



Český telekomunikační úřad

# MONTHLY MONITORING REPORT

June 2014

## Briefly on communications

### CONTENT

- ◆ Situation on the electronic communication market . 2
- ◆ Market analyses ..... 4
- ◆ Consultation of the terms and conditions of the 1.8 and 2.6 GHz auction .... 5
- ◆ Universal service: Public pay-phones..... 5
- ◆ Checked by the CTU in June ... 6
- ◆ Disputes between undertakings in electronic communications. 7
- ◆ Telecommunication regulation in the EU ..... 8
- ◆ Report on the postal services market ..... 9

### Telefónica renames itself O2

Telefónica Czech Republic renamed itself O2 Czech Republic on 21st June. The decision to do so was taken by the company general meeting on 19th May. Shareholders holding a combined 83.39 per cent of the shares attended the general meeting. The change concerns the company's business name, while the company logo will remain the same and the company itself will continue to use the O2 brand.

### Czech Post also considers becoming a bank

Česká pošta (Czech Post) is considering applying for a licence for the provision of banking services. The development strategy at Czech Post to 2017 counts on the development of financial services, this strategy having been presented by new General Director Martin Elkáň together with Minister for the Interior Milan Chovanec. The contract with ČSOB, which operates the Era service at post office branches, runs out in 2017.

### T-Mobile, O2 and Vodafone discuss possible network sharing

Mobile operators T-Mobile, O2 and Vodafone are in discussions over possible sharing and consolidation of their mobile networks. Each of the operators will then decide whether to continue with the project and how. If they decide in favour, they will begin business negotiations to concern financing and the legal terms and conditions of cooperation.

6 / 2014



## CTU decision-making: **Contractual penalty for premature termination of a contract for a determinate period**

**Commencing 8th August 2013, operators are not authorised to seek more than a fifth of the sum of remaining monthly fixed charges or a fifth of the minimum agreed monthly payment remaining to the end of the agreed period of duration of a contract in the case of premature termination of a contract for a determinate period. This ensues from the final and conclusive decision issued by the CTU in June in relation to a case brought by a client of T-Mobile.**

In presenting notice, the client drew on the wording of Monitoring Report of the CTU for October 2013, in which the CTU stated that the clients of operators could also prematurely terminate a contract entered into for a determinate period as of the effect of the amendment to the Act on Electronic Communication, meaning from 8th August 2013 onwards.

T-Mobile was of the opinion that a customer was only able to terminate a contract for a determinate period at the time at which the period for which the contract was entered into expired. The amendment to the act in question com-

prises a transitional provision under which a business undertaking is obliged to put its contractual documents in line with the act within six months of the date on which it enters into effect, meaning to 8th February 2014. In the remonstrance lodged, T-Mobile objected that it was impossible to apply the amendment before the actual implementation of statutory changes.

The Chairman of the Council of the CTU did not concur with these objections in his decision on this remonstrance. He stated that laws act prescriptively on all addressees as of the date on which they enter into effect. The transitional provision

provided a six-month time limit only to bring the "defective" wording of the contractual terms and conditions of operators into full line with the law for reasons of possible inspection by the CTU following 8th February 2014. However, the time of incorporating changes in contractual terms and conditions is not decisive for the obligation to apply new regulations as of the entry into effect of the act.

The contentions of the operator in the remonstrance lodged would logically lead to the conclusion that contractual terms and conditions are superior to the wording of the law, which is illegal in a functioning legal state. If the legislator supposes that longer preparation time is required for the application of the relevant amendment to the Act on Electronic Communication, it would choose the effectiveness of the amendment as a later date.

## Situation on the electronic communication market

### O<sub>2</sub>

O2 Czech Republic began billing all customers a uniform monthly price of CZK 19 for a printed statement of services in June 2014. Until then, O2 had offered corporate customers the option of combining electronic billing with the sending of printed billing for services within the options of an O2 e-account for a price of CZK 19 per month, the business e-account and the holding e-account for a price of CZK 240.79 per month, the business TOP e-account and the business TOP holding e-account for a price of CZK 4,719 per month or the sending of electronic billing in combination with the first page of billing in printed format for the business TOP e-account and the business TOP holding e-account for CZK 4,477 per month.

