdy.cz s.r.o., FORTECH, spol. s r.o., Nordic Net s.r.o., OMEGA tech s.r.o., PRIVAT GROUP s.r.o. and Tišice.Net s.r.o. All these companies provided mainly wireless and FTTH/B networks.

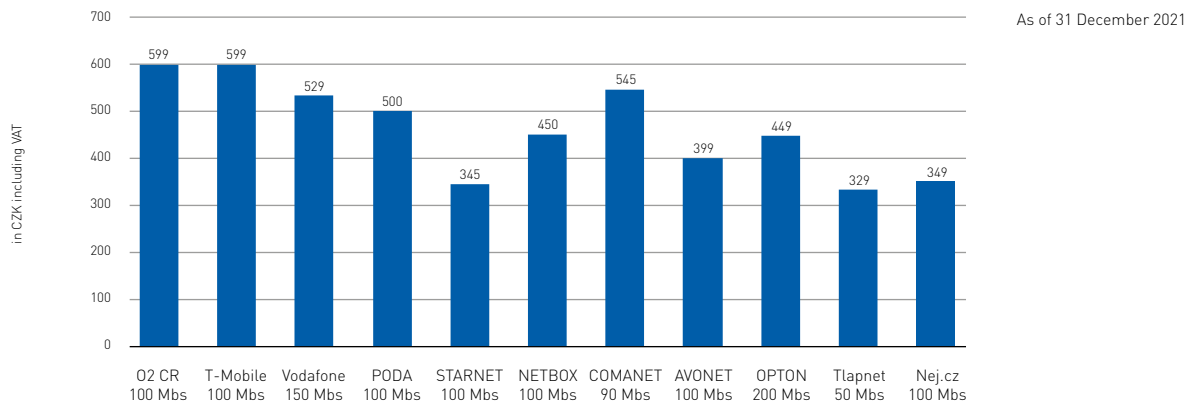
1.2.1 The retail prices of high-speed access services

In 2020, new Internet access services at a fixed location with speeds of up to 2000 Mbit/s were offered by the largest operators. This continued in 2021. Nevertheless, these were not nationwide offers, but only selected locations where significant innovations occurred in the access network.

Most providers of Internet access services offered in 2021 an option to choose out of standard tariffs and speeds, but they usually also offered cheaper versions of the services, usually connected with a contractual commitment to use the relevant service continuously, mostly for 12 months, or with purchasing other electronic communications services.

In terms of price, the offers of the selected providers of fixed Internet access services are shown in *Figure 10* below. Despite the influence of the difference in parameters due to different technologies, the overview shows that most of the alternative operators are responding to the market development and, as in the previous year, offer 100 Mbit/s as a standard connection for subscribers.

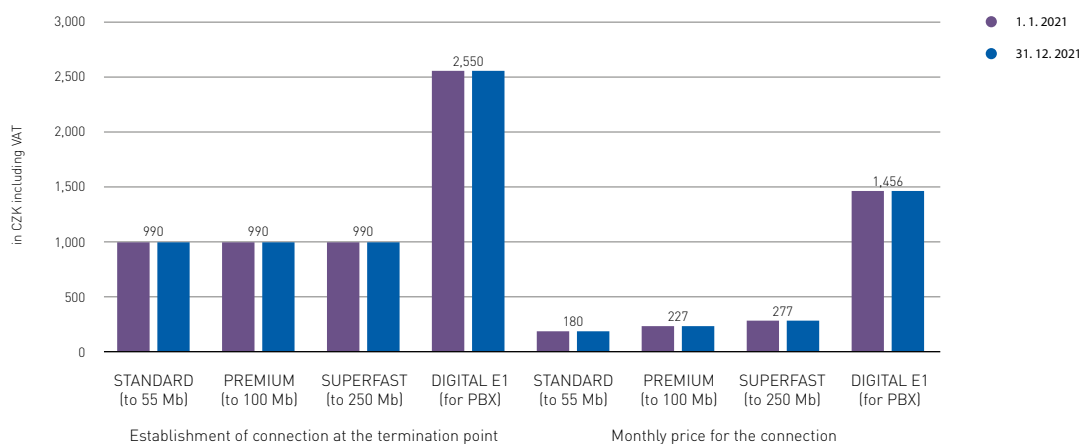
Figure 10: Price comparison for internet access services in 2021 for selected operators



1.2.2 Wholesale high-speed Internet access

No major change occurred in 2021 in the market for wholesale high-speed Internet access at a fixed location. The largest of the wholesale service providers, CETIN, has continued to gradually refine and adapt its reference MMO (Mass Market Offer), which today represents the basic product offer in the wholesale high-speed Internet access market. Based on this connection, the user can choose to access 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 universal services out of the wholesale MMO in 2021 is illustrated by the following *Figure 11*.

Figure 11: Wholesale prices of CETIN for high-speed Internet access (reference offer MMO)

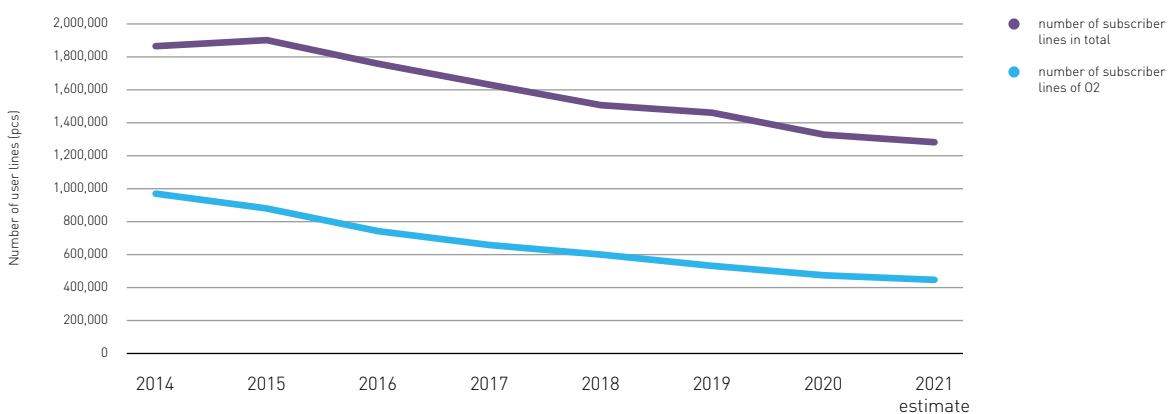


1.3 Voice services provided on fixed networks

In 2021, the most important companies by number of subscriber lines operating in the fixed telephony market were O2, Vodafone, T-Mobile, miniTEL s.r.o., IPEX a.s. and Nej.cz s.r.o. Despite the continued decline in the number of subscribers in 2021, O2 retained its important position as the largest operator in the provision of publicly available telephone service at a fixed location with a market share of around 35% 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 14*) continued to decline by approximately 4.8% year-on-year to approximately 1,27 million subscriber lines.

Figure 12: Development of the number of subscriber lines

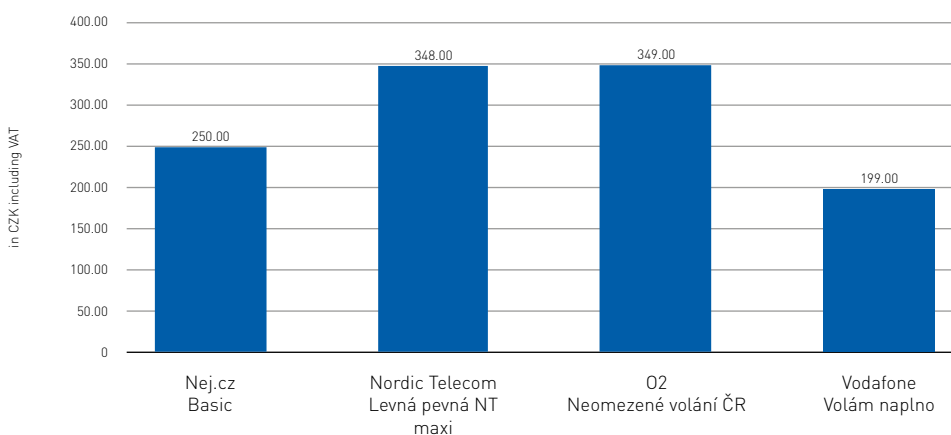


1.3.1 Prices of voice services in fixed networks

Prices for these services are unchanged in 2021 compared to the previous period.

For illustration, the following *Figure 13* shows the comparison of monthly prices for the use of the telephone service through fixed networks in the major operators providing this service.

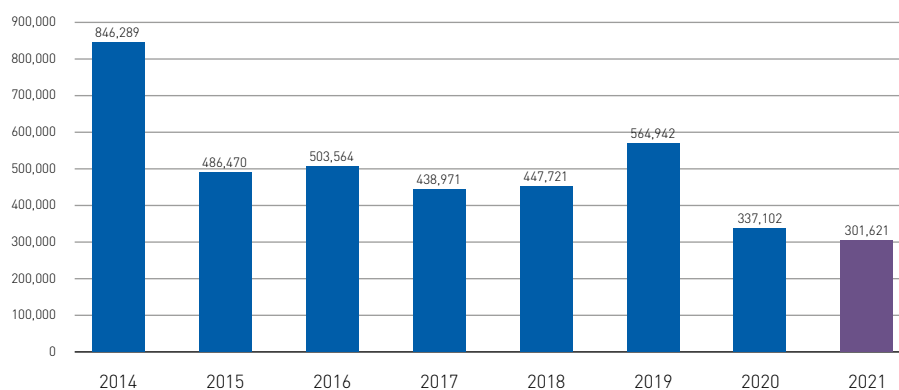
Figure 13: Comparison of monthly prices for the use of fixed line by 31 December 2021



1.3.2 Number portability in fixed networks

In 2021, a total of 301,621 individual subscriber telephone numbers were ported, which represents a year-on-year decrease approximately by 11%. There has also been a decrease in the number of portings on fixed networks compared to 2020, by approximately 19% to 11,209 portings. The degree of using telephone number portability in fixed networks in the period 2014 to 2021 is documented by the following *Figure 14*.

Figure 14: Number of individual subscriber numbers ported – fixed networks



1.4 Regulation of the electronic communications market in 2021

After completing the consultation process, the CTU Council discussed and approved on 5 May 2021 Measure of General Nature No. [OOP/1/05.2021-5](#), identifying relevant markets in the electronic communications sector, including criteria for assessing significant market power. The Measure of General Nature was subsequently issued on 6 May 2021 in [Volume 5/2021](#) of the Telecommunication Bulletin.

In this document, the Office takes into account the new [Commission Recommendation \(EU\) 2020/2245](#) of 18 December 2020 on relevant product and service markets within the electronic communications sector susceptible to ex-ante regulation (hereinafter referred to as the "Recommendation"). In addition to the relevant markets newly defined by the Commission, the Office has retained in the list of markets suitable for ex-ante regulation the newly established relevant wholesale market for mobile services (RT3) and the original relevant markets, which, although no longer included in the new Recommendation, require final analyses.

1.4.1 Relevant market analyses

As part of its regulatory activities in 2021, the Office focused on continuing the 5th round of relevant market analyses initiated in 2019.

In the autumn of 2021, the Office completed its analysis of relevant market No. 3 (wholesale market for access to mobile services), which was launched in February 2020, and following a public consultation and a consultation with the Office for the Protection of Competition, it commenced on 18 November 2021 the process of its notification to the Commission. In its final decision, notified to the Office on 21 February 2022, the Commission raised 'serious doubts' about the submitted analysis, concerning both the fulfilment of the 3-criteria test and the analysis of the existence of undertakings with significant joint market power, and found no justification for the application of ex-ante regulation. For these reasons, it decided that the Office withdraw the submitted analysis. However, the European regulatory framework and its transposition into the current version of the Electronic Communications Act entitle the Office to modify the draft analysis and resubmit it to the European Commission. The Office will continue this process in 2022.

In addition, in 2021, the Office completed draft analyses of relevant markets No. 1 (Wholesale local access provided at a fixed location) and No. 3b (Wholesale central access provided at a fixed location for mass-market products). Following their public consultation and the settlement of comments, which was published at the end of January 2022, the Office will consult the proposals with the Office for the Protection of Competition and subsequently with the Commission in the first half of 2022.

In 2021, the Office also continued its analysis of relevant market No. 2 (Dedicated wholesale capacity), launched in September 2020. Its public consultation was launched by the Office on 3 February 2022. The Office expects the consultation with the Office for the Protection of Competition and the subsequent notification to the Commission to take place in the first half of 2022.

1.4.2 Prices in the mandatorily published reference offers of LTE services

As part of its ongoing monitoring of the fulfilment of the wholesale offer obligation from the auction of frequencies in the 800 MHz, 1 800 MHz and 2 600 MHz bands, the Office has repeatedly checked the fulfilment of this obligation. The evolution of wholesale prices under the above wholesale 4G offer commitment is shown in the following *Table 3* comparing the prices from the first commitment period (September 2014/April 2015) and the values these wholesale prices reached in 2021. The comparison documents the decrease in wholesale prices per unit of data (1 MB) for this regulated wholesale offer based on the LTE auction.

Table 3: 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

		September 2014– April 2015	May 2021– October 2021	November 2021– April 2022
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 Mobile service (in CZK for 1 MB of data)	O2	0.63	Mobile service	0.0260
			Fixed LTE	0.0013
	T-Mobile	0.7	Mobile service	0.0246
			Fixed LTE	0.0242*
	Vodafone	0.51	Mobile service	0.0241*
			Fixed LTE	0.0139
				0.0116
			0.0021	0.0015

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

1.5 Terrestrial digital TV and digital radio broadcasting

1.5.1 TV broadcasting

The process of releasing the 700 MHz band and the related transition of terrestrial television broadcasting from DVB-T to DVB-T2/HEVC was successfully completed in the Czech Republic in 2020, so in 2021, only the addition of broadcasting networks took place in areas where the reception situation deteriorated as part of the transition. Where frequency opportunities allowed, the development of regional broadcasting networks continued, which were forced to release part of the 700 MHz band and switch to the DVB-T2 standard in favour of nationwide broadcasting networks.

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/>.

1.5.2 Radio broadcasting and preparation for future digital broadcasting

In 2021, 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 took place, i.e. at the request of the RRTV, the Office designated diagrams of the utilization of individual radio frequencies and the number of inhabitants covered by the radio signal transmitted on these radio frequencies.

In 2021, Český rozhlas (Czech Radio) continued its digital radio broadcasting, which achieved 95% coverage of the territory of the Czech Republic by terrestrial digital radio broadcasting signal as part of its long-term experimental broadcasting. As part of the approval of the transposition amendment to the Electronic Communications Act, Act No. 484/1991 Coll., on Czech Radio, was also amended to allow Czech Radio to apply to the Office for the block allocation of radio frequencies necessary for the dissemination of public radio broadcasting. Therefore, in accordance with the applicable legislation, the Office issued the relevant block allocation of radio frequencies (frequency blocks 12C for Bohemia and 12D for Moravia) to Czech Radio on 6 December 2021. This has allowed Czech Radio to continue the dissemination of the digital multiplex without any interruption.

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 (Postal Services Act), as amended (hereinafter also referred to as "Postal Services Act"). As of 1 January 2021, there were 33 operators authorised to carry out business activities in the Czech Republic who had notified their intention to provide postal services or to provide foreign postal services. Six of these operators temporarily discontinued their business activities in the field of postal services in 2021, and five others ceased business altogether during this period. On the other hand, in 2021, 4 undertakings newly obtained business licence. As of 31 December 2021, the Office recorded 26 undertakings in the postal services market.

Thus, a total of 37 operators were authorized to carry out business activities (at least for a certain period of time) in 2021. The collection of statistical data provided by the Office in accordance with the Postal Services Act shows that out of the 37 authorized undertakings, only 20 operators actually provided postal services in 2021.

Operators may offer postal services either on the entire territory of the Czech Republic or only on part of it. Operators may limit the territorial scope of their business to both the ability to post mail and the ability to deliver it. A total of 20 operators offered the option to post mail throughout the Czech Republic in 2021, and 29 operators offered delivery service.

More detailed information about the operators and their services can be found on the Office's website at (<https://www.ctu.cz/vyhledavaci-databaze/evidence-provozovatelu-poskytujicich-nebo-zajistujicich-postovni-sluzby>).

Volume of postal services

One of the indicators describing the development of the postal services market is the number of postal items transported (carried) within each postal service. The following *Table 4* shows the development of this indicator since 2018. As of the date of the annual report, the data for 2021 has not been verified.