### T-Mobile

T-Mobile made changes to the prices of roaming services in zone 1<sup>1</sup> on 16th June 2014. Outgoing calls now cost CZK 6.29 per minute (30+1 billing), while incoming calls are charged at a rate of CZK 1.66 per minute (1+1 billing). Customers now pay CZK 1.98 per SMS for one SMS and the roaming price for Internet access has fallen to CZK 6.63 per MB (billing per 1 kB).

At the same time, the operator adjusted the prices of roaming and broadened its offer to include other limits

<sup>1</sup> Zone 1 – EU, Norway, Liechtenstein, Iceland, Andorra

in the Data Roaming Limit<sup>2</sup> service. Whereas beforehand T-Mobile offered customers limits for total outlay on roaming data services of CZK 1,482.25, CZK 4,719, CZK 10,000, CZK 18,150 and CZK 32,000, it now offers data transmission limits for CZK 600, CZK 1,450, CZK 1,482.25, CZK 5,000, CZK 10,000, CZK 18,000 and CZK 32,000.

T-Mobile also adjusted the prices and size of data limits for the "Internet v zahraničí" (Internet abroad) service (previously Travel&Surf). Customers can choose from data services entitled "Internet v zahraničí na den" (Internet abroad for a day) with a data limit of 30 MB per day and "Internet v zahraničí 100 MB" (Internet abroad 100 MB) with a data limit of 100 MB per month. Customers pay CZK 24 per day in zone 11 for the Internet abroad for a day service in the event that the amount of downloaded data does not exceed 5 MB per day. The sum of CZK 70 per day is charged for the service when exceeding a volume of downloaded data of 5 MB per day. Customers pay CZK 185 per month for the Internet abroad 100 MB service.



Vodafone changed the terms and conditions for its "Odepiš" (Reply) tariff on 20th June 2014. Customers using this tariff now get 400 free call minutes

<sup>2</sup> This service offers the customer the chance to determine the maximum amount of total monthly expenditure for the use of a data service in roaming. Data transmission is discontinued after this amount has been reached.

within the Vodafone network as opposed to 40 free call minutes within the Vodafone network. The monthly fixed rate for the tariff also rose from CZK 12 to CZK 49 per month. The offer is only intended for existing customers using the Reply tariff.

Vodafone now (from 1st June 2014) provides households with the "Připojení bez kabelu" (Connection without a cable) service, which enables Internet access from a mobile device anywhere within the Czech Republic. The price of the data service is CZK 499 for the option without a contract. Customers pay CZK 399.20 per month if they enter into a contract for 24 months. The theoretical speed of data downloading is 4 Mbit per second.



Customers that decide to use the Telefon 30 tariff for calls with UPC will pay a monthly price of CZK 25 from the third month of using the service. This service includes 30 free minutes to public fixed networks within the Czech Republic, with the exception of 8XY and 9XY lines, and to mobile networks within the Czech Republic, with the exception of 8XY and 9XY lines, and to international zone 0<sup>3</sup>. Unused free minutes are not transferred to the next billing period. After using up their free minutes, customers are charged CZK 2.75 per minute (60+30 billing).

<sup>3</sup> Zone 0 – includes 44 countries, e.g. Slovakia, Germany, Poland, Austria, Russia, USA, Great Britain, Canada and others

## Virtual operators market

### 99mobile

New [prices of roaming services](#)  
Company: MAXPROGRES mobile, s.r.o.  
Network operator: T-Mobile Czech Republic a.s.

Virtual operator 99mobile reduced the prices of its roaming services (calls, SMS, MMS and data) in zone 1\* with effect from 1st June 2014. The change in roaming prices was also projected in the price lists of its business partners ([telco consluting](#), [MITRANET](#), [FPnet](#), [komutel](#) a [VIRTUAL DREAM](#))..