Table 4: Development of the number of postal items carried

Name of the postal service	2018	2019	2020	2021*
delivery of a postal item up to 2 kg	304,222,249	296,717,017	238,776,904	207,324,577
delivery of a postal parcel	10,367,006	16,009,086	36,494,068	48,538,822
of which: delivery of a postal parcel up to 10 kg	8,157,344	13,085,486	35,439,689	46,977,858
delivery of a registered item	73,612,846	69,712,767	64,149,749	60,501,262
of which: delivery of a registered item up to 2 kg	73,368,346	69,395,767	63,679,749	59,880,032
delivery of a valuable postal item	2,394,282	2,161,144	2,026,214	1,914,320
of which: delivery of a valuable postal item up to 10 kg	2,365,152	2,144,732	2,011,234	1,900,216
delivery of a postal item up to 7 kg for the blind	85,179	78,077	68,427	70,585
of which: delivery of a registered letter up to 7 kg for the blind	15,518	14,883	14,336	12,675
delivery of a printed matter bag	7,438	5,871	5,895	3,573
of which: delivery of a registered printed matter bag	1,806	1,690	1,332	1,480
other	203,298,108	184,160,577	181,135,541	200,138,565

*As of the date of the annual report, the data for 2021 had not been verified.

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 letters. The decline is mainly due to changes in the way of communication and the transition to electronic form of delivery. Written communications are now primarily sent by electronic means, e-mails, SMS, data mailboxes or other communication applications. The decline was intensified in 2021 by the continuation of the Covid-19 pandemic, which manifested itself not only in a greater decline in domestic postal items, but especially in those coming from abroad. Restrictions on international transport, especially by air, have had a significant impact.

The postal service for the delivery of a valuable postal item and the service for the delivery of a valuable postal item up to 10 kg show a slight decrease. This service has similar parameters to other commercially provided postal services, where other additional services are also offered, such as a guarantee of delivery by a certain day or the possibility of changing the delivery location. This is the reason why there has been a decline in the number of postal items within this postal service.

On the contrary, there is an increase in the postal service of delivery of a postal parcel up to and above 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. In 2021, due to the pandemic, the volume of goods ordered in online shops increased, and the public also ordered goods of everyday use to a greater extent due to closed stores. This is also linked to increases in the number of parcels transported. The increase continued with the purchase of gifts in the run-up to Christmas, which is always the busiest period for postal operators.

Fluctuations can be observed when comparing the number of postal items transported under the "other" service. This category includes in particular addressed marketing mail delivery and delivery of express postal items. After a two-year decline in the number of postal items carried in this category due to a decline in the number of addressed marketing postal items carried, there was an increase in 2021. The higher number of postal items containing goods, especially from online shops, resulted in an increase in the number of express and other postal items carried.

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 2021 was mainly due to the operator Zásilkovna s.r.o., which is constantly expanding its network of parcel pick-up points.

Table 5: Development of the number of establishments of postal service providers

Number of establishments	2018	2019	2020	2021
Owned	2,733	2,661	2,721	2,586
- of which: Česká pošta	2,648	2,600	2,543	2,481
Of contract partners	2,762	4,581	7,120	8,240
- of which: Česká pošta	656	702	2,334	2,749
Total	5,495	7,242	9,841	10,826
- of which: Česká pošta	3,304	3,302	4,877	5,230

* As of the date of the annual report, the data for 2021 had not been verified

One of the important indicators of the quality of postal services is monitoring of the development of the number of filed and justified complaints. This indicator makes it possible to assess consumer satisfaction with postal services. In 2019, according to data collection, there was a reduction in the total number of complaints filed, which was caused by a change in Česká pošta's methodology, which since then registers as complaints submissions from the ordering party of the service only. 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 carried 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 6: Number of claims about postal services

	2018	2019	2020	2021
number of received complaints	221,815	198,470	202,385	206,416
- of which: justified	46,151	42,567	36,138	50,898
the ratio of complaints to the number of transported postal items	0.037 %	0.035 %	0.039 %	0.033 %*

*As of the date of the annual report, the data for 2021 had not been verified.

2.2 Development of universal services in 2021

Section 3 of the Postal Services Act defines the scope of universal services where the availability must be ensured by the holder of the postal licence, which is Česká pošta for the period from 1 January 2018 to 31 December 2022.

The Office has been monitoring on long-term basis the decrease in the number of postal items and money orders posted within the universal services. This trend applies to all universal services over the long term, as can be seen in *Table 7* 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 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 7: Universal services provided by Česká pošta in the period 2018-2021 (in CZK thousands)

Indicator	2018	2019	2020	2021*
Number of carried postal items up to 2 kg (standard postal items)	192,180	173,842	164,991	147,675
Number of carried postal parcels up to 10 kg (standard postal items)	325	287	257	195
Number of carried postal items up to 7 kg for the blind (standard postal items)	45	38	37	47
Number of carried registered letters	65,923	62,597	56,196	52,373
Number of carried registered postal items up to 7 kg for the blind	12	12	11	11
Number of carried valuable postal items	2,142	1,912	1,936	1,827
Number of carried printed matter bags	5,322	4,181	4,545	2,045
Number of carried registered printed matter bags	1,766	1,690	1,330	1,468
Number of money orders delivered	30,448	27,624	23,970	20,295

*As of the date of the annual report, the data for 2021 had not been verified.

Source: Česká pošta

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

JAs mentioned in the previous chapter, 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. The forms of electronic communication offer for this type of postal items mainly the data mailboxes, which are not yet used by a large number of natural persons.

Within universal services, 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 and valuable postal items 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.

In previous periods, the number of postal items for the visually challenged has also been declining over the long term. This has occurred mainly as a result of technological developments that enable the visually challenged to use electronic communications. However, there was an increase in the transport of these postal items in 2021. The Office will monitor the development of this indicator in upcoming periods to assess whether the increase is due to the Covid-19 pandemic or whether this is a new trend. The number of ordinary printed matter bags posted is also decreasing. The contents of these postal items are newspapers or magazines sent abroad. This postal service was provided only by Česká pošta in 2021.

Interest in using the postal service of "money order delivery", which is used for sending money, has also been declining for a long time. This is mainly due to the replacement of this service by online banking and other forms of electronic payments. However, the service is also used by public authorities, e.g. for sending financial contributions to persons who do not have a bank account or for collecting certain taxes (e.g. property tax).

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 under the Postal Services Act.

The postal license holder is obliged to ensure general availability of universal services in the defined quality, including sufficient awareness of the general public about the universal services and the mode of use thereof. Pursuant to Section 37(3)(b) of the Postal Services Act, the Office shall publish a separate report on the fulfilment of these obligations in the Postal Bulletin and on the Office's website at <https://www.ctu.cz/zprava-o-plneni-povinnosti-ceske-posty-sp-v-oblasti-zakladnich-sluzeb>.

Universal services represent the minimum set of postal and international postal services that are necessary for the public and provision of which must be ensured by the State through the Office. Universal services must be available at all times throughout the national territory, on equal terms to all users, of a specified quality, at affordable prices and every business day.

The only clearly measurable parameter of quality of the universal service provided is the speed of delivery of postal items. Pursuant to Section 22 of Decree No. 464/2012 Coll., Česká pošta is obliged to measure the delivery times of postal items weighing up to 50 g in accordance with the ČSN EN 13850 standard (hereinafter referred to as "measurement") and 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 2021, Česká pošta met this indicator, achieving a result of 93.01%.

2.2.2 Prices of universal services in 2021

In 2021, Česká pošta increased the basic prices of its universal services compared to the basic prices valid on 31 December 2020 as follows:

As of 1 April 2021, Česká pošta increased by CZK 5 the basic prices for the domestic universal services of Economy registered letter, Priority registered letter, Valuable letter, Money order A including COD order A (cash-account), Money order B (account-cash), Money order C including COD order C (cash-cash), Money order D (cash-cash, D+1).

As of 1 January 2021, Česká pošta has increased prices for universal services abroad:

- by cancelling the cheaper "economy" mode of (with the exception of the universal services Standard Economy Parcel and Insured Economy Parcel) delivery for universal services to foreign countries (which the senders could use by 31 December 2020 with the Ordinary postal item universal service for ordinary postal items to non-European countries and the Ordinary Printed Matter Bag universal service to foreign countries) and only kept the more expensive "priority" mode for their posting;
- by increasing the basic price of the services of Registered mail to foreign countries and Valuable letter to foreign countries by CZK 8 for all registered mail and valuable letters addressed to EU countries and for registered mail and valuable letters up to and including a weight limit of 100 g addressed to European countries outside the EU and to non-European countries.

The basic prices for the universal domestic services of Economy Ordinary Letter, Priority Ordinary Letter, Registered Parcel, Ordinary Parcel, and Valuable Parcel remained unchanged in 2021 from the basic prices in effect on 31 December 2020.

For the universal services to foreign countries, Registered Printed Matter Bag, Standard Economy Parcel, Standard Priority Parcel, Insured Economy Parcel, Insured Priority Parcel, the basic prices in 2021 remained unchanged from the basic prices in effect on 31 December 2020.

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 2021.

Table 8 below documents the evolution of the basic prices of selected national universal services in 2021 by comparing the level of these prices as of 31 December 2020 and as of 31 December 2021.

Table 8: National universal services with price changes in 2021

Domestic postal items	Price as by 31 December 2020 (CZK/ pcs)	Price as by 31 December 2021 (CZK/ pcs)
Ordinary letter up to 50 g	47	52
Ordinary letter up to 100 g	55	60
Registered economic letter up to 500 g	57	62
Registered economic letter up to 1 kg	63	68
Registered economic letter up to 2 kg	69	74
Registered priority letter up to 50 g	54	59
Registered priority letter up to 100 g	62	67
Registered priority letter up to 500 g	64	69
Registered priority letter up to 1 kg	70	75
Registered priority letter up to 2 kg	76	81
Valuable letter up to 50 g	52	57
Valuable letter up to 100 g	56	61
Valuable letter up to 500 g	58	63
Valuable letter up to 1 kg	64	69
Valuable letter up to 2 kg	70	75
Money order A in the amount of 1 CZK–5000 CZK	39	44
Money order A in the amount of 5001 CZK–50000 CZK	47	52
Money order B (in writing) in the amount of 1 CZK–5000 CZK	32	37
Money order B (in writing) in the amount of 5001 CZK–50000 CZK	42	47
Money order B (data) in the amount of 1 CZK–5000 CZK	30	35
Money order B (data) in the amount of 5001 CZK–50000 CZK	40	45
Money order C in the amount of 1 CZK–5000 CZK	48	53
Money order C in the amount of 5001 CZK–50000 CZK	59	64
Money order D in the amount of 1 CZK–5000 CZK	107	112
Money order D in the amount of 5001 CZK –50000 CZK	129	134

2.2.3 Funding of the universal services

On 30 August 2021, Česká pošta, s.p. filed a request for the reimbursement of the net costs representing unfair financial burden for the year 2020 in the maximum possible amount of CZK 1,500,000,000. In its request, Česká pošta quantified the total net costs at CZK 1,869,691,252. The net costs of the post office network were quantified by the provider in the amount of CZK 1,553,458,677, the net costs of the delivery network in the amount of CZK 323,576,351, and the net costs of the supporting processes induced by the obligation to provide universal services were quantified in the amount of CZK 28,386,061. The intangible and market benefits were determined in the amount of CZK 90,441,800 and the cost of capital in the amount of CZK 54,711,963. As of the date of submission of the request, administrative proceedings commenced in which the Office 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 universal services, as amended.

According to the Postal Services Act, the state shall reimburse, through the Office, a verified amount of net costs, up to a maximum of CZK 1,500,000,000 per calendar year; other net costs are not considered an unreasonable financial burden. The reimbursement is conditional on the conclusion of the State Aid proceedings by the Commission, the subject of which is the reimbursement of net costs for the period 2018-2022 to the postal licence holder (Česká pošta). In the framework of these proceedings, a formal investigation was opened by the Commission on 23 June 2020. As follows from Section 34e(3) of the Postal Services Act, in the event that State Aid proceedings are pending by the Commission regarding the financing of net costs representing an unfair financial burden, the proceedings shall be deemed to be a preliminary question procedure under the Administrative Procedure Code and no decision on net costs for the 2018-2020 accounting period can be issued until the conclusion of the proceedings. The proceedings concerning the request for reimbursement of net costs for the year 2020 have been suspended, as have the proceedings concerning the reimbursement of net costs for the years 2018 and 2019; a decision and reimbursement of the net costs can only take place once the proceedings by the Commission have been concluded.

On 8 December 2021, Česká pošta submitted a request for reimbursement of preliminary net costs for the year 2021 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 proceeding concerning the request was also subsequently suspended on the grounds of the aforementioned preliminary question.

Table 9: Summary overview of reimbursement of net costs incurred in the period 2013–2020 made as of 31 December 2021 (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	
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.
2020	1,869,691,252	n.a.	n.a.

3 LEGAL FRAMEWORK

The legal framework for the market for electronic communications networks and services and the market for postal services, and for the exercise of the regulatory and supervisory powers of the Office, consists in particular of:

- Act No. 127/2005 Coll., on Electronic Communications and on Amendments to Certain Related Acts (Electronic Communications Act)
- Act No. 29/2000 Coll., on Postal Services and on Amendments to Certain 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 Amendments to Certain Related Acts (hereinafter referred to as "Act No. 194/2017 Coll.").

The following laws and regulations, which had or will have impact on the sector of electronic communication services or the sector of postal services in the future, were enacted in 2021.

3.1 Amendments of the Electronic Communications Act

Act No. 150/2021 Coll., amending Act No. 289/2005 Coll., on Military Intelligence, as amended, and other related acts, which took effect on 1 July 2021.

This Act sets out the conditions for the implementation of cyber defence of the Czech Republic. Part three of the Act also amends the Electronic Communications Act by adding Section 98a, which imposes new obligations on legal entities or natural persons carrying out business activities who provide a public communications network or a publicly available electronic communication service in connection with Section 16d of the Military Intelligence Act. Specifically, it is an obligation to set up and secure at designated points of the network an interface for the connection of a detection tool enabling targeted detection of phenomena indicating the existence of a cyber-attack or threat and their identification. For the fulfillment of obligations, the obligated entity is entitled for reimbursement of effectively incurred costs from the Military Intelligence. The method of their determination, the procedure for claiming them and the method of reimbursement shall be determined by an implementing regulation (decree) issued by the Ministry of Defence in cooperation with the Office. Obligated persons are also required to provide the Military Intelligence with other assistance and cooperation in carrying out the detection and also to maintain the confidentiality of all facts of which they have become aware in the course of their cooperation with the Military Intelligence.

In connection with these new legal obligations under Section 98a, the provisions of offences of the relevant facts of the case are added to the Electronic Communications Act (Section 118(24), formerly new subsection 23) and limits are set for the imposition of fines according to the severity of the individual offenses on the scale of Section 118(26) of the Electronic Communications Act.

Act No. 261/2021 Coll., amending certain acts in connection with further electronisation of procedures of public authorities, which entered into effect on 1 February 2022.

This law is a legislative response to the process of digitisation of public administration, which was brought about in particular by the Act on the Right to Digital Services, when it introduces a new concept of using data from basic registers and administrative information systems. The authorisation of individual public authorities to draw data from the basic registers and administrative information systems is to be newly based on the registration of the administrative work in the register of rights and obligations and the registration of the scope of powers and responsibilities of a specific public authority in the administrative work, and not on the amount of data defined in individual laws and regulations governing the scope of powers and competences of the state authorities concerned. Due to the abandonment of the existing legislative solution, an amendment to the Electronic Communications Act is included in Part One Hundred and Seventeen of Act No. 261/2021 Coll., repealing Section 134 and Section 134a, including footnotes 50 to 52, with effect from 1 February 2022.

Act No. 269/2021 Coll., on identity cards, which replaces the existing Act No. 328/1999 Coll., on identity cards, as amended, and Act No. 270/2021 Coll., amending certain acts in connection with the adoption of the Act on identity cards, both of which entered into effect on 2 August 2021, with the exception of certain specified parts thereof.

These Acts reflect, among other things, the ongoing conceptual change in the handling of personal data, namely the restriction of the use of the "birth number". In accordance with this concept, Act No. 269/2021 Coll. redefines the basic elements of the identity card, which no longer include the "birth number". The absence of this information will probably require action on the part of electronic communications service providers in the future. Following the changes pursuant to Act No. 269/2021 Coll., corresponding amendments are made in Part Fourteen of Act No. 270/2021 Coll. to Section 134a of the Electronic Communications Act, which regulates the access of the Office to data kept in basic registers and certain administrative work systems.