<p><b>EriMobile</b> New <a href="#">package of free minutes</a> Company: Český bezdrát Mobile s.r.o. Network operator: Vodafone Czech Republic a.s.</p>	<p>Virtual operator EriMobile began offering (from 1st June 2014) the option to buy a new package of unlimited calls to fixed and mobile networks in the Czech Republic for a price of CZK 482.80 per month as an extra to its "Eri – Panter L", "Eri – Panter M" and "Eri – Panter S" tariffs. The operator also cancelled a package of free minutes to all networks in the Czech Republic - "120 min./měs." (120 minutes a month) - on 1st June 2014 and reduced the prices of packages of free minutes to all networks in the Czech Republic – "60 min./měs." (60 minutes a month) and "360 min./měs." (360 minutes a month).</p>
<p><b>GoMobil</b> Change of <a href="#">extra package</a> Company: TERMS a.s. Network operator: T-Mobile Czech Republic a.s.</p>	<p>Virtual operator GoMobil replaced its "Volání s rodinou zdarma v rámci GoMobil" package (Call the family free within GoMobil) with the "Volání v rámci GoMobil zdarma" package (Free calls within GoMobil). By buying this package for CZK 110 per month, customers have the chance to call free† within the operator's own "network" within the Czech Republic. The original extra package, Call the family free within GoMobil, only offered free calls to the numbers registered for the relevant customer for which the package was activated.</p>
<p><b>SAZKAmobil</b> New <a href="#">package of free minutes</a> Company: SAZKA sázková kancelář, a.s. Network operator: Vodafone Czech Republic a.s.</p>	<p>Virtual operator SAZKAmobil now offers the opportunity (from 2nd June 2014) to get a package of 1,000 minutes of calls within the operator's "own" network under the "SAZKAmobil Start" package as a reward for topping-up credit with a minimum of CZK 300. The top-up reward is valid for one month after activation. This <a href="#">offer</a> is valid to 31 December 2014.</p>
<p><b>Kaktus</b> New <a href="#">prices of roaming services</a> Company: T-Mobile Czech Republic a.s.</p>	<p>Virtual operator Kaktus reduced the prices of its roaming calls, SMS, MMS and data services in zone 1* with effect from 15th June 2014.</p>
<p><b>MOBIL.CZ</b> New <a href="#">price list</a> Company: MAFRA, a.s. Network operator: T-Mobile Czech Republic a.s.</p>	<p>Virtual operator MOBIL.CZ now (from 15th June 2014) offers the extra package "<a href="#">POKEČÁM V MOBILU</a>" (Chat by mobile) for a reduced price of CZK 99 for 30 days (standard price CZK 149 for 30 days), by activating which customers get unlimited calls and can send unlimited SMS within the MOBIL.CZ network for a period of 30 days. The operator also reduced the prices of its roaming services (calls, SMS, MMS and data) in zone 1* with effect from 15th June 2014.</p>
<p><b>ÓČKOMOBIL.CZ</b> Commenced activity: during June 2014 Company: MAFRA, a.s. Network operator: T-Mobile Czech Republic a.s.</p>	<p>MAFRA, a.s. began offering mobile services (calls, SMS, MMS and data) via the <a href="#">ÓČKOMOBIL.CZ</a> brand, a special edition of the MOBIL.CZ virtual operator, with which it has a common price list and common terms and conditions, in the course of June 2014.</p>
<p><b>RWE Mobil</b> New <a href="#">prices of roaming services</a> Company: RWE Česká republika a.s. Network operator: T-Mobile Czech Republic a.s.</p>	<p>Mobile virtual operator RWE Mobil reduced the prices of its roaming calls, SMS, MMS and data services within zone 1* on 15th June 2014.</p>
<p><b>StarTEL</b> New <a href="#">mobile internet packages</a> Company: STARNET Telekomunikace, s.r.o. Network operator: T-Mobile Czech Republic a.s..</p>	<p>Virtual operator StarTEL now offers new mobile Internet packages with data limits of 1.5 GB, 3 GB and 10 GB. Customers can also use these data packages in the LTE network for a charge of CZK 15 per month..</p>

\* Zone 1 – EU, Norway, Liechtenstein, Iceland, Andorra

† A limit amounting to the agreed total monthly limit (CZK 2,500 per month per SIM card as standard) is applied to the unlimited calls package.

‡ If a limit of 3,000 minutes during a calendar month is exceeded, the provider has the right to limit or discontinue the service and begin billing for services in minutes.

## Market analyses

### Market 1 – access to public telephone network at a fixed location

The Council of the CTU agreed to commence administrative proceedings with O2 in the matter of determining a business undertaking with significant market power.