Act No. 284/2021 Coll., amending certain acts in connection with the adoption of the Building Act, which will come into effect on 1 July 2023.

This Act is a legislative response to the adoption of the new Act No. 283/2021 Coll., the Building Act, and adapts the affected legislation to the new rules in the field of building law. And in Part Thirty-nine, it amends the Electronic Communications Act as regards, among other things, the conditions of contact of communication lines of the public communication network with the environment, the establishment of a protection zone for communication lines, as well as the authorisation to use somebody else's property.

Act No. 374/2021 Coll., amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and certain other acts, which entered into effect on 1 January 2022, with the exception of Part One, Article I, Point 43 (Radio Spectrum Management – Information Portal), which enters into effect on 1 July 2022, and Part Three, Article IV (Terrestrial Digital Radio Broadcasting), which entered into effect on 1 November 2021.

This Act primarily 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. The Directive in question revised the existing regulatory framework for the sector, which, in the case of the Electronic Communications Act, resulted in increased consumer protection. Their rights are not only being strengthened, but also fully harmonized across all EU Member States to ensure a level playing field for consumers on the single market. This includes the right to easier change the Internet access service providers, including a new right to a flat-rate compensation in case the change process is delayed or the change is misused due to a breach of the obligation of the receiving or abandoned service provider; the strengthening of privacy protection (in particular against unsolicited marketing calls), as well as more conceptual support for people with disabilities and emergency communication (emergency SMS, public alert system). It is also important to mention the broader information obligations in contracts with consumers, both prior to the conclusion of a contract, at the time of its conclusion (see contract summary template in Section 63(5) of the Electronic Communications Act), but also during the term of the contract.

Also, the scope of partial services of the universal service is newly defined, which includes not only access to voice communication services but also the Internet access service. The discount for people with disabilities is preserved, but the possibility of benefiting from the price discount has now been extended to low-income people.

The areas of market regulation and radio spectrum and number management have also been modernized. Number-independent interpersonal communication services (so-called OTT services) are now also classified as electronic communications services, to which some previous regulatory rules had to be adapted. Other important changes include making it easier for undertakings to enter the market by reducing some barriers and providing better conditions for easier deployment of electronic communications networks and provision of services. To this end, market data collection is also being strengthened and geographic surveys of network

reach for Internet access service is being introduced. Higher requirements are also placed on ensuring the security and integrity of public communications networks and electronic communications services, with emphasis on strengthening the cyber security.

Last but not least, the amendment also contains a regulation to support the development of terrestrial digital radio broadcasting and at the same time transposes the obligation to equip category M vehicles with in-vehicle radio equipment capable of receiving and reproducing digital broadcasts.

3.2 Amendment to the Postal Services Act

Act No. 374/2021 Coll., amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and certain other acts, which entered into effect on 1 January 2022.

This Act primarily transposes Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code, yet Part Six of the Act contains an amendment to the Postal Services Act which, in line with the procedural regulation under the Electronic Communications Act (Section 122(7)), also regulates the manner of termination of the administrative appeal procedure for postal services in derogation from the Administrative Procedure Code (Section 38(4) of the Postal Services Act).

3.3 Amendments to Act No. 194/2017 Coll.

Act No. 284/2021 Coll., amending certain acts in connection with the adoption of the Building Act, which will come into effect on 1 July 2023.

This Act is a legislative response to the adoption of the new Act No. 283/2021 Coll., the Building Act, and adapts the affected legislation to the new rules in the field of building law. In Part Fifty-seven, it also amends Act No. 194/2017 Coll. by modifying the definition of an electronic communications connection line and by repealing the obligation laid down in this Act to ensure that certain buildings (intended for residential purposes, commerce, or civic amenities) are equipped with physical infrastructure prepared for the deployment of a high-speed electronic communications network. This should be addressed in future as part of the general requirements under the new Building Act.

Act No. 374/2021 Coll., amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and certain other acts, which entered into effect on 1 January 2022.

This Act primarily transposes Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, yet its Part Fifteen contains an amendment to Act No. 194/2017 Coll. responding to the need to use physical infrastructure technically capable of installing a short-range wireless access point or necessary to connect such access points to the backbone network. It also complements the legislation on the provision of information on physical infrastructure and dispute resolution.

3.4 Other laws and regulations

Government Regulation No. 499/2021 Coll. amending Government Regulation. 426/2016 Coll., on the assessment of the conformity of radio equipment when placed on the market, which came to effect on 1 January 2022.

The Regulation modifies the terminology according to the requirements of the Electronic Communications Act, as amended by the so-called transposition amendment (Act No. 374/2021 Coll.) and redefines the equipment in the field of aeronautical equipment to which the requirements of Government Regulation No. 426/2016 Coll. do not apply.

Government Regulation No.500/2021 Coll., on the conditions for the provision of special prices for voice communication services and internet access services to persons with special social needs, which entered into effect on 1 January 2022.

The Regulation replaces the existing Government Regulation No. 109/2008 Coll., on the conditions for the provision of special prices for publicly available telephone service and responds factually to the changes to the Electronic Communications Act, as amended by the so-called transposition amendment (Act No. 374/2021 Coll.), which redefined the group of eligible persons – persons with special social needs (Section 38(4) of the Electronic Communications Act). The method of establishing the amount of the price discount for persons with special social needs remains the same, it is determined in such a way that the loss of the universal service provider is no more than CZK 200 including value added tax per person per calendar month.

Decree No. 467/2021 Coll. amending Decree No. 105/2010 Coll., on the frequency band allocation plan (National Table of Frequency Allocations, as amended by Decree No. 423/2017 Coll., which entered into effect on 1 January 2022.

This Decree brings the Frequency Band Allocation Plan (National Table of Frequency Allocations) into line with the current version of the Radio Regulations (edition of 15 September 2020), which puts into practice the results of the negotiations of the countries of the International Telecommunication Union (ITU), as summarized in the final documents of the World Radiocommunication Conference WRC-19. In addition, it is responding to the development of the use of unmanned aerial vehicles (drones) by introducing a new national note CZ 11.

Decree No. 469/2021 Coll. amending Decree No. 290/2007 Coll., on the reimbursement of the costs of the database for the purpose of emergency calls, which entered into effect on 1 January 2022.

This Decree responds to changes in legislation and brings Decree No. 29/2007 Coll. into compliance with the requirements of the Electronic Communications Act, as amended by the so-called transposition amendment (Act No. 374/2021 Coll.), both terminologically and substantively.

Decree No. 529/2021 Coll., on determining the amount of lump-sum compensation in connection with number portability or a change of Internet access service provider and on the manner of publishing information on the right to lump-sum compensation, which entered into effect on 1 January 2022.

This Decree responds to the changes to the Electronic Communications Act, as amended by the so-called transposition amendment (Act No. 374/2021 Coll.), which newly provides in Section 34 (11) and Section 34a (11) for a subscriber's right to a flat-rate compensation if there is a delay in the porting of a telephone number or a change of Internet access service provider, or if the porting or change of provider is misused as a result of a breach of the obligation of the receiving or abandoned provider, or if the agreed repair or installation deadlines are not met. For individual cases, the Decree sets the amount of the lump-sum compensation between CZK 200 and CZK 1000 per day.

Act No. 34/2021 Coll., on Foreign Investment Screening and on Amendments to Related Acts (Foreign Investment Screening Act), which entered into effect (with the exception of Section 6 and Section 17) on 1 May 2021.

The Act lays down rules and procedures for the screening of foreign investments made for the purpose of carrying out economic activities in the Czech Republic and thus strengthens the protection of security interests and internal order or public policy of the Czech Republic. Without a permit or a conditional permit, foreign investments may not be made in the Czech Republic, in particular in the activities of persons in the field of production, research, development, innovation or provision of the life cycle of military equipment. Also, for example, in the operation of designated elements of critical infrastructure as well as in the activities of the administrator of the information system of critical information infrastructure, in the information system of the universal service or the operation of the universal service itself, and in other areas defined by law.

The legislation in question also sets the institutional framework for the implementation of relevant procedures. The Act is also an adaptation of the laws of the Czech Republic to Regulation (EU) 2019/452 of the European Parliament and of the Council establishing a framework for screening of foreign direct investments into the Union.

The body responsible for the screening of foreign investments is the Ministry of Industry and Trade, which also acts as a contact point and cooperates with the relevant contact points of the European Commission and the Member States of the European Union in the field of screening of foreign investments. For its activities, the Ministry of Industry and Trade is entitled to request information and opinions from national authorities, including Czech Telecommunication Office, if the subject of the investment is related to the sector of electronic communications or postal services.

Act No. 192/2021 Coll. amending Act No. 89/2012 Coll., the Civil Code, as amended, Act No. 99/1963 Coll., the Code of Civil Procedure, as amended, and Act No. 292/2013 Coll., on Special Court Proceedings, as amended, which entered into effect on 1 July 2021.

This Act responds to the long-standing problem of indebtedness of minors, when the existing legislation did not sufficiently protect minors from the consequences of their actions, and therefore newly regulates the conditions for the origination, duration and termination of child debts in this respect.



02 EXPERT AND ADMINISTRATIVE ACTIVITIES OF THE OFFICE

1 CONSUMER PROTECTION

1.1 Independent comparison tool

In 2021, the Office launched a new free and independent comparison tool. It makes it possible to compare and assess publicly available electronic communication services provided to consumers in terms of price and quality for the following services: mobile calls, SMS and data services, mobile internet, calls at a fixed location, internet at a fixed location and pay-TV services. Information on the parameters of individual services must be entered into the comparison tool by their providers, who are responsible for the accuracy of the information provided. The specific scope, form and method of information transfer are regulated by Decree No. 582/2020 Coll., which is effective as of 15 January 2021.

The Office started collecting data from undertakings in the second half of January 2021. The comparison tool was launched for the public on a pilot basis in March 2021 for mobile call, SMS and data services. In May 2021, the list of compared services was expanded to include fixed-line calls, internet access and pay-TV services.

The comparison tool is available on the Office's website at <https://srovnovac.ctu.cz/>. For price comparisons, the comparison tool can use parameters with preset usage sizes, or you can enter your own data on usage of individual services, type of commitment, etc. In the case of services provided at a fixed location, users of the comparison tool must also enter the address where the service is to be available. Providers of the services being compared can use the comparison tool to check how competitive their services are. The comparison tool also offers users the possibility to report incorrectly filled in data for specific providers and services to the Office via a form. The Office deals with the complaints received and ensures remedy with the providers concerned.

The Office did not continue cooperation with the operators of the Tarifomat and Tarifon price calculators, which were granted accreditation by the Office after meeting the defined conditions and whose price comparison of electronic communication services was used by the Office before the launch of its own comparison tool, after the expiry of the agreed one-year period from the signing of the contract and terminated it in 2021.

1.2 Price barometer

In 2021, the Office continued to operate a price barometer on its website [available at <https://www.ctu.cz/yyhledavaci-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. Its purpose is not to compare the offers of individual providers of electronic communication services, but rather to indicate the development of the retail price level for the most important electronic communication services.

1.3 Subscriber contracts

In 2021, the issue of subscriber contracts was affected by two major legislative changes that had a direct impact on the content of contractual relations between service providers and end users.

On 1 January 2021, the General Authorisation No. VO-S/1/08.2020-9 (hereinafter referred to as "VO-S/1") came into force, which set binding specifications for the quality parameters of the Internet access service. It required providers of internet access services to modify their contracts with end users, both for new contracts and for

existing contracts. The Office subsequently carried out an extensive inspection of compliance with the conditions set out in VO-S/1, details of which are set out in chapter 4.1.1.

On 15 September 2021, Act No. 374/2021 Coll. was passed, which amended Act No. 127/2005 Coll., on Electronic Communications and on Amendments to Certain Related Acts, and transposes Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code into the Czech law, with effect from 1 January 2022 (for certain provisions, with effect from 1 July 2022). Details of this amendment are set out in chapter 3.1.

Regarding subscriber contracts, the Office generally monitored and evaluated complaints and queries from subscribers concerning this scope of activities, as in previous years. The most frequent complaints dealt with were related to the conclusion and termination of contracts. It also addressed complaints about unilateral changes to the contract, mainly related to providers' failure to comply with their information obligations. Many subscribers perceive the inclusion of contract change information in the bill as something that can be easily overlooked. The amended provision of the Electronic Communications Act now expressly provides in relation to changes to contract terms and conditions that such information is to be provided in a clear and understandable manner.

1.4 Net neutrality – Internet access (open Internet)

The Office 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, the Office prepared and published, in accordance with Article 5 of the Regulation, the CTU Report on the Results of Monitoring of Compliance with the Regulation (available at [Report on Results of Monitoring of the Regulation](#)), for the period from 1 May 2020 to 30 April 2021.

In 2021, the Office carried out an extensive and repeated inspection of the implementation of the General Authorisation No. VO-S/1/08.2020-9, which amended the General Authorisation No. VO-S/1/07.2005-9 VOS1 and which set the specifications for the quality parameters of the Internet access service. The results of the inspection are described in detail in chapter 4.1.1 on inspection activities. Based on this inspection, it can be concluded that more than 99% of customers of undertakings providing Internet access services currently have relevant information on the quality parameters of this service in their contracts.

In September 2021, the Office launched the operation of the measurement tool [NetTest](#), through which end users of an Internet access service can check the actual performance of their service and, where appropriate, seek remedy from their providers.

At the same time, the Office prepared an information campaign in this context, together with other educational materials aimed at informing end users in more detail about their rights and possibilities offered by the legislation and the activities of the Office in terms of the quality of Internet access service. In May 2021, the Office published an information brochure entitled "[Pay for Real Internet Speed](#)" with detailed instructions on how to proceed in the event of dissatisfaction with the performance of Internet access services. In the second half of 2021, a media campaign under the same name was conducted in the form of TV and radio spots, which aimed to make the entire process of measuring Internet speed and filing a possible complaint (including templates for such a filing) understandable to the widest possible consumer public. An educational video will also be released in 2022 that will provide detailed instructions on how to measure the quality of Internet access service with the NetTest measurement tool.

1.5 Telecommunication Academy

In the area of consumer protection, the Office also focused on the education of users of electronic communications and postal services through the Telecommunication Academy. The Office informs and educates target groups through expert lectures so that they can better navigate not only in the world of electronic communications. Lectures of the Telecommunication Academy are designed with regard to the target group for which the lecture is intended. Our lecturers prepare individually for each presentation and always adapt their presentation to their audience.

Topics are selected and processed with regard to current trends and innovations in the field of electronic and postal services with an emphasis on the wishes of the audience. Frequent topics are e.g. colour lines, premium SMS, M-Payments (mobile payments) and M-Wallet and especially the claims on services so that users know how and where to turn to. In the case of the postal market, these are, for example, the topics of international postal items and complaints procedures.

The main lecturing activity is carried out by professionally trained lecturers from among the Office's employees from the Dispute Resolution and Consumer Protection Department, who often use their experience from practice. From the very beginning, the cooperation was directed towards senior citizens' clubs, centres, cultural centres, or other senior citizens' organisations. In the past year, however, a very important cooperation was established with the Brno Metropolitan Police within the framework of its preventive education programme of Senior Academy, which is a special study programme in the format of lifelong learning, intended for one hundred senior citizens each academic year. The subjects of study were supplemented by lecture blocks on "Telecommunications in a Nutshell", "Postal Services" and "Cyber Security".

In addition, lecture activities were expanded by cooperation with universities, where the level of lectures was at the level of the University of the Third Age education programme. Last year, we again contributed to the academic year schedule of the University of Mining and Metallurgy – Technical University of Ostrava, and now to the University of the Third Age at Tomas Bata University in Zlín and the Czech University of Agriculture in Prague.

At the time of the emergency measures, when it was not possible to provide the in-person presentations, the Office expanded its activities to include educational videos. These are short videos of about 3-5 minutes that introduce the user to specific issues, but also explain how to deal with specific questions. The videos are no longer targeted only at the elderly, but the general public will also find it useful.

2 SETTLEMENT OF SUBSCRIBER DISPUTES AND COMPLAINTS BY THE USERS OF THE SERVICES

2.1 First-instance administrative proceedings

In 2021, the Office settled 58,883 subscriber disputes. Out of these, 33,360 pending administrative proceedings were carried over from 2020 and 25,523 new administrative proceedings were initiated. A total of 45,620 decisions on the matter were issued in the period in question. The Office settled mainly subscriber disputes concerning the payment of the price for services and issued 45,395 decisions on the matter. In addition, the Office issued 201 decisions on objections to the handling of a claim about the service provided and on objections to the handling of a claim about the billing of a service, of which 183 were decisions on an objection to the handling of a claim about the billing of a service. The remaining decisions were related to a different dispute.