Administrative proceedings in the matter of imposing obligations based on the result of Analysis of Relevant Market No. 1 were commenced with O2 on 24th June 2014. The CTU proposes imposing the obligation to allow the choice and pre-selection of operator and the obligation to keep separate records of costs and revenuesw

### Market 3 – terminating calls (termination) in individual public telephone networks provided at a fixed location

The Office published on its website on 6th June 2014 a call to submit comments on a [proposed pricing decision](#) and a [proposed decision to impose obligations](#) on a business undertaking with significant market power for the company MAXPROGRES telco, s.r.o. No comments were submitted within the set time limit. The CTU submitted proposed corrective action, including price regulation, following the incorporation of the results of public consultation on 30th June 2014 in relation to the statement of the Office for the Protection of Competition.

The Office published (on 11th June 2014) [the results](#) of public consultation regarding a proposed decision on the determination of a business undertaking with significant market power, involving MAXPROGRES telco, s.r.o., and passed the proposed decision on to the Office for the Protection of Competition for comments on 18th June 2014.

### Market 4 – wholesale (physical) access to network infrastructure (including shared or full access of subscriber's line) at a fixed location and market 5 – wholesale broadband access in electronic communication networks

The Office published (on 16th June 2014) [the settlement of comments](#) from public consultation of proposed Measures of a General Nature Market "Analysis A/4/XX.2014-YY, market number 4". The Office published (on the same day) [the settlement of comments](#) from public consultation of proposed Measures of a General Nature Market "Analysis A/5/XX.2014-YY, market number 5".

The Office incorporated the comments received in the proposals of these analyses and sent them to the Office for the Protection of Competition for a statement to be made.

### Market 6 – wholesale terminating segments of leased lines irrespective of the technology used to ensure leased or reserved capacity

The CTU published (on 27th June 2014) a call to submit comments on proposed Measures of a General Nature "Market Analysis A/6/XX.2014-YY, market number 6". Comments relating to the proposal can be submitted within one month of the date of publication.

The Office compiled a proposed market analysis as part of undertaking analyses of relevant markets according to Section 51(1) of the Act on Electronic Communication. It updated it based on consultation with the European Commission and proposed defining two segments within the bounds of factual determination - segment A, with circuits with a speed of up to 2 Mbit per second, and segment B, with cir-

uits surpassing a speed of 2 Mbit per second.

### Market 7 – terminating calls (termination) in individual public mobile telephone networks

The Office discussed with the European Commission proposed decisions on the imposition of obligations connected with price regulation on business undertakings with significant market power. The European Commission did not make any comments on these proposals. The CTU subsequently, at the end of June, issued a pricing decision for all four business undertakings with significant market power on relevant market 7 (O2, T-Mobile, Vodafone and Air Telecom). The maximum price for terminating calls in the mobile networks operated by the companies in question was set by the Office at CZK 0.27 per minute not including VAT, meaning at the same level as in previous pricing decisions according to the last analysis of the relevant market. Regulated organisations will therefore apply this price (CZK 0.27 per minute not including VAT) symmetrically from 1st July 2013.

All decisions on the imposition of obligations according to the results of analysis of relevant market 7 came into legal force at the beginning of July. Four decisions were involved here, imposing on O2, T-Mobile, Vodafone and Air Telecom a.s. the obligation to afford access and ensure transparency and non-discrimination. The obligation to keep separate records of costs and revenues was also imposed on O2, T-Mobile and Vodafone.

## Consultation of the terms and conditions of the 1.8 and 2.6 GHz auction

The CTU submitted for public consultation on 17th June [the proposed terms and conditions of Call for offers](#) for the purpose of awarding the rights to use radio frequencies to ensure a public communication network in the 1800 MHz and 2600 MHz bands. The planned auction involves all radio frequencies

that were not allocated within the 4G auction in 2013. In doing so, the CTU wants to create conditions for the development of new electronic communication services by way of high-speed wireless networks, to ensure the effective use of individual parts of the frequency spectrum to the benefit of consumers,

to support economic competition in the sphere of electronic communication services and to make the use of the 1800 MHz band more effective by combining the allocations of radio frequencies of individual operators in this band (reframing). Comments on the proposal may be lodged until 1st August 2014.

## NGA network: results of mapping the existence of infrastructure for high-speed Internet

**The CTU mapped out the existence of infrastructure enabling the provision of high-speed Internet access services in cooperation with the Ministry of Industry and Trade and the company Deepview s.r.o. It will subsequently prepare a programme in support of projects aimed at building new generation access networks.**

The CTU submitted the results of mapping, meaning the identification of grey and black areas throughout the Czech Republic and individual regions in the form of tables and maps and accompanying summary text for public consultation in two rounds. The CTU projected the statements and comments obtained in the final results of mapping and conclusions

such that reliable data is available for the completion of the programme. The character of individual territories may be re-evaluated when implementing the programme based on demonstrable data on the existence of the relevant infrastructure or the implementation of the now-advised aim of building connections over the

next three years.

The CTU presented the results of mapping the existence of the relevant infrastructure and accompanying material on 11th April 2014 in the second round of public consultation. The CTU decided to supplement indicative maps and the associated tables based on additional data and the comments received in the second round of public consultation. You will find the settlement of comments from the second round of public consultation [here](#).

## Universal service: Public payphones

Public consultation of [the plan](#) to impose the obligation to provide public payphones or other similar means of technology enabling access to a publicly-accessible telephone service within a universal service ended on 9th June 2014.

The CTU arrived at the conclusion that the reasons for providing the services of public payphones or other similar means of technology remain. The CTU aims to continue imposing this constituent service for a period of three years as of 1st January 2015. There will be a slight reduction in the number of public payphones within the universal service in individual years based on the defined criteria (with regard to the number of inhabitants in relevant municipalities).

No comments were submitted within public consultation. The Office is now preparing to announce a tender to find the provider of this constituent service of a universal service.

A [decision](#) to impose an obligation within the bounds of a universal service to allow persons with special social needs according to Section 38(4) of the Act on

Electronic Communications and in accordance with Section 44 and Section 45 of this act to choose prices or price plans that differ from the price plans provided under normal commercial terms and conditions such that these persons have

access to and are able to use a constituent service and a publicly-accessible telephone service came into legal force on 16th June 2014. O2 must ensure the obligations imposed by this decision from 3rd July 2014 for a period of 3 years.

## Legislative changes

Government Decree No. 119/2014 Sb. amending Government Decree 109/2008 Sb. on the terms and conditions of providing special prices for publicly-accessible telephone services, as amended by Government Decree No. 354/2012 Sb., was promulgated in the Collection of Laws on 30th June 2014 and entered into effect on 1st July. The decree is a response to changes in the definition of the constituent service of connection in a fixed place within a universal service stated in Section 38(2) (a) of the Act on Electronic Communication and takes into account the principle of technological neutrality, when a publicly accessible telephone service may also be provided via Internet protocol.

For this reason a favourable price may also be provided for the use of a connection in a fixed place to the public communication network allowing for access in a fixed place to a publicly-accessible telephone service (provided to persons who prove having a disability based on the documents stated in the Government Decree).

For the purposes of checking the use of a special price, the particulars of the list of persons to whom a special price has been allocated are broadened to include information that a person with special social needs has used a publicly-accessible telephone service provided via Internet protocol for the entire period of duration of the use of the special price.

**... the operation of communication activities without a licence** – the Office ascertained three cases of the operation of communication activities without a licence and will commence administrative proceedings in these cases.

**... observance of the terms and conditions of individual licences to use radio frequencies** – the CTU conducted 10 inspections of observance of the terms and conditions of individual authorisations to use radio frequencies to predominantly concern observance of the terms and conditions laid down for the operators of VHF FM transmitters. The Office issued four appeals for the rectification of shortcomings and administrative proceedings were commenced in these cases.

**... observance of the terms and conditions of general authorisation no. VO-R/12/09.2010-12 for the use of radio frequencies and for the operation of equipment for broadband data transmission in the 2.4 GHz – 66 GHz bands** – the CTU conducted 55 inspections. It identified defects in 35 cases, in particular the use of indoor frequencies outside a building and the use of frequencies outside the band determined in general authorisation. The CTU issued an appeal to rectify the shortcomings ascertained in these cases and commenced administrative proceedings.

**... the use of radio frequencies without a licence** – the CTU conducted a total of 21 inspections aimed at undertakings using frequencies without a licence or whose licences had expired, in particular the operators of amateur transmission stations, terrestrial mobile service stations and Wi-Fi equipment outside the permitted frequency band. It discovered six cases of the use of frequencies without a licence and will commence administrative proceedings.