In 2021, the Office received around a quarter fewer applications for the initiation of "subscriber disputes", especially disputes about payment, compared to the previous year, yet it issued 27% more decisions than in 2020. The number of decisions issued in 2021 is thus 9933 higher than in the previous year.

Overviews of subscriber disputes for the year 2021 are provided in annexes No. 1 and 1a) hereto.

2.2 Second-instance administrative proceedings

Administrative work on decisions on administrative appeals in disputes about the payment of a price for the services of electronic communications (Section 129(1) in conjunction with Section 64(1) of the Electronic Communications Act):

In 2021, a total of 980 new administrative appeals related to this work were filed and 4564 appeals were decided. The number of decisions issued decreased compared to the previous year (12,168 administrative appeals were decided in 2020), but the pace of decision-making did not change. The previous (almost threefold) increase in the number of decisions issued was the result of the much higher number of cases received.

The downward trend in the number of pending cases in this agenda is therefore continuing successfully. The backlog has been reduced by 81% compared to 2020.

The administrative work concerning decisions on administrative appeals lodged against decisions issued in the procedure for objecting to the handling of a claim (Section 129(3) of the Electronic Communications Act):

In the period under review, a total of 102 administrative appeals were filed in this area and a total of 48 appeals were decided. As in the previous period, the majority of the cases dealt with in the administrative appeal procedure consisted of objections by service subscribers (users) to the handling of a claim about the billing of the price of services (43), and the remaining cases concerned objections to the handling of a claim about a defect in the service provided.

The administrative work concerning decisions on administrative appeals lodged against decisions issued in the procedure for objecting to the handling of a claim (Section 6a(1) of the Postal Services Act):

In 2021, 80 new administrative appeals were filed and a total of 97 appeals were settled. The overwhelming majority of cases resolved in the administrative appeal proceedings consisted of objections by customers of Česká pošta to the handling of a complaint related to a claim for compensation for damage due to the loss or damage of a postal item, or a claim for compensation for postage for non-delivery or delayed delivery. Compared to the previous year, there was an increase in the number of complaints related to postal items delivered abroad with a significant time delay.

2.3 Disputes in the area of postal services

The Office decides on objections to the handling of claims about postal services. This involves administrative proceedings which CTU commences upon request of the recipient or sender. The commencement of the proceedings is conditional upon the fact that the recipient or sender, before lodging a petition for the commencement of the proceedings, makes a claim about defects to a provided postal service with the operator of postal services and the claim is not accepted by the operator of postal services or settled at all. In 2021, the Office decided in 419 cases and issued 349 decisions.

In addition to the decisions on objections to the handling of a complaint, the Office checked whether the operators of postal services comply with other legal obligations – for example, timely publication of information on the changes of the postal terms at each post office and also in a manner allowing remote access, information on the opening hours of the post offices, information on mailboxes, etc. In 2021, nationwide inspections were conducted to check the availability of postal terms, both at Česká pošta and at 14 other registered postal operators. In the case of other postal operators, the Office also focused on checking the compliance of the published postal terms with the Postal Services Act and the Consumer Protection Act. More details of these inspections are provided in the text dealing with the inspection activities of the Office. In addition, 466 inspections and 60 local investigations were carried out in the period in question, which were checking the availability of the mandatory information or verifying specific complaints and objections of the customers.

Based on suggestions from the general public or findings from the Office's own activities, in 2021, the Office commenced 87 proceedings concerning administrative offences. As a result, 85 fines totalling CZK 1,233,000 were imposed. An overview of the inspections concerning postal services and subscriber disputes for the year 2021 is in *Annex 6* hereto.

2.4 Complaints of the subscribers and users of electronic communication services

In 2021, the Office handled 3,285 complaints in the field of electronic communications services, which is 1,201 more than in the previous year. The significant increase was mainly due to 1091 complaints in the category of TV signal reception. Other categories with many complaints were complaints about the billing of the price of services (376 complaints) and complaints about the issue of subscription contracts (465 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 claim about the price for the services provided.

In addition, the Office handled 3,641 enquiries in 2021. Most enquiries were related to the conditions of undertaking business in electronic communications and examinations of professional qualification, and outside the above-mentioned categories, the majority of inquiries involved the issue of billing of services, subscriber contracts, and the quality of the service.

As regards universal service, the Office dealt with five complaints and one enquiry. Four complaints and an enquiry related to access to publicly available telephone service by people with disabilities and one complaint related to access and use of services by people on low income.

The overview of complaints of subscribers/users of electronic communication services is provided in *Appendix No. 2* to this Report.

2.5 Complaints of users of postal services

The Office also handles complaints about postal services. It also puts on record complaints concerning non-postal services; these are not processed by the Office itself; they are referred to the competent body authorised to deal with them instead.

In 2021, 454 complaints relating to postal services were registered, of which 204 related to universal postal services. A table presenting an overview of customer complaints about postal services can be found in *Appendix No. 7* to this Report.

In the period in question, most complaints concerned the handling of claims and the delivery of postal items. In both of these categories, there was a slight increase in complaints compared to the previous year, with claims up by around 8% and mail delivery up by 7.5%.

3 FREQUENCY SPECTRUM MONITORING AND MEASURING SYSTEM OF ELECTRONIC COMMUNICATION

3.1 ASMKS

In accordance with Section 15(11) of the Electronic Communications Act, the Office checked the occupancy and efficient use of the radio spectrum using the Automated Radio Spectrum Monitoring System (hereinafter "ASMKS"). In 2021, 4894 tasks were entered through ASMKS, of which:

- 3052 requirements for monitoring radio spectrum utilisation and measuring the parameters of the frequencies used,

- 586 requirements for inspections of radio and electrical equipment, electronic equipment, networks and services,
- 1256 requirements for investigation of the interference with the radiocommunication services.

A total of 4902 cases were closed (including 8 cases carried over from the previous year) of which:

- 2998 requirements for monitoring radio spectrum utilisation and measuring the parameters of the frequencies used,
- 467 inspections of radio and electrical equipment, electronic equipment, networks and services,
- 1437 cases of investigations of interference with radiocommunication services – a more detailed breakdown of closed interference cases is provided in *Appendix No. 5* to this Report.

3.2 MSEK

In order to check the fulfilment of obligations in accordance with European and national legislation in the area of quality of data services provided via fixed and mobile telecommunications networks to end users, the Office operates a measuring system of electronic communication referred to as "MSEK".

MSEK is operated as an important information system (hereinafter also referred to as "VIS") in accordance with Act No. 181/2014 Coll., on Cyber Security and on Amendments to Related Acts, or Decree No. 317/2014 Coll., on Important Information Systems and their Determining Criteria, as amended by Decree No. 360/2020 Coll. The system passed a security audit and penetration tests in 2021 and currently meets all VIS requirements. The measuring system of electronic communication has connectivity with sufficient capacity to the internet exchange point NIX.CZ including transit connectivity for filtering the exchange of routing information in the internet exchange point NIX.CZ, or the exchange of routing information in a foreign internet exchange point. The system enables accurate measurements of data service parameters using calibrated technology in both fixed and mobile networks.

3.3 NetTest

On 17 September 2021, the Office launched the long-awaited publicly available measurement tool, NetTest, available at <https://nettest.cz>. This tool, which can be described as certified in terms of Regulation (EU) 2015/2120, provides the general public with the opportunity not only to test the quality of their Internet connection or Internet access service once or repeatedly, but also to carry out a certified measurement process in the event of a claim if the speed actually achieved in the download or upload direction of the Internet connection does not correspond to the contractually specified speeds. The NetTest tool is part of the infrastructure of the MSEK system, which has a 10 Gbit/s capacity of connectivity to the internet exchange NIX.CZ along with 10 Gbit/s capacity of transit connectivity. Prior to the launch of the tool, the Office implemented a series of measures to ensure that in the event of extreme load on the tool (connectivity, servers, etc.), the measurement results are not adversely affected in any way by the operation of the tool itself. A total of 33,000 tests were performed on the day of the launch and no problems, technical or otherwise, were reported during the launch. Since the launch of the tool until the end of 2021, more than 400,000 measurements have been taken by its users. Other functionalities are also part of the measuring system of electronic communication system, e.g. the Visualization Portal at <https://qos.ctu.cz>. It is a comprehensive visualization tool that serves as a basic aid in comparing the quality of telecommunication services according to measurement results.

4 INSPECTION ACTIVITIES

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

According to Section 14 of the Electronic Communications Act, the Office issued the following in 2021:

- 87 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 the Office in writing.
- 34 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.

In another 515 cases, undertakings notified the Office on a change in the information provided in the business notification without the requirement to issue the relevant certificate or notified the interruption or termination of their business in electronic communications.

4.1.1 Inspection of VO-S/1/08.2020-9

As of 1 January 2021, the General Authorisation No. VO-S/1/08.2020-9 came into effect, establishing binding specifications for the parameters of quality of the Internet access service within the meaning of Regulation (EU) 2015/2120 of the European Parliament and of the Council laying down measures concerning open internet access. VO-S/1 requires providers of electronic communications services to specify concrete speeds in the contract for the provision of publicly available electronic communications services with the consumer, namely the advertised speed, the maximum speed, and the normally available speed, which should be set at less than 60% of the advertised speed, and the minimum speed not less than 30% of the advertised speed. At the same time, contracts must provide a definition of any deviations from the agreed performance of the service and a description of the impact of the deviations on the exercise of consumer rights.

In 2021, the Office carried out 1,649 inspections and imposed a total of 392 fines totalling CZK 3,780,500. By the end of 2021, 99% of customers already had information in their contracts on the parameters of quality of the Internet access service in accordance with the conditions set by the VO-S/1.

4.2 Checking the compliance with CTU decisions

4.2.1 Checking the compliance with the conditions of General Authorization No. VO-R/12/11.2021-11

In 2021, the Office commenced 222 inspections of RLAN operators operating under the conditions set out in General Authorization No VO-R/12/11.2021-11 (hereinafter referred to as "VO-R/12"). A total of 201 inspections were completed as of 31 December 2021. Violations of VO-R/12 conditions in the operation of RLANs and the use of frequencies were found in 163 inspections, representing 80.1% of all completed inspections of compliance with VO-R/12 in 2021. In addition to violations of the VO-R/12 conditions, 25 RLAN devices were found to be operating in bands where frequencies can only be used based on an individual licence, or in bands where RLAN equipment cannot operate at all. The most frequent violations of the VO-R/12 conditions are identified as interference to the priority radio service, failure to register equipment operating in the newly released bands (5 150-5 250 MHz; 5,725-5,850 MHz and 57-71 GHz) and operation of outdoor installations on frequencies intended for indoor use only.

In 2021, the Office received 35 complaints from Czech Hydrometeorological Institute about the interference with meteorological radars by RLAN devices. Investigation of the interference with meteorological radars was also carried out as a priority during the measures related to Covid-19, because interference with meteorological radars has negative impact on other areas such as air traffic control, warning against dangerous meteorological phenomena, etc. The source of interference with meteorological radar and its operator were traced and identified in 22 cases, i.e. in 63%. 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, and subsequently dealt with in administrative offence proceedings.

4.2.2 Checking the use of frequencies under individual licences and compliance with the conditions set out in the decision granting the individual licence to use radio frequencies

As part of its inspection and supervision activities, the Office checked the use of radio frequencies in the so-called licensed bands; a total of 106 inspections were carried out with this focus. The compliance with the parameters set out in the individual licence for the use of frequencies was checked in 23 cases. The equipment was found to be operating in violation of these conditions in 11 cases (47.8%). These were mainly VHF-FM radio transmitters and digital terrestrial television transmitters.

Furthermore, the monitoring and subsequent inspection revealed 83 cases of use of frequencies without individual licence, which is qualified as a violation of Section 17 of the Electronic Communications Act. The most common reasons for this were the use of frequencies after the expiry of the individual licence and the operation of RLAN equipment on frequencies that can only be used based on an individual licence, or in bands where RLAN equipment cannot be operated at all.

4.2.3 Checking compliance with the development criteria by frequency block allocation holders set out in the conditions of the tender for frequencies in the 800, 1800 and 2600 MHz bands

As part of the inspection of the fulfilment of development criteria by the holders of block allocations specified in the conditions of the tender for frequencies in the 800, 1800 and 2600 MHz bands (4G – LTE networks), the Office carried out measurements of the coverage of motorways and transit railway corridors of the Czech Republic with mobile network signals in 2021.

In the case of motorways, the measurements were taken by a measuring vehicle while driving, so that each section of motorway was measured by passing in each direction at a speed of 90 km/h. It is clear from the measured results that all three operators met the coverage conditions in more than 90% of the measured sections for all roads and thus the development criteria for motorway and expressway coverage are met, see [Report on the Results of Measurement of Motorway Coverage in the Czech Republic](#).

The measurement of railway corridors was carried out by the Office in cooperation with the state organisation Správa železnic. The object of the control measurements was the entire network of rail transit corridors on the territory of the Czech Republic, i.e. the 1st transit corridor: Děčín – Praha Holešovice – Pardubice – Brno – Břeclav, the 2nd transit corridor: Petrovice u Karviné – Ostrava HL. n. – Přerov – Břeclav, the 3rd transit corridor: Cheb – Plzeň – Praha – Přerov – Ostrava – Mosty u Jablunkova, and the 4th transit corridor: Děčín – Praha – České Budějovice – Horní Dvořiště. It is clear from the measured results that all three mobile operators met the conditions of the development criteria for rail corridor coverage at the time of measurement. A specific feature of mobile communication on railways, however, is the influence of the carriage design in terms of electromagnetic wave transmission. There are significant differences between the carriages deployed on Czech railways. Thus, even with good mobile signal coverage, access to mobile network services for passengers can be severely limited without additional technical measures. The best solution is the use of repeaters in carriages, as the Office has also recommended over a long period. For detailed measurement results see the [Report on the Results of Measurement of the Coverage of Transit Railway Corridors in the Czech Republic](#).

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

4.3.1 Checking the availability of postal terms and their requisites

At the beginning of 2021, the Office inspected other postal operators (other than Česká pošta). The Office checked compliance with the mandatory elements of the postal conditions and whether the postal conditions are published in a manner allowing remote access. Furthermore, the inspections focused on whether

consumers are informed by postal operators about the competent body for out-of-court dispute resolution and whether they fulfil their other obligations under the Consumer Protection Act in relation to claims. Most deficiencies were found in the inclusion of mandatory information in postal terms and conditions and in the failure to inform about out-of-court settlement of consumer disputes. Based on the inspection findings, the Office initiated 14 administrative proceedings against these other postal operators and 13 fines amounting to CZK 142,000 have been imposed in connection with the inspection so far.

4.3.2 Checking the delivery of postal items

In response to frequent complaints from the public regarding deliveries, in 2021 the Office carried out an inspection of parcel deliveries, during which it checked in 200 test postal items whether Česká pošta complied with its obligation to allow at least one delivery to the address of each natural person or legal entity every business day. The inspection did not reveal any violation of this legal obligation of Česká pošta. In addition to this nationwide inspection, the Office regularly checks the way mail is delivered in response to complaints from the public, whether at depots, delivery points or at the specific addresses of the complainants.

4.3.3 Checking the so-called Mobile Post

In 2021, the Office also focused on Česká pošta's compliance with laws and regulations in the implementation of the project of the so-called Mobile Post. The inspection was carried out in the Olomouc Region and the Office checked on the spot mainly the fulfilment of information obligations (e.g. obligation to inform about changes in postal terms, opening hours, availability of information on request), compliance with postal secrecy, the method of receiving and confirming received claims, etc. Regarding the identified deficiencies, the Office will conduct administrative offence proceedings.

4.4 Investigation of interference to digital terrestrial television (DTT) reception in connection with the operation of LTE/5G mobile radio networks in the 700 and 800 MHz bands

In the course of 2021, holders of block allocations in the 700 MHz frequency band started using them for the construction of mobile radio networks. Given that nationwide mobile radio networks use a frequency band adjacent to the digital terrestrial television band, the quality of television reception may be affected in certain adverse circumstances, in which case it is necessary to implement technical measures on the receiving antenna side of the television viewer. Based on the Office's decision, the technical measures must be provided by the relevant mobile operator at its own expense. In this context, the Office activated a coordination group to address the issue of harmful interference from the 700 MHz band to DTT reception. Within the coordination group, using experience with the issue of eliminating interference from the 800 MHz band, working procedures were set up to remove unwanted interference from the 700 MHz band quickly and efficiently to minimize negative impacts on television viewers who receive television via antenna. In order to ensure that citizens were informed about this issue, the Office sent targeted letters to local authorities in locations where reception could be interfered with, with information on how citizens should proceed in order to regain uninterrupted and high-quality television reception. Citizens are also informed about the issue through the website of the Office in the section [Interference with the reception of terrestrial television](#), where all important information for citizens is listed.

Thanks to the measures taken and the procedures set up, it can be stated that the operation of mobile radio networks in 2021 did not significantly affect the quality of terrestrial TV reception and the detected cases were quickly resolved.

In terms of the development of the situation, as of 31 December 2021, mobile operators operated LTE/5G in the 700 MHz band with 402 base stations in pilot operation and 150 stations in permanent operation, and in the 800 MHz band with 244 stations in pilot operation and 16 932 stations in permanent operation. In total, 17,728 LTE and 5G base stations were active. In 2021, the Office received 960 complaints of television viewers about the interference with DTT, whereas as of 31 December 2021, 1083 submissions (including cases from the previous years) regarding interference with television signal (including community antennas) have been settled and closed. Interference caused by LTE or 5G signals was identified in only 27 cases. Investigation of the remaining

1,056 complaints most often resulted in the discovery of a defect in the TV viewer's own receiving equipment or insufficient TV signal, or no interference was observed at the viewer's place during the investigation.

4.5 Cooperation with Czech Trade Inspection Authority

In 2021, the Office 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. The Office 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 purposes of the Czech Trade Inspection Authority were carried out in 6 cases of joint inspections aimed at detecting deficiencies mainly in short-range equipment (use of unauthorized frequencies, failure to submit a declaration of conformity). The Czech Trade Inspection Authority deals with the shortcomings identified within the scope of its duties.

Furthermore, based on an agreement with the Czech Trade Inspection Authority, 7 types of RLAN equipment were identified which caused interference to meteorological radars – the Czech Trade Inspection Authority was asked to check whether these devices actually meet the product requirements of the technical standard ČSN ETSI EN 301 893 according to the declaration of conformity.

5 FREQUENCY SPECTRUM MANAGEMENT

5.1 Decisions on radio frequency block allocations

In 2021, the Office decided on the following cases of radio frequency block allocations:

1. Change in block allocations for the provision of electronic communications networks in the 2100 MHz band

Prior to the expiry of the block allocation of radio frequencies for the provision of O2's public communications network in the frequency segments 2110.3-2130.1/1920.3-1940.1 MHz, which was set to expire on 1 January 2022, the Office conducted a review under section 20(3) and (4) of the Electronic Communications Act to determine whether there were still grounds for limiting the number of rights to use radio frequencies. Based on this review, the Office concluded that the limitation of the number of rights should be maintained in the frequency bands in question. Pursuant to Commission Implementing Decision (EU) 2020/667 of 6 May 2020, as part of the renewal process of all block allocations of radio frequencies in the 2100 MHz frequency band, the frequency grid needs to be harmonized by filling all block allocations of radio frequencies up to an integer multiple of 2×5 MHz, i.e. to 2×20 MHz. The harmonized conditions will also allow for the use of segments that were previously designated at the edge of the band as buffer zones for the use of 3G technologies, while allowing for the efficient use of these block allocations by the 5G technology. The transition to the new frequency grid with 2×5 MHz blocks will be implemented gradually as part of the process of issuing new (renewed) radio frequency block allocations in the 2100 MHz band, when such an expansion of the radio frequency block allocation to the size of 2×20 MHz will be considered in the price of the new radio frequency block allocation determined by the expert opinion.

In accordance with the conclusions of the public consultation, the Office finalized a document entitled Conclusions of the review of whether there are still grounds for limiting the number of rights to use radio frequencies in the frequency band 1920–1980/2110–2170 MHz and published it on 7 December 2021, together with the supporting documents for the valuation, on its electronic official notice board. Based on the application received, and following payment of the specified price, the Office issued a new block allocation of frequencies in the 2110.0-2130.0 MHz/1920.0-1940.0 MHz bands to O2 with effect from 2 January 2022 until 31 December 2041. As part of the new block allocation concept, at the same time as renewing the block allocation, the Office imposed an obligation on the block allocation holder to increase the capacity of the high-speed access network covering motorway corridors and an obligation to maintain operation of the 2G network until at least 2028,

unless the proportion of all users using this older technology falls below 5% before then. These conditions should ensure better availability of high-speed access to data services on motorway corridors and preserve the current ability to make calls from, e.g. phones for the elderly that are not capable of using higher generation networks.

2. Change in block allocations for the provision of electronic communications networks in the 28 MHz band

In accordance with Section 20(4) of the Electronic Communications Act, the Office conducted a review of the limitation on the number of rights to use radio frequencies in the frequency bands 28.2205–28.4445 GHz and 29.2285–29.4525 GHz.

In the course of the review, the Office concluded that it was no longer necessary to maintain the limitation of the number of rights in the frequency bands of 28.2205–28.4445 GHz and 29.2285–29.4525 GHz. The Office thus proceeded under Section 20(3) of the Electronic Communications Act and, following the publication of the findings of the review, subsequently removed the limitation on the number of rights in the relevant part of the Radio Spectrum Utilisation Plan.

5.2 Decisions on authorizations to use radio frequencies

The total numbers of decisions in related administrative proceedings, separated according to individual radiocommunication services, are clearly presented in the table in *Annex No. 3* to this Report.

Compared to the previous year, there was a slight decrease in the number of individual licences issued, which is due to fewer licences in the radio service as the transition process to DVB-T2 was successfully completed. However, as in previous years, the greatest interest remains in fixed service radio frequencies (point-to-point links), which are essential for the provision of public electronic communications services, in particular wireless access to high-speed data services (e.g. Internet access), or for radio interconnection of mobile operators' base stations or the very infrastructure of electronic communications networks. This is mainly due to the flexibility and time availability of radio infrastructure, although the operators of these broadcasting networks and others are focusing on the construction of an optic fibre network in view of future expected transmission capacities.

One operator has started the development of a new mobile network in the 700 MHz band, but in some cases, there have been compatibility problems between the operation of 5G base stations and the reception of terrestrial digital television in the DVB-T2 system. During the mandatory pilot operation, which lasts two months for 5G base stations in the 700 MHz band, any problems that arose were promptly addressed and resolved.

In 2021, radio frequency block allocations holders continued to use part of the radio frequencies previously allocated for 3G – UMTS (2100 MHz band), LTE or 5G. The use of the remaining frequencies for the 3G – UMTS system in the 2100 MHz band, which has never been fully developed in the Czech Republic, was phased out by all block allocation holders in the second half of 2021. In 2021, the radio frequency block allocation holders also expanded the use of radio frequencies in the 2600 MHz band and in the 3700 MHz band in line with their commitments and development plans. Information on the extent of radio coverage of public high-speed networks in the 700 MHz, 800 MHz, 1800 MHz, 2100 MHz and 2600 MHz bands can be found on the relevant website at <https://digi.ctu.cz/>, where there is a clear disambiguation point with information on the coverage of the population by digital radio, TV and 4G and 5G public broadband mobile networks.

5.3 Conditions of use of radio frequencies under general authorizations

In 2021, the Office issued four updates of the following General Authorizations:

1. **General Authorisation No. VO-R/10/03.2021-4** [available online at: <https://www.ctu.cz/sites/default/files/obsah/vo-r10-032021-4.pdf>] for the use of radio frequencies and for the operation of short range devices; update to extend the frequency band for ITS (Intelligent Transport Systems) from 5875–5905 MHz to 5875–5935 MHz, based on the Commission implementing decision.

2. General Authorisation No. VO-R/10/07.2021-8 [available online at: <https://www.ctu.cz/sites/default/files/obsah/vo-r10-072021-8.pdf>] for the use of radio frequencies and for the operation of short range devices; update to add the frequency segment 733-758 MHz for use by wireless microphones in Article 10 of the General Authorisation.

3. General Authorisation No. VO-R/12/03.2021-3 [available online at: <https://www.ctu.cz/sites/default/files/obsah/vo-r12-032021-3.pdf>] for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2.4 GHz to 71 GHz band; update to newly allow the use of radio frequencies by stations for broadband data transmission in the frequency bands 5150-5250 MHz (without the current limitation to indoor stations) and 5725-5850 MHz. This expansion is based on the need of the general public to expand frequency bands for broadband data transmission by WAS/RLAN systems. Simultaneously with this amendment, an obligation to report the use of radio frequencies in these bands when used for outdoor operation has been newly introduced.

4. General Authorisation No. VO-R/12/11.2021-11 [available online at: https://www.ctu.cz/sites/default/files/obsah/vo-r_12-112021-11.pdf] for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2.4 GHz to 71 GHz band; update in particular to allow new use of radio frequencies by stations for broadband data transmission in the frequency bands 5945-6425 MHz in accordance with the Commission decision.

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 a general and defined aeronautical mobile service radio operator certificate, nautical mobile service certificates and certificates for HAREC and NOVICE amateur radio service station operators.

In 2021, the Office issued 1632 new certificates of professional qualification based on examination or recognition of professional qualification and extended the period of validity of 2942 certificates, which is an increase compared to 2020. The amount of work related to the professional qualification certificates has been growing steadily in recent years. An overview of the total number of certificates issued in 2021 can be found in *Annex No. 4* to this Report.

5.5 Fees for the use of radio frequencies

In accordance with Government Regulation No. 154/2005 Coll., on determination of the amount and method of calculation of the fees for the use of radio frequencies and numbers, the amount of fees for the use of radio frequencies collected in 2021 is CZK 949,880,025.24.

This is a slight increase compared to 2020, due to higher collection of fees for the use of radio frequencies in the fixed service following the continued development of high-speed data networks.

6 NUMBER MANAGEMENT

Throughout 2021, the Office decided on requests for a licence to use numbers, number series and codes, addresses and names (hereinafter referred to as "numbers") or, as the case may be, on requests for a change, extension of the validity period, and revocation of these licences pursuant to Section 30 et seq. of the Electronic Communications Act. In this area, the Office issued 334 decisions, of which 63 decisions on granting a licence to use numbers, 32 decisions on a change of a licence, 178 decisions on extension of validity period of a licence, 58 decisions on revocation of a licence, 2 decisions on transfer of a licence, and 1 decision on termination of administrative proceedings.

7 DISPUTE SETTLEMENT BETWEEN ENTITIES CARRYING OUT COMMUNICATION ACTIVITIES

In the field of dispute settlement between entities carrying out communication activities pursuant to Section 127 of the Electronic Communications Act, 6 new dispute administrative proceedings were initiated in 2021, which is a slightly higher number than in the previous period.

In terms of the subject matter, 3 of the newly filed motions to initiate proceedings concerned disputes arising from the contract, i.e. disputes concerning the continuation of the performance of the concluded contract, the setting up of IP addresses and the porting of LTE connections in the provider's own network and the determination of the right to port a significant number of telephone numbers after the termination of the concluded contract, and another 3 new motions to initiate proceedings concerned disputes concerning the obligation to pay money (payment of money owed for electronic communications services).

In addition to the newly initiated administrative proceedings, the administrative authority continued to deal with 1 administrative proceeding on the conclusion of an addendum to an interconnection agreement, initiated in 2020. Therefore, a total of 7 disputes between entities carrying out communication activities were heard in 2021, with 5 disputes finally settled in the same year. Two payment disputes were pending in 2021.

As in previous years, no dispute administrative proceedings were initiated in 2021 between an undertaking providing the service of transmission of radio and TV 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, it is necessary to anticipate such disputes in the future, in particular in connection with the enactment of Act No. 374/2021 Coll., amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and certain other acts, which transposed Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing a European Electronic Communications Code into the Czech law. With effect from 1 January 2022, Section 72a of the Electronic Communications Act expanded the personal component of any dispute over the conclusion of a contract for the service of transmission of radio and TV broadcasting, so that, in addition to the broadcaster and the undertaking providing the electronic communications service, the undertaking providing the networks used for the public transmission of radio and television broadcasting may now also be a party to the contract (and thus a party to any dispute over the conclusion of the contract).

Final decisions issued in administrative proceedings under Section 127 of the Electronic Communications Act in disputes between entities 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 DISPUTE SETTLEMENT 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, no dispute administrative proceeding was heard in 2021.

Since the postal license holder again changed the prices of postal services in February 2022, which will undoubtedly be reflected in the reference offer, it can be assumed that the new change in price conditions of access 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. 29/2000 Coll. - Section 34 | Czech Telecommunication Office \[ctu.cz\]](#)].

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

In the area of settlement of disputes concerning 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., on Measures to Reduce the Costs of Deploying High-Speed Electronic Communications Networks, one new dispute administrative proceeding was initiated in 2021. The number of newly initiated administrative proceedings has thus decreased by half compared to 2020, when 2 administrative proceedings were initiated.

Since the 2 disputes initiated in 2020 were not finally concluded in the same year due to the complexity of obtaining accounting and economic source documents, as the disputes required the determination of access prices and the cooperation of another regulatory administrative authority in the form of a binding opinion, they were continued in 2021. Thus, a total of 3 disputes between entities carrying out communication activities as authorized entities and owners of physical infrastructure as obliged persons, solely concerning disputes over access to physical infrastructure or, more precisely, access to physical infrastructure inside a building, were heard in 2021. All disputes were finally settled during the period.

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. The increase in the number of the above-mentioned disputes may also be due to the amendment to Act No. 194/2017 Coll., implemented by Act No. 374/2021 Coll., amending Act No. 127/2005 Coll., on electronic communications and amending certain related acts (Electronic Communications Act), as amended, and certain other acts, which transposed Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing a European Electronic Communications Code into the Czech law. Part Fifteen of the Act, effective 1 January 2022, expanded the personal component of a potential dispute over conclusion of contract so that now, under Section 2(c)(6), the obligated entity is an obligated authority if it owns or operates physical infrastructure that is technically capable of installing a short-range wireless access point or that is necessary to connect such access points to the backbone network.

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, at [Final decisions on disputes pursuant to Act No. 194/2017 Coll. | Czech Telecommunication Office \[ctu.cz\]](https://ctu.cz/final-decisions-on-disputes-pursuant-to-act-no-194-2017-coll).

10 CRISIS MANAGEMENT AND SECURITY

In accordance with its remit, the Office also carries out inspection and regulatory activities focusing on security and crisis management. This is primarily the set of activities and their performance listed in Sections 88 and 99 of the Electronic Communications Act, including the relevant implementing decrees.

In accordance with the Office's approved inspection plan for the year 2021, administrative inspections were carried out on the practical implementation of the obligations imposed by law in the field of ensuring the protection of traffic and location data, security, confidentiality, integrity and provision of services in the state of crisis in companies Dialoga Servicios Interactivos, S.A., Nej.cz s.r.o., J.S.tel s.r.o., FIXNET s.r.o., miniTEL s.r.o., VM Telecom CZ, s.r.o. and xPhoNet CZ s.r.o.

In 2021, the Office conducted physical inspections of the following operators' compliance with the security provisions of the Electronic Communications Act: ČD – Telematika a.s., FAYN Telecommunications s.r.o. and Moraviatel a.s.

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. There were 2 such reports in total in 2021 from undertakings carrying out business activities in the utilities market.

11 INTERNATIONAL ACTIVITIES

In accordance with the Government Resolution No. 507/2011 of 29 June 2011 and the fulfilment of the tasks arising from the Electronic Communications Act, in 2021 the Office ensured participation in Commission advisory committees, BEREC, RSPG, ERGP, ENISA working groups and working groups of international organizations (ITU, CEPT, OECD, ETSI and NATO), as well as in the framework of direct cooperation between regulators.

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 2021, 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 chairmen 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.



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 1 January 2022, an amendment to the Electronic Communications Act implemented by Act No. 374/2021 Coll., which transposed Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing a European Electronic Communications Code into Czech law, came into effect.

As this is an extensive amendment, it can be expected that there will be a need to adopt a so-called technical amendment that would eliminate inaccuracies, if any, in transposition identified by application practice. The need for a legislative response to the current global situation and its impact on the electronic communications sector is not ruled out.

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

In connection with the adoption of the transposition amendment to the Electronic Communications Act, it is necessary to amend or reissue the implementing legislation to this Act. Within the competence of the Office, there are six amendments to existing decrees and three new decrees; within the competence of the Ministry of Industry and Trade, there are approximately five implementing regulations. As not all changes have been implemented by the end of 2021, legislative work will continue in the first half of 2022.