**... sources of interference to the operation of electronic communication equipment and networks, the provision of electronic communication services or operating radio communication services** – the CTU conducted a total of 90 in situ investigations, of these 39 cases of interference to weather radars and 12 cases of interfer-

ence to public GSM and UMTS mobile networks. It mainly identified 17 Wi-Fi devices and faulty active television aerials and GSM repeaters (GSM and UMTS interference) as the sources of interference in June.

**...the trial operation of LTE base stations in the 800 MHz band** – 477 LTE base stations in the 800 MHz band were put into trial operation to the end of June. The CTU received 13 reports from viewers regarding interruption of digital television reception caused by the operation of BTS LTE. Following an investigation, compensation for the antinoise filter was prescribed for LTE operators in seven cases and in four cases the report was closed as being unjustified (3 x defect to receiving equipment, 1 x without interference during the CTU investigation) and the investigation of two cases is ongoing. Fourteen base stations were put into permanent operation based on the results of trial operation.

**Cooperation between the CTU and Czech Trade Inspection Authority (Česká obchodní inspekce)** – no defects were identified in cooperation between the CTU and the CTIA in Brno during an inspection of telecommunication end and radio equipment retailers focusing on a TP-LINK TL-WR-841N router.

ties providing a foreign postal service is available in the database browser on the CTU website. The Office also completed its inspection of adherence to the obligations to mark consignments with the name of the operator at which they were presented. The inspection ran from 30.3.2014 to 30.5.2014 and concentrated on a total of 15 postal service operators that informed the Office of their business activity. During the inspection, the CTU found a whole range of shortcomings, mainly consisting of the fact that for certain undertakings it was not possible to unambiguously identify the operator from the marking of consignments. The Office is currently conducting a detailed evaluation of the results of the inspection and in those places where it has reached the conclusion that an administrative infraction has been committed, will take action prior to commencing administrative proceedings on the imposition of a penalty.

An inspection of observance of obligations laid down in the Act on Postal Services and other statutory instruments was also carried out at Česká pošta (Czech Post) in June. The inspection primarily focused on observance of the statutory obligation to publish information about a change of postal terms and conditions effective from 1.7.2014 at each of its premises and also on the Internet at least 30 days before such changes become effective. Inspections also focused on respecting opening hours, presenting the required information on post boxes and checking information about changes in the postal network in the case of the temporary closure of branches.



## Postal services

The Office issued one authorisation in June regarding notification of undertaking business in the area of postal services. An up-to-date list of the registered providers of a postal service or par-

Overview of inspection activity in carrying out the inspection of electronic communication for the month of June 2014

Type of activity	Number of certificates or inspections		Number of calls to rectify shortcomings	Number of administrative proceedings commenced	Number of decisions awarded*)
	Total	Of which			
1 Number of awarded certificates of notification of operating a business (Section 14 of the AoEC)	9				
2 Number of changes to certificates of notification of operating a business (Section 14 of the AoEC)	29				
3 The operation of communication activity without a certificate	3			3	4
4 Adherence to the terms and conditions of general authorisations	78		35	33	28
a) in relation to providing public communication networks and assigned means		0	0	0	0
b) in relation to providing electronic communication services		2	0	0	0
c) in relation to the use of radio frequencies and the operation of devices (radio equipment)		76	35	33	28
5 Inspection of radio frequencies	121		6	13	15
a) the use of radio frequencies without authorisation to do so		21		10	12
b) adherence to the conditions of an individual licence for the use of radio frequencies		10	4	3	3
c) identifying sources of interference to the operation of electronic communication equipment and networks, the provision of electronic communication services or the operation of radio-communication services	90		2	0	0
6 Inspection of numbers for the purposes of number administration (number of inspection calls)	4		0	0	0
a) the use of numbers without authorisation to do so		4		0	0
b) the use of numbers in conflict with authorisation for their use		0		0	0
7 Deciding on subscriber disputes	0			7955	13252
a) on objections to the settlement of claims to concern services provided				0	0
b) on objections to the settlement of claims to concern the billing of prices for services				26	7
ba) access to services with expressed price (data and voice)				0	0
baa) access to data services with expressed price provided on Internet or other data networks (Dialer)				0	0
c) on the payment of the price for services (monetary performance)				7927	13239
d) other				2	4
8 Failure to provide information according to Section 115 of the AoEC				3	0
9 Other	19		8	41	34
TOTAL	226		49	8048	13333

\*) The total number of decisions awarded includes cases in which administrative proceedings are concluded with a resolution, i.e. cases of the death of the subscriber, the cessation of existence of the proceedings by law (bankruptcy), not having the remit to decide etc.