2 POSTAL SERVICES

In the area of postal services, the Office has identified the need to amend Act No. 29/2000 Coll., on postal services and on amendments to certain acts (the Postal Services Act), including its implementing legislation. This is due not only to the conclusions of the Extended Chamber of the Supreme Administrative Court made in Decision No. 8 As 70/2018-100 of 14 September 2021, in which the court unambiguously expressed its views on the definition of postal services, but also to the state of the market and its development. The last time the Postal Services Act was significantly amended was in 2012 and its current wording does not correspond to the needs of the sector and the situation on the liberalized postal market. At the same time, it does not sufficiently reflect current requirements for ensuring the protection of consumer rights.

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

Regarding 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 amending certain related acts, and in connection with the digitization of public administration and its services, the Office has identified the need to adjust this Act in the field of providing information on physical infrastructure and on construction works. Strengthening the information base for the Single Information Point and making this information available through electronic tools would significantly streamline the whole process and contribute to a faster and, more importantly, more efficient deployment of high-speed electronic communications networks.



04 ORGANIZATION AND OPERATION OF THE OFFICE

1 FINANCIAL RESULTS OF THE OFFICE

The binding indicators of Chapter 328 – the Office – ensue from Act No. 600/2020 Coll., on the state budget of the Czech Republic for 2021, 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 2022 (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 in the amount of CZK 6,434,440,000 was not adjusted in 2021. The actual amount is CZK 6,696,772 491.19, i.e. the adjusted budget was achieved at a level of 104.08% and was exceeded by CZK 262,332,491.19.

Tax income / administrative fees amounting to CZK 30,370,655.14 were collected, i.e. that the adjusted budget was achieved at a level of 108.47% and exceeded by CZK 2,370,655.14.

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 949,880 025,24, income from the number management in the amount of CZK 106,552,399, and in 2021 also income from the auction of 5G frequencies in the amount of CZK 5,596,000,000.

For the year 2021, the Office collected fines imposed in administrative proceedings in the amount of CZK 12,641,474.46.

Overviews of all income for the year 2021 are presented in *Annex No. 9* and planned income for the year 2022 is presented in *Annex No. 10* to this Report.

1.1.2 Total expenses

Total expenses for the year 2021 were used in the amount of CZK 697,117,241.39 i.e. use of 31.17% of the adjusted budget.

The expenses budget of the Office is structured according to the budget composition in terms of sectors into 4 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.

Table 10: The structure of expenses in terms of sectors

Indicator / Section	Approved budget 2021	Adjusted budget 2021	Actual use as of 31 December 2021	% of usage (3/2)
Total expenses	2,236,424,562	2,236,424,562	697,117,241.39	31.17
of which: Section 241100	1,500,000,000	1,500,000,000	0.00	0.00
Section 241200	110,000,000	110,000,000	90,477,804.82	82.25
Section 246100	614,759,562	614,759,562	603,686,653.53	98.20
Section 249100	11,655,000	11,655,000	2,952,783.04	25.31

Expenditures are further segmented into current expenses and capital expenditures.

Table 11: Expenses – generic structure

Indicator	Approved budget 2021	Adjusted budget 2021	Actual use as of 31 December 2021	% of usage (3/2)
Total expenses	2,236,424,562	2,236,424,562	697,117,241.39	31.17
of which: Current expenses	2,161,824,562	2,161,824,562	652,774,504.08	30.20
Capital expenditures	74,600,000	74,600,000	44,342,737.31	59.44

Current expenses

In 2021, current expenses were used in the amount of CZK 652,774,504.08, i.e. 30.20% of the adjusted budget.

Capital expenditures

Capital expenditures were used by the Office for the programme with registration number 128 02 Development and renewal of the material and technical basis of CTU, the approved budget for 2021 was CZK 74,600,000.

Capital expenditures were used in the amount of CZK 44,342,737.31, i.e. use of 59.44% of the adjusted budget.

2 MANAGEMENT OF NON-BUDGETARY FUNDS

2.1 Radiocommunication Account

The obligation to establish a Radiocommunication Account, which the Office administers, is imposed on the Office by 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 6% 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 also used for the coverage of the expenses associated with the fulfilment of the obligation of CTU within the radio spectrum management. In 2021, the Office paid from the radiocommunication account expenses in total amount of CZK 95,890,600.07.

Table 12: Radiocommunication account

Account balance as of 1 January 2021	1,295,797,149.13
Budgeting for the year 2021	59,665,935.00
Drawing for the year 2021	95,890,600.07
Account balance as of 31 December 2021	1,259,572,484.06

3 HUMAN RESOURCES

3.1 Number of systemized positions

There were 596 systemized positions in the Office in 2021. The number of systemized positions remains unchanged for 2022.

The independence of regulated entities and parties to disputes in decision-making is guaranteed by the current organizational and personnel structure of the Office under the terms of Act No. 234/2014 Coll., on the Civil Service, as amended, and the remuneration system. As part of the systemization of positions, the Office is subject to approval by the Government, which, however, has not yet caused problems in the annual approval process.

Table 13: Headcount (for 2021 in comparison to 2019 and 2020)

Indicator / period	2019	2020	2021
Systemized number of employees	627	596	596
Average FTEs	577	564	564
Number of newly hired employees	39	42	46
Number of terminated civil service/employment contracts	54	50	51
Number of employees in post-productive age as of 31 December	47	39	37

3.2 Employee training

Employee training was carried out in accordance with Act No. 234/2014 Coll., on civil service, as amended, Act No. 262/2006 Coll., Labour Code, as amended, and the Binding Guideline of CTU No. 15/2016 which lays down the procedures for improvement and increasing of education of CTU employees.

The training was carried out in accordance with the Office's staff training plan for 2021. It focused on electronic communications, postal services, filing services, the Act on Liability for Offences and Proceedings concerning Offences and other laws and regulations, as well as information technology, foreign languages, personal skills, and management skills.

In-person training events were limited in 2021 in connection with the coronavirus epidemic in the Czech Republic. Training in the form of e-learning, webinars or other remote forms was used to a greater extent.

The initial training for newly hired employees was conducted mainly by means of e-learning. This training considered basic information about the Office, 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.

27 employees passed the special part of the clerical test, 22 of them passed the test in field 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.

Selected employees participated in courses related to personal skills development (e.g. communication skills, constructive conflict resolution, media training).

Individual employees attended various training events organized by external agencies according to their individual training needs.

The costs on the account of Training and education services as of 31 December 2021 were CZK 2,439,000 and on the account of Participant fees for conferences CZK 230,000,000.

Table 14: Number of employees who have completed training in 2021

Type of training	Number of employees
Initial training	43
Initial follow-up training	28
Continuous training	1216
Training of senior officers	2
Language training	197

3.3 Funds for the salaries of CTU employees

The budget of funds for the salaries of civil servants without EU projects for the year 2021 was CZK 298,724,011.

The average salary of a CTU employee in 2021 was CZK 43,239.

3.4 Remuneration of the members and chair of the CTU Council

The transposition amendment to the Electronic Communications Act (Act No. 374/2021 Coll.) strengthened the independence of the Office's decision-making as a regulatory authority, in particular by regulating the remuneration of the members and the CTU Council Chair. Until 31 December 2021, the members of the CTU Council and its chair were remunerated in accordance with Title Seven of Act No. 236/1995 Coll., on Salary and Other Remuneration Associated with the Exercise of the Functions of Public Officials and Certain State Bodies and Judges and Members of the European Parliament, as amended. Effective from 1 January 2022, Section 107 of the Electronic Communications Act regulates the remuneration of the members of the CTU Council and its chair to reflect the independence of the Office, with the remuneration and reimbursement being derived from that applicable to the President and members of the Supreme Audit Office, similar to that applicable to other regulatory bodies.



05 MANDATORY PARTS OF THE ANNUAL REPORT

1 ANNUAL REPORT ON THE UNIVERSAL SERVICE

The Office 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 in 2021, 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, 2021.

1.1 Partial services of the universal service

Access of people with disabilities to the publicly available telephone service

The obligation to provide services involving access for the disabled persons to a publicly available telephone service, to the directory inquiry service and to directories equivalent to the access 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 order to avoid any interruption in the provision of this service, the Office launched a tender on 29 January 2021, following which the obligation was re-imposed on O2 with effect from 17 July 2021 to 31 December 2022.

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 such that these persons have access to and are able to use the partial services and the publicly available telephone service [Section 38(3) of the Electronic Communications Act], hereinafter referred to as "special prices", was imposed on O2 on the basis of the tender results with effect from 5 July 2020 to 31 December 2021.

To ensure the continued provision of the service without interruption, the Office issued a tender on 7 October 2021, imposing an obligation to provide special prices on O2 from 1 January 2022 to 31 December 2022.

Other partial services

The other partial services listed below were provided on a commercial basis in 2021 in accordance with the universal service requirements and therefore the Office did not impose an obligation. These were the following partial services:

- 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) directory enquiry service concerning the subscribers of the publicly available telephone service, available to end users [Section 8(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 itemized 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 case of unusual or excessively increased usage of this service.

1.2 Launch of the review of partial services

Regarding the obligations arising from the amendment to the Electronic Communications Act, which changed the scope of the partial services, the Office initiated a review thereof in December 2021. It concerns the following partial services:

- a) reasonable access to the Internet at a fixed location, including the connection necessary to use the service (Section 38(2)(a) of the Amendment to the Electronic Communications Act),
- b) access to a voice communication service at a fixed location, including the connection necessary to use the service (Section 38(2)(b) of the Amendment to the Electronic Communications Act),
- c) access of people with disabilities to partial services referred to in paragraphs a) and b) provided not only at a fixed location, equivalent to the access enjoyed by other consumers, particularly by means of specially equipped terminal devices (Section 38(2)(c) of the Amendment to the Electronic Communications Act)
- d) 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 such that these persons have access to and can use the partial services according to Section 38(2)(a) and (b), not only at a fixed location (Section 38(3) of the Amendment to the Electronic Communications Act).

The Office launched its review of supplemental services (Section 38(2)(d) of the Electronic Communications Act) in January 2022.

Based on the results of the reviews, the Office will prepare an intention to impose or not to impose the partial service in question. Under transitional provisions in the amendment to the Electronic Communications Act, the reviews must be completed by 1 July 2022 and the obligations, if any, imposed no later than the end of 2022.

1.3 Funding of the universal service

The funding of the universal service in the past years was carried out under Act No. 151/2000 Coll., on Telecommunications and on Amendments to Other Acts, as amended (hereinafter referred to as the "Telecommunications Act") for the years 2001 to 2005 and part of 2006, and subsequently under the Electronic Communications Act for the years 2006 to 2019.

Funding of the universal service for the period 2001–2003 is now closed. The Office therefore only provides information on the status of pending proceedings.

1.3.1 Funding under the Telecommunications Act (status in 2021)

LOSS FOR THE PERIOD 2004-2006

Following previous court decisions, the Office has already re-examined the verification of the demonstrable loss for the period 2004 to 2006 in administrative proceedings in 2016 and 2017. 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 entire scope of the universal service imposed. The compensation for the recognized loss is shown in *Table 15 below*.

Table 15: Summary overview of reimbursements for the loss from universal service provided in 2004–2006 in CZK

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

The new administrative decisions on the verified amount of the loss and the contributions to universal service funding for these years (2004–2006) were gradually challenged again in administrative legal actions by T-Mobile, a company which also contributed to the coverage of the loss. The courts remanded the case for reconsideration, stating that the Office was obliged to eliminate the contradictions between the expert opinions submitted by the parties to determine the intangible benefits associated with the provision of universal service. In the case of universal service losses for the years 2004 and 2005, first-instance decisions were issued, which were challenged by administrative appeals that were not decided in 2021, and the administrative proceedings have not yet been finally concluded. The 2006 universal service loss administrative proceeding was supplemented by additional evidence in the new hearing, and a decision was not issued in 2021. Therefore, the financing of the coverage of the loss from universal service for the years 2004 to 2006 has not been concluded even in the 2021.

1.3.2. Funding pursuant to the Electronic Communications Act

NET COSTS FOR THE PERIOD 2006–2009

In 2010 and 2011, decisions on the amount of net cost were issued for the years 2006 to 2009. Subsequently, the decisions were challenged by some of the parties to the proceedings and the case was reheard between 2014 and 2021. In neither case were the net costs assessed changed, and the conclusions assessing the net costs as an undue burden were confirmed. Detailed reasoning has been added to the decision relating factually to counts of the legal action, in particular as regards the method of allocating overheads, the findings concerning intangible benefits and the new calculations for assessing the undue 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 was issued in 2020, which was challenged by an administrative appeal and subsequently an action. The judgment in this case has not yet been delivered. The decisions of the second-instance authority on the net costs for the years 2006 and 2008 were challenged in an action, and the courts ordered a retrial in their judgments. 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 16* (see below).

Since the judgments delivered in T-Mobile's actions annulled the net cost decision on which the payment orders were based, T-Mobile's original payment orders for 2006, 2008 and 2009 were also annulled. T-Mobile's new payment orders were issued in 2018 and 2019 and are being challenged again in legal actions. The 2007 payment order issued in 2010 had not been reviewed by the court by 31 December 2020.

NET COSTS FOR THE PERIOD 2010–2020

The reimbursement of the net costs determined by the final decisions of the Office for the individual years of provision of the universal service to the defined extent was fully made from the state budget to O2 which provided this service in the period 2010–2020.

NET COSTS FOR THE YEAR 2020

On 28 July 2021, 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 terminal devices in 2020. The Office 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, assessing the development of the costs in time, and verifying the correctness of the allocation of the amount of contributed capital. The provision of the service of public payphones was verified already in 2020. The legitimate claim of people with disabilities for purchase of specially equipped telecommunication terminal devices for the price of standard terminal devices was also verified. The net costs of the service of public payphones were quantified at CZK 27,522,227.63 and the net costs of the sale of special telecommunication terminal devices were included in the value of CZK 43,171.74. Intangible benefits were not identified. Total net costs in the amount of CZK 27,565,399.37 were assessed as unbearable burden. The net costs were determined by a final decision of CTU dated 5 November 2021, and the reimbursement thereof was fully made from the state budget on 2020 November 2018 to O2 which provided the defined scope of the universal service in 2020.

Table 16: Summary overview of reimbursements of the net costs incurred in 2006–2020 in CZK

Net Amount of	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	84,169,933	73,875,953	37,533,749	The contribution of O2 was quantified at CZK 36 342 204
2007	118,666,047	105,478,583	56,652,325	The contribution of O2 was quantified at CZK 48 826 258
2008	114,934,483	100,992,529	55,688,078	The contribution of O2 was quantified at CZK 45 304 451
2009	89,435,212	73,363,998	40,367,067	The contribution of O2 was quantified at CZK 32 723 953
2010	47,483,383	46,582,341	-	The net costs were reimbursed from the state budget
2011	54,992,883	55,028,579	-	The net costs were reimbursed from the state budget
2012	51,285,028	50,136,727	-	The net costs were reimbursed from the state budget
2013	46,984,256	46,969,448	-	The net costs were reimbursed from the state budget
2014	48,244,872	48,240,857	-	The net costs were reimbursed from the state budget
2015	37,728,377	37,548,680	-	The net costs were reimbursed from the state budget
2016	35,833,679	35,822,312	-	The net costs were reimbursed from the state budget
2017	34,078,959	34,066,380	-	The net costs were reimbursed from the state budget
2018	32,219,508	32,219,342	-	The net costs were reimbursed from the state budget
2019	25,553,251	25,548,614	-	The net costs were reimbursed from the state budget
2020	27,567,182	27,565,399	-	The net costs were reimbursed from the state budget

1.3.3 Updating the value of the Weighted Average Cost of Capital (WACC)

For the purposes of the applied price regulation and for the determination of the net costs of providing universal service, the Office has periodically updated the value of the pre-tax WACC for a specified undertaking providing electronic communications networks or providing a publicly available electronic communications service. Following a public consultation and a consultation with the Commission, the Office has set new WACC values applicable from 1 January 2022 of 4.84%, respectively 5.78% for service of access to the next generation networks. The relevant Measure of General Nature No. OOP/4/10.2021-10 was issued by the Office on 26 October 2021 and published on its website [<https://www.ctu.cz/sites/default/files/obsah/predpisy-opatreni/38841/soubory/oo4ponotifikaciek.pdf>].

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 2021 when the loss from the provision of special prices for the year 2020 was covered.

On 23 July 2021, O2 filed a request for the coverage of loss on the provision of special prices in 2020. The Office reviewed the data submitted and, after rectification of the defects found, issued a decision on 1 November 2021 on determination of the loss on the provision of special prices within the universal service in the amount of CZK 62,912,405.45. The recognized loss was reimbursed to O2 from the state budget.

Table 17: Overview of reimbursements for the loss of O2 from the provision of special prices incurred in 2020 in CZK

	Presented loss	Recognized loss
Fixed network of O2	47,467,641	47,396,346
Mobile network of O2	15,517,215	15,516,059
Total O2	62,984,856	62,912,405

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 2021

The Czech Telecommunication Office publishes this Annual Report on the Provision of Information in the Year 2020 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), the Office 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 the field 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 compliance with 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 certain related Acts, as amended.

Basic information on the organization structure and activity of the Office is available to the general public at CTU's website at www.ctu.cz, 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 handling of life situations according to Decree No. 515/2020 Coll., on the structure of information published about the obligated entity and on the outline of the description of tasks performed within the administrative activity is also available through the public administration portal (www.portal.gov.cz).

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

a) Number of requests for information submitted

In 2021, 89 written requests for information were submitted to CTU and put on record.

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 submitted about the defects of the electronic communication services provided, granting of rights to use radio frequencies (8 requests),
- general administrative activities of CTU or decisions issued by CTU both in the area of electronic communications and postal services (38 requests),
- 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 (1 requests).

Also, information on the following was provided:

- economic management of the Office and internal organization matters and activities of the Office and human resources (12 requests),
- communication with the Commission (1 request),
- inspections carried out (19 requests),
- legislation (9 requests).

b) Number of decisions on the rejection of a request

In 2021, 11 decisions on the rejection of a request were issued, of which 3 concerning only rejection of a part of the request where information was provided in part.

c) Number of postponed requests for information with notification of the requesting entity within the meaning of Section 14(5)(a) or (c) of Act No. 106/1999 Coll. (because the lack of information about the requesting entity prevents the processing of the relevant request, or because the information is not within the scope of the obligated entity).

In 2021, the Office postponed a request for information in 6 cases, in 2 cases because the requesting party did not amend the request with information about the requesting party within the statutory time limit and in 4 cases because the requesting party requested information not related to the competence of the Office.

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

In 2021, 1 administrative appeal was filed against a decision to reject a request.

No administrative appeal was filed in 2021 against a decision to suspend a request for information.

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

In 2021, the court decided 3 cases of rejection of a request for information by the Office, in 1 of which it found the action to be justified and therefore ordered the Office to decide on the claimant's request, and in 2 cases it did not find the actions to be justified and therefore dismissed them in accordance with Section 78(7) of the Code of Administrative Justice.

In the case where the action was found to be justified (Case No. 6 A 100/2017), the claimant requested, as part of their request, information on whether the notification of the net costs for 2013 was preceded by a warning from the Commission and, if such a warning existed, requested a photocopy of all documents sent by the Commission to the Czech counterpart in which such a warning appeared.

The defendant dealt with this request by informing the claimant that the Czech Republic had not yet submitted a request for notification of its net cost decision for 2013, whereas the Commission does not draw attention to the notification obligation, as Member States are generally deemed to be aware of this obligation. The claimant submitted a complaint against the manner of handling of the request pursuant to Section 16 of Act No. 106/1999 Coll. However, the superior administrative body, the CTU Council chair, did not agree with the claimant's complaint and confirmed the defendant's actions. In its application, the claimant stated that his dispute with the defendant concerned a decision on the amount of net costs, which it claimed was subject to notification by the Commission and asked the court to order the defendant to rule on its request.

The substance of the dispute in the present case was whether or not the defendant had properly dealt with the claimant's request, the main issue between the parties being how to interpret the claimant's request for information. The Court concluded that "parties requesting information, who are generally legal lay persons, cannot be reasonably required to be able to distinguish between the details of similar procedural institutes, as is now the case between notification and prenotification in the context of the procedure for assessing the compatibility of state aid with the internal market rules". The request had therefore to be interpreted as including notifications sent by the Commission prior to the prenotification (or notification) of the relevant state aid. The court found the action justified and ordered the defendant to decide on the claimant's request in the part where the claimant was not provided with the requested information.

In the case where the action was dismissed (Case No. 9 A 67/2019), the claimant requested the annulment of the decision of the CTU Council chair rejecting the claimant's administrative appeal and confirming the Office's decision to partially withhold the information requested by the claimant in the form of 4 copies of arbitrarily selected decisions on objections to the handling of a claim about price billing issued by the Office in the period 2017 to 2018. In its first instance decision, the Office partially rejected the claimant's request pursuant to Section 15(1) of Act No. 106/1999 Coll. in conjunction with Section 8a of the Freedom of Access to Information Act, to the extent of the data relating to a natural person in the form of their anonymization, referring to the case law of the Supreme Administrative Court, and the defendant confirmed this procedure in the decision on the appeal. The court dismissed the action as unfounded, on the grounds that the defendant had not erred in its factual and legal assessment of the case.

In the second case, where the action was dismissed (Case No. 3 A 193/2019), the claimant sought, in respect of the request for information, the annulment of the decision of the CTU Council chair rejecting the claimant's administrative appeal and confirming the Office's decision to partially withhold the information where the claimant had requested the provision of all documents that the Office and the Commission and its bodies had produced and exchanged or discussed with each other in the context of or in connection with the notification of the payment of the net costs for the provision of universal services by the postal licence holder for the period 2018 to 2022. In addition to the annulment of the contested decision, the claimant also requested the court to order the defendant to provide the requested information within 3 days. The Office consulted the Office for the Protection of Competition and the Commission, whose comments led to the conclusion that the requested information should not be provided because, pursuant to the third bullet of Article 4(2) of Regulation (EC) No 1049/2001 of the European Parliament and of the Council regarding public access to European Parliament, Council and Commission documents (hereinafter referred to as the "Regulation"), where there is no overriding public interest in disclosure, the authorities shall refuse access to a document if disclosure would undermine the protection of the objectives of an inspection, investigation and audit. The Commission further stated that the claimant had made a similar request directly to the Commission and had been denied access to the documents by the Commission. Subsequently, the Office partially rejected the claimant's request by the first instance decision and this procedure was confirmed by the defendant in the decision on the administrative appeal. The Court dismissed the action as unfounded, on the grounds that the claimant had not proven that the information requested was not covered by the above-mentioned provisions of the Regulation or that there was an overriding public interest in the provision of such information.

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

In 2021, the Office did not handle **any** complaints under Section 16a of Act No. 106/1999 Coll. against the actions of the Office as an obligated entity in handling requests for information.

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 2021, 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 Act No. 106/1999 Coll.)

In 2021, CTU did not provide **any** exclusive licence.

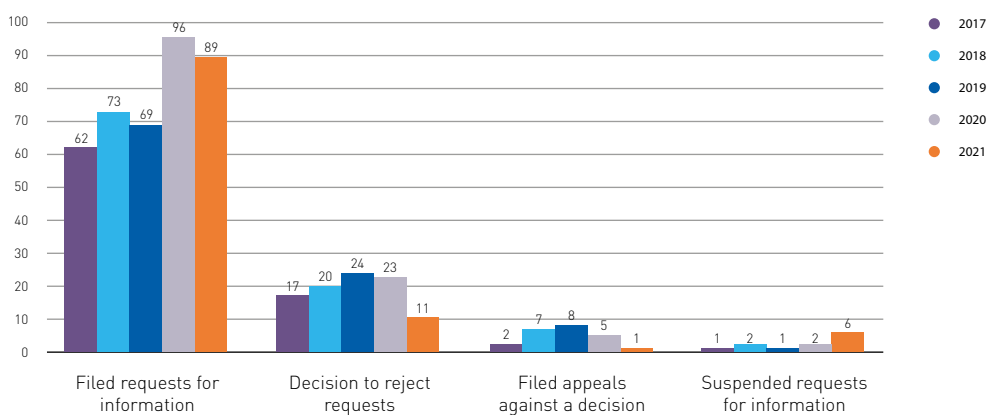
i) Other information relating to the application of Act No. 106/1999 Coll.

In 2021, the Office did not collect any reimbursements of costs associated with the provision of information pursuant to Section 17 of Act No. 106/1999 Coll.

The written requests for information included in the records for 2021 were handled in accordance with the law and the internal regulations at CTU. The Office 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 by the Office on its website in accordance with Act No. 106/1999 Coll.
- An overview of the settled written requests for the provision of information in 2021 in comparison with the previous years, starting from 2017, is shown in the following *Figure 15*:

Figure 15: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for 2017-2021



Note: This Annual Report was published on 15 March 2022 in a manner allowing remote access, i.e. on the website of CTU (www.ctu.cz).

Table 18: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for the period 2017-2021

	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
2017	62	17	2	1
2018	73	20	7	2
2019	69	24	8	1
2020	96	23	5	2
2021	89	11	1	6

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

The legal framework for out-of-court settlement of consumer disputes in the field of electronic communication services and postal services in 2021 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 the 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 are 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., on Consumer Protection, as amended, the Office, as an out-of-court consumer dispute resolution body, reported the following information to the Ministry of Industry and Trade as part of its evaluation for 2021:

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

For the year 2021 the Office received 325 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 a claim settlement about the billing, claim about the electronic communication service, concerning a dispute about non-pecuniary supply, and concerning an objection against the claim settlement 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 2021, proceedings were suspended in 20% of the total number 325 requests received for out-of-court settlement of consumer disputes. Out of the total number of suspended proceedings, the proceedings were suspended based on 64 requests for reasons stated in *Table 19*.

Table 19: Overview of the applicants share according to the reason for suspension of the proceedings

Reason for suspension of the proceedings	Share in %
the requesting party withdrew the request	26
the requesting party failed to rectify substantial defects of the request	19
the requesting party failed to pay the administrative fee	53
the request has become irrelevant	2

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 109 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 Office have two instances. A decision issued by the 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 the 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. Disputes regarding the poor quality of the Internet access service, in particular low Internet speeds (from 1 January 2021, Internet access service providers are obliged to specify specific Internet speeds in their contract terms), have been reported to a greater extent.

Another reason is usually not agreeing to an extension of the commitment without notification of the approaching end of the previous commitment. There were 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 bill issued subsequently did not correspond to the agreement made during the telephone call, or activation of an unsolicited service. 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 claims from which the consumer is often unable to verify the justification of the dismissal by the provider of the consumer's claim.

In the field of postal services, the most frequent causes of disputes were damage to the contents of a postal item and related compensation for damages, failure to deliver the item in accordance with the concluded contract, or loss of the item, unjustified return of the postal item to sender or failure to make an attempt to deliver the postal item. In the context of the ongoing Covid-19 pandemic, cases of delays in the delivery of parcels have been reported, particularly by foreign postal services.

A major reason is 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. In connection with the gradually expanding range of postal service operators, the number of disputes concerning (in addition to Česká pošta) other operators, in particular Zásilkovna s.r.o., is increasing.

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 2021 the 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 2021

In 2021, CTU handled 18 submissions which were assessed as complaints pursuant to Section 175 of Act No. 500/2004 Coll., Code of Administrative Procedure, as amended, considering the nature and contents thereof.

In all eighteen cases, the complaints were directed against the procedures of the administrative body; no complaint was directed against inappropriate behaviour of officials. The case-by-case investigation thus found 12 complaints to be unfounded and 6 complaints to be substantiated, 4 of which were found to be partially substantiated.

In the two cases where the Office found the same complainant's complaints justified after investigation, the complainant expressed disagreement in both cases with the Office's handling of an objection to the handling of a claim about defects in the postal service provided by Česká pošta. The Office has reconsidered the original inappropriate wording consisting of an incorrect reference to the provisions of the Postal Services Act and has taken measures to minimize similar oversights in the future.

In four other cases, the Office investigated the complaints and found them partially justified. In the first of them, the complainant objected to defective delivery, where instead of the counsel of the inspected person, the delivery was made to inspected person directly. The complainant was assured that measures had been taken to ensure that similar misconduct could not be repeated in the future. In the second case, the complainant objected to the Office's lack of diligence in the process of checking the delivery of postal items by Česká pošta. Remedial action against the managers consisting in the expansion of the inspection plan was taken in the form of an internal management guideline. In another case, the complainant objected to formal deficiencies in the Office's response to his submission, which did not affect the substantive assessment of the complainant's case, and further objected to the delay in the Office's response, which occurred during a period of limited operation of the Office in connection with the Government's anti-epidemic measures. The Office apologized to the complainant and explained the reasons for the delay. In the last case, the complainant alleged delays in the administrative appeal proceedings due to the huge increase in the number of new cases from the time when the appeal was submitted. An apology was sent to the complainant explaining the situation.

In all other twelve cases, the Office investigated the complaints and found them unfounded. In the area of checking the activities of Česká pošta in relation to the provision of postal services, the Office dealt with one complaint where the complainant argued that the Office was not sufficiently checking the service called Balík do ruky. In the area of checking electronic communications activities, the same complainant complained in three cases, in one case about the conclusion of the inspection and in two cases about the handling of the objections of the inspected entity. In the area of administrative proceedings in the field of administrative offences, the Office dealt with one complaint where the complainant argued that the Office was transferring the burden of proof in administrative offence proceedings to the customers of Česká pošta. Another complaint was directed against the administrative Office's compliance with the Administrative Procedure Code, consisting of incorrect service of process. In another case, the complainant argued very vaguely that O2's services were overpriced. In four cases, the same complainant objected to violations of the rights of the parties to the administrative proceedings conducted by the Office, specifically during the inspection of the file, and in one case to the lack of specificity in the inspection report.

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

An overview of the number of complaints filed in 2021 is presented in *Table 20* at the end of this Report.

No anonymous submissions were delivered to the Office in addition to receiving and dealing with the complaints specified above, neither did the Office consider any other complaint in 2021.

In 2021, the Office received three petitions.

All the submissions in question referred to insufficient mobile signal coverage in the municipality of Bohušov, in the municipal districts of Travná and Zálesí of the town of Javorník and in the municipality of Radějov. Insufficient signal quality significantly complicates the possibility to call emergency numbers and also has a negative impact on the business environment in these areas. For this reason, the inhabitants asked the Office to improve the coverage with radio signal of mobile networks in those municipalities.

The Office 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, the Office 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, the Office implemented the following measures:

Olt addressed a letter to the operators concerned in the case of the municipality of Bohušov and in the municipal districts of Travná and Zálesí in the town of Javorník.

Furthermore, in support of the arguments provided in the petitions, the Office scheduled technical measurements to check the actual coverage of the said areas with radio signal of mobile networks of individual operators in all of the municipalities except for the municipal districts of Travná and Zálesí in the town of Javorník where the measurement was performed in 2019, according to the technical conditions laid down for the evaluation of the coverage. The results of the measurements were provided on a case-by-case basis to the petitioners. The Office is prepared to participate in the specific discussions to resolve the situation. The authors of the petitions were informed in writing about all the above-mentioned measures.

The Office 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 scope of powers and responsibilities as part of an analysis of the complaints handled under provisions of Section 175 of the Administrative Procedure Code.

In 2021 the Office did not receive any report of suspected corrupt conduct by an employee of CTU.

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 the Office 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. The Office is therefore ready to respond promptly and actively to such submissions in accordance with its internal regulations and based on generally applicable laws and regulations.

The anti-corruption e-mail address also serves for submitting reports 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 suggestions in case of suspected unlawful acts of undertakings 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 still referred to the relevant department of CTU for processing within the relevant legal framework.

Table 20: List of complaints by 31 December 2021 (Section 175 of the Act No. 500/2004 Coll., Administrative Procedure Code)

Type of submission	Number of submissions					Carried over to subsequent period
	Received	From previous period	Settled	Justified	Unfounded	
1. Petition*)	3	0	3	3	0	0
2. Complaint**)	18	0	18	6	12	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



06 ANNEXES

1. OVERVIEW OF SUBSCRIBER DISPUTES IN ELECTRONIC COMMUNICATIONS SERVICES IN 2021

Type of activity	Commenced administrative proceedings	Issued decisions	Decided in a favour of		Other
			subscriber	provider	
Decision on subscriber disputes	25,523	45,620	8,849	32,675	4,096
a) on objections against settlement of complaints on provided service	12	18	7	1	10
b) on objections against settlement of complaint on billing statement for services	100	183	83	16	84
c) on payment of the price for services (financial claim)	25,400	45,395	8,751	32,656	3,988
d) other	11	24	8	2	14

2. SUBSCRIBER/USER COMPLAINTS ON ELECTRONIC COMMUNICATIONS SERVICES IN 2021

Complaint subject matter	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 tele-phone 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 DECISIONS ISSUED ON INDIVIDUAL AUTHORISATION TO USE RADIO FREQUENCIES IN 2021

Type of authorisation		Number of decisions to grant ¹⁾ Authorisation	Number of decisions to revoke Authorisation
1. Fixed line service	total	5,509	2,843
out of	point-point	5,489	2,833
	point-multipoint	20	10
2. Amateur service	total	1,231	2
out of	individuals	1,122	2
	individuals	71	0
	repeaters and packet nodes	38	0
3. Satellite service	total	27	5
out of	VSAT	25	2
	SNG	2	3
4. Aeronautical service	total	758	120
out of	aircraft stations	693	102
	aeronautical stations	65	18
5. Maritime service	total	126	38
out of	ship stations	126	38
	costal stations	0	0
6. Broadcasting service	total	360	0
out of	television transmitters	59	0
	radio transmitters	301	0
7. Land mobile service	total	492	127
8. Other radiocommunications service	total	64	4
	radio-location service	64	4
9. Short-term authorisations	total	205	0
out of	fixed line service	39	0
	amateur	0	0
	land mobile service	137	0
	aeronautical mobile service	1	0
	satellite service	15	0
	broadcasting service	13	0

1) newly issued authorisations and authorisations with extended validity

4. VERIFICATION OF PROFESSIONAL COMPETENCE TO OPERATE RADIO EQUIPMENT IN 2021

Type of professional competence certificate	Number of certificates			
	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)	243	415	149	274
b) Restricted certificate for radio operator of aeronautical mobile service (OFL)	514	758	298	17
c) General certificate for operator of maritime mobile service (GOC, GO)	0	15	2	1
d) Restricted certificate for operator of maritime mobile service (ROC)	0	0	0	0
e) General certificate for radio operator of maritime mobile service (VFN)	12	146	45	3
f) Restricted certificate for operator of maritime mobile service (OFP)	107	543	0	5
g) Certificate for radiotelegraph operator	0	1	0	0
h) Harmonised Amateur Radio Examination Certificate (HAREC)	106			
i) Amateur Radio Operator Certificate (NOVICE)	11			
j) General certificate for operator of maritime mobile service (LRC)	0	1	4	0
k) Restricted certificate for operator of maritime mobile service (SRC)	263	19	3	10
l) Restricted certificate for radio operator of inland waterways (OFV)	66	543	0	0
Total	1,322	2,441	501	310

5. IDENTIFICATION OF SOURCE OF INTERFERENCE WITH OPERATION OF ELECTRONIC COMMUNICATIONS EQUIPMENT AND NETWORKS OR WITH PROVISION OF ELECTRONIC COMMUNICATIONS OR RADIOCOMMUNICATIONS SERVICES IN 2021

Identification of sources of interference with electronic communications equipment and networks, provision of electronic communications services or operation of radiocommunication services		2021
Of which	Radio, television and satellite reception	1,014
	Radio equipment and networks	287
	Public communications networks for the transmission of R and TV signals (TKR)	9
	Others (common television antennas)	127

6. OVERVIEW OF ACTIVITIES IN PERFORMING SUPERVISION OVER POSTAL SERVICES AND ON SUBSCRIBER DISPUTES IN 2021

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	
	total	out of which					subscriber	provider	Other	number	amount in CZK
1. Number of issued certificates on notification of business	4										
2. Number of changes to certificates on notification of business	10										
3. Performance of postal activities without notification	0			0	0	0				0	0
4. Compliance with Postal Services Act conditions	44		1	0	0	0				0	0
a) compliance with postal conditions according to Section 6 of Postal Services Act		13	1	0	0	0				0	0
b) compliance with the conditions of quality requirements according to Decree No. 464/2012 Coll.		31	0	0	0	0				0	0
5. Decisions on objections to the handling of a complaint acc. to Section 6a of Postal Services Act	1			67	334	331	85	165	81		
6. Dispute resolution acc. to Section 37, paragraph 3, point a) of Postal Services Act	0			0	0	0	0	0	0		
7. Failure to provide information acc. to Section 32a of Postal Services Act	0			0	0	0				0	0
8. Other	526		0	13	87	95				85	1,233,000
a) control		466	0	0	0	0				0	0
b) local investigation		60	0	0	0	0				0	0
c) offence proceedings acc. to the Section 37a, paragraph 1, point a)		0	0	4	8	11				9	101,000
d) offence proceedings acc. to the Section 37a, paragraph 2, point a)		0	0	0	3	3				3	60,000
e) offence proceedings acc. to Section 37a, paragraph 2, point e)		0	0	4	7	12				8	70,000
f) offence proceedings acc. to Section § 37a paragraph 3, point. a)		0	0	5	19	22				21	520,000
g) other offence proceedings		0	0	0	50	47				44	482,000
TOTAL	585	44	2	80	421	426	85	165	81	85	1,233,000

7. OVERVIEW OF CUSTOMERS COMPLAINTS ABOUT POSTAL SERVICES IN 2021

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	24
service of delivery of a postal parcel up to 10 kg	0
service of money delivery by postal order	13
service of registered item delivery	112
service of valuable postal item delivery	4
service of free delivery of a postal item up to 7 kg for the blind	0
basic foreign postal services	50
service of delivery of a postal parcel over 10 kg submitted abroad	1
service of international response	0
service of reply items in international traffic	0
service of delivery of printed matter bag	0
TOTAL	204
2. Complaints about postal services	
long waiting times	1
post office opening hours	5
change in storage post office	5
delivery of postal items	173
handling of complaints	186
breach of postal secrecy	6
postal items to / from abroad	34
service of official documents delivery	6
requests for information	38
TOTAL	454

8. MEASURES OF GENERAL NATURE (OOP) ACCORDING TO THE ELECTRONIC COMMUNICATIONS ACT ISSUED IN 2021

No.	Registration number	Title	Date	Number of tele-communication bulletin	Effective from
1.	OOP/1/05.2021-5	Measure of General Nature No. OOP/1/05.2021-5, laying down the relevant markets in the electronic communications sector, including criteria for assessment of significant market power according to Section 52 paragraph 1	05. 05. 2021	5/2021 dated 6. 5. 2021	15 th day from publication in the bulletin
2.	OOP/4/10.2021-10	Measure of General Nature No. OOP/4/10.2021-10 amending the Measure of General Nature No. OOP/4/09.2014-6 laying down a methodology for purpose-based classification of cost and revenues and their allocation, and designating structure of the reported information, as amended, according to Section 86 paragraph 3	26. 10. 2021	10/2021 dated 5. 11. 2021	01.01.2022
3.	OOP/14/11.2021-12	Measure of General Nature No. OOP/14/11.2021-12, repealing the Measure of General Nature No. OOP/14/04.2012-5, laying down the service quality parameters to be measured, and the content, form and manner of publishing information on the current prices, quality and conditions of the provision of publicly available electronic communication services and the measure to ensure equitable access for disabled users, and the duality assessment procedures (originally according to Section 71 paragraph 3)	30. 11. 2021	12/2021 dated 15. 12. 2021	01. 01. 2022
4.	OOP/20/11.2021-13	Measure of General Nature No. OOP/20/11.2021-13, laying down the conditions for granting authorisations for the use of numbers with special economic value, according to Section 31	30. 11. 2021	12/2021 dated 15. 12. 2021	15 th day from publication in the bulletin

Measures of general nature

No.	Registration number	Title	Date	Number of tele-communication bulletin	Effective from
5.	VO-R/12/03.2021-3	General Authorisation VO-R/12/03.2021-3 for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2,4 GHz - 71 GHz band, according to Section 9 paragraph 2	25. 03. 2021	3/2021 dated 26. 3. 2021	15. 04. 2021, part 15. 06. 2021
6.	VO-R/10/03.2021-4	General Authorisation VO-R/10/03.2021-4 for the use of radio frequencies and for the operation of short range devices, according to Section 9 paragraph 2	30. 03. 2021	4/2021 dated 7. 4. 2021	01. 05. 2021
7.	VO-R/10/07.2021-8	General Authorisation VO-R/10/07.2021-8 for the use of radio frequencies and for the operation of short range devices, according to Section 9 paragraph 2	20. 07. 2021	7/2021 dated 22. 7. 2021	01. 09. 2021
8.	VO-R/12/11.2021-11	General Authorisation VO-R/12/11.2021-11 for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2,4 GHz - 71 GHz band, according to Section 9 paragraph 2	12. 11. 2021	11/2021 dated 12. 11. 2021	01. 12. 2021
9.	VO-S/1/12.2021-14	General Authorisation VO-S/1/12.2021-14, amending General Authorisation VO-S/1/07.2005-9 laying down conditions for the provision of electronic communications services, according to Section 9 paragraph 2	15. 12. 2021	12/2021 dated 15. 12. 2021	1. 1. 2022, part according to the effectiveness of the decree according to Sec. 115 Art. 3
10.	VO-S/2/12.2021-15	General Authorisation VO-S/2/12.2021-15, amending General Authorisation VO-S/2/07.2005-10, laying down the conditions for the provision of public communications networks and associated facilities, according to Section 9 paragraph 2	15. 12. 2021	12/2021 dated 15. 12. 2021	1. 1. 2022, part according to the effectiveness of the decree according to Sec. 115 Art. 3

Radio spectrum utilisation plan

No.	Registration number	Title	Date	Number of tele-communication bulletin	Effective from
11.	PV-P/14/03.2021-1	Part of the Radio Spectrum Utilisation Plan for the frequency band 2200-2700 MHz according to the Section 16 paragraph 2	16. 03. 2021	3/2021 dated 26. 3. 2021	15. 04. 2021
12.	PV-P/24/03.2021-2	Part of the Radio Spectrum Utilisation Plan for the frequency band 4200-5925 MHz according to the Section 16 paragraph 2	16. 03. 2021	3/2021 dated 26. 3. 2021	15. 04. 2021
13.	PV-P/6/06.2021-6	Part of the Radio Spectrum Utilisation Plan for the frequency band 1900-2200 MHz according to the Section 16 paragraph 2	01. 06. 2021	6/2021 dated 10. 6. 2021	01. 07. 2021
14.	PV-P/20/07.2021-7	Part of the Radio Spectrum Utilisation Plan for the frequency band 960-1700 MHz according to the Section 16 paragraph 2	20. 07. 2021	7/2021 dated 22. 7. 2021	15. 08. 2021
15.	PV-P/19/09.2021-9	Part of the Radio Spectrum Utilisation Plan for the frequency band 5,925-10 GHz according to the Section 16 paragraph 2	16. 09. 2021	8/2021 dated 24. 9. 2021	11. 10. 2021
16.	PV-P/11/12.2021-16	Part of the Radio Spectrum Utilisation Plan for the frequency band 27,5-33,4 GHz according to the Section 16 paragraph 2	15. 12. 2021	12/2021 dated 15. 12. 2021	30. 12. 2021

9. FULFILMENT OF BINDING INDICATORS OF STATE BUDGET IN 2021

in thousands of CZK					
Indicators	Budget approved	Budget amended	Final budget	Actual budget as of 31. 12. 2021	% of achievement (5/4)
Aggregate indicators					
Total Income	6,434,440.00	6,434,440.00		6,696,772.49	104.08%
Total Expenses	2,236,424.56	2,236,424.56	2,526,548.62	697,117.24	27.59%
Specific indicators – Income					
Tax Income	28,000.00	28,000.00		30,370.66	108.47%
Total non-tax income, capital income and transfer receivables	6,406,440.00	6,406,440.00		6,666,401.84	104.06%
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	6,406,440.00	6,406,440.00		6,666,401.84	104.06%
Specific indicators - Expenses					
Expenses on securing the achievement of the Czech Telecommunication Office tasks	2,236,424.56	2,236,424.56	2,526,548.62	697,117.24	27.59%
including: expenses covering loss from the provision of universal service					
- special prices	75,000.00	75,000.00	75,000.00	62,912.41	83.88%
expenses covering loss from the provision of universal service					
- net costs	35,000.00	35,000.00	35,000.00	27,565.40	78.76%
net costs representing unfair financial burden of postal licence holders	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00%
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	626,424.56	626,424.56	916,548.62	606,639.44	66.19%
Cross-sectional indicators					
Salaries of employees and other payments for work	311,235.79	311,235.79	309,459.17	304,294.09	98.33%
Mandatory insurance paid by employer	105,045.60	105,045.60	104,625.95	102,746.94	98.20%
Transfer of culture and social needs fund	5,974.48	5,974.48	5,866.81	5,866.81	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	296,615.03	292,420.25	98.59%
Ensuring readiness for crisis situations according to Act No. 240/2000 Coll.	0.00	0.00	0.00	0.00	0.00%
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%
podíl rozpočtu EU	0.00	0.00	0.00	0.00	0.00%
Total costs kept in EDS/SMVS information system of program financing	74,600.00	74,600.00	282,247.00	44,342.74	15.71%

10. CHAPTER INDICATORS – BUDGET OVERVIEW FOR 2022

Ukazatele	v tis. Kč
Summary indicators	
Total Income	1,576,080
Total Expense	730,764
Specific indicators – Income	
Tax income ⁵⁾	30,000
total non-tax income, capital income and transfer receivables	1,546,080
including: total income from the European Union budget excl. Common Agricultural Policy	0
other non-tax income, capital income and transfer receivables	1,546,080
Specific Indicators - Expenses	
Expenses on securing the achievement of the Czech Telecommunication Office tasks	730,764
including: expenses covering loss from the provision of universal service - special prices	100,000
expenses covering loss from the provision of universal service - net costs	170
net costs representing unfair financial burden of postal licence holders	0
expenses connected with the performance of the Czech EU Presidency	0
other expenses on securing the achievement of the Czech Telecommunication Office tasks	630,594
Cross-sectional indicators	
Salaries of employees and other payments for work	313,055
Mandatory insurance paid by employer ¹⁾	105,601
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	68,855

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

LIST OF FIGURES AND CHARTS

Figure 1: Market shares of the largest MVNOs by the number of SIM cards	19
Figure 2: Market shares based on the total number of active SIM cards on the retail market in the first half of 2021	20
Figure 3: V Development of the number of active SIM cards for the services "Internet on a Mobile Phone" and "Mobile Internet"	20
Figure 4: Volume of mobile data transferred (in TB)	21
Figure 5: Average retail price per actual call minute	22
Figure 6: Average retail price for 1 MB of data actually consumed	22
Figure 7: Year on year price development by consumer baskets of mobile services	23
Figure 8: Number of ported numbers – mobile networks	24
Figure 9: Share of high-speed access per individual technological solutions (incl. fixed LTE services) as of 31 December 2021*	25
Figure 10: Price comparison for internet access services in 2021 for selected operators	27
Figure 11: Wholesale prices of CETIN for high-speed Internet access (reference offer MMO)	27
Figure 12: Development of the number of subscriber lines	28
Figure 13: Comparison of monthly prices for the use of fixed line by 31 December 2021	28
Figure 14: Number of individual subscriber numbers ported – fixed networks	29
Figure 15: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for 2017-2021	75

LIST OF TABLES

Table 1: Service providers on the mobile services market	18
Table 2: Currently valid maximum regulated prices converted to CZK	24
Table 3: 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	30
Table 4: Development of the number of postal items carried	32
Table 5: Development of the number of establishments of postal service providers	33
Table 6: Number of claims about postal services	33
Table 7: Universal services provided by Česká pošta in the period 2018-2021 (in CZK thousands)	34
Table 8: National universal services with price changes in 2021	36
Table 9: Summary overview of reimbursement of net costs incurred in the period 2013–2020 made as of 31 December 2021 (in CZK)	37
Table 10: The structure of expenses in terms of sectors	64
Table 11: Expenses – generic structure	64
Table 12: Radiocommunication account	65
Table 13: Headcount (for 2021 in comparison to 2019 and 2020)	65
Table 14: Number of employees who have completed training in 2021	66
Table 15: Summary overview of reimbursements for the loss from universal service provided in 2004–2006 in CZK	70
Table 16: Summary overview of reimbursements of the net costs incurred in 2006–2020 in CZK	71
Table 17: Overview of reimbursements for the loss of O2 from the provision of special prices incurred in 2020 in CZK	72
Table 18: Provision of information pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, for the period 2017-2021	76
Table 19: Overview of the applicants share according to the reason for suspension of the proceedings	76
Table 20: List of complaints by 31 December 2021 (Section 175 of the Act No. 500/2004 Coll., Administrative Procedure Code)	79

LIST OF ABBREVIATIONS

CTU/Office	Czech Telecommunication Office
EU	European Union
IRG	Independent Regulators Group
ERGP	European Regulators Group for Postal Services
ITU	International Telecommunication Union
BEREC	Body of European Regulators for Electronic Communications
UPU	Universal Postal Union

CONTACT

CZECH TELECOMMUNICATION OFFICE

Sokolovská 219, Prague 9

Postal address:

P.O. Box 02,

225 02 Prague 025

Czech Republic

www.ctu.cz

podatelna@ctu.cz