# The CTU working for the consumer

## During June 2014:

- ♦ The CTU commenced **7,955** cases of administrative proceedings to concern subscriber disputes between a person conducting communication activity on the one hand and a subscriber on the other, in the matter of financial payment and proposals for the commencement of proceedings regarding an objection to the settlement of a warranty claim relating to the billing of price or to the publicly-accessible electronic communication service provided, the CTU deciding on such matters according to Section 129 of the Act on Electronic Communication.
- ♦ The CTU issued **13,252** decisions in this regard, 13,239 of these decisions concerning matters of financial payment (payment of the price of seervices)
- ♦ of which **12,239** decisions on the subject payment (payment of price for services).

Over the past few months, the CTU registered an increased number of complaints made by consumers, particularly by senior citizens, in relation to the unfair practices of certain providers of electronic communication services in the case of door-to-door sales. For this reason the CTU again refers to its recommendations, published on its website in the consumer protection section and in material to concern unfair business practices.

The most vulnerable groups of consumers affected by door-to-door sales are senior citizens and minors. Actual door-to-door sales are not prohibited by law; it is necessary, however, for business undertakings to adhere to all statutory requirements and the duty to provide information on the nature of the offered services, on the rights and obligations of the contracting parties and on the right to withdraw from a contract, its terms and conditions, the procedure and the time limit for withdrawal from the contract. The Civil Code states that such data must be fundamentally provided in writing, or in other text format if the consumer agrees as such.

Should the consumer decide to enter into a contract with a door-to-door salesperson, the CTU recommends always checking the identity of the sales representative and his authorisation to represent the relevant provider. It is a good idea to contact the provider's information line before actually signing the contract and checking whether the sales representative is truly authorised to act

on behalf of an existing provider.

Before signing a contract, the CTU recommends that consumers carefully read all documents (for example, the general commercial terms and conditions, the price list or the operating terms and conditions) presented by the sales representative and compare them with the information provided verbally by the sales representative when discussing the contract. If any of the information provided verbally and in writing differs, it is important to take into consideration that it will very difficult to provide evidence of information provided verbally at a later date, especially without the presence of other people. It is also useful to talk to family or acquaintances or to agree on another visit date with the door-to-door salesperson when relatives or acquaintances can be present. A respectable salesperson will accommodate this wish.

Should a consumer enter into a contract as a result of door-to-door sales, the consumer should retain a counterpart of the contract just signed with all associated documents determining the content of the contract once the sales representative has left. Under no circumstances do we recommend acceding to any suggestion made by a sales representative to send the consumer the contract by post or to deliver it on a subsequent visit.

If the contract is arranged outside the premises that are usual for the business activity of a business undertaking (typically in the apartment of the subscriber or during an excursion organised by the business undertaking), the

law allows the consumer to withdraw from the contract within a time limit of fourteen days of the date of entering into the contract. In order to adhere to this fourteen-day time limit, it is enough for withdrawal from the contract to be presented to the provider in person or sent by post not later than on the final day of the time limit. The fourteen-day time limit is extended to up to a year and fourteen days in the case that the business undertaking has not informed the consumer of his/her right to withdraw from a contract with all statutory particulars. Withdrawal from the contract is a unilateral legal act that terminates an obligation ab initio. It is appropriate to provide withdrawal from a contract in writing and to send it by registered post, best of all with confirmation of delivery, to the address of the registered office of the business undertaking.

If they have any questions as regards the issue of contracts entered into during door-to-door sales, consumers may contact the CTU directly, best of all the area department according to their place of residence, in electronic form or in person. Contacts to individual area departments are available at the CTU website.

## Disputes between undertakings in electronic communications

In the dispute brought by the claimant, Vodafone, against O2 on entering into an addendum to the contract on the interconnection of telecommunication equipment and networks in the matter of specifying a number transfer service and determination of the price for transferring a number, the existing lawful decision of the administrative body was overturned in a judgment by the Metropolitan Court in Prague and the case was returned to the administrative body of the 1st instance for new consideration.

In the dispute brought by Air Telecom against ČD-Telematika on performance arising from a Master Service Level Agreement, the remonstrance of the claimant was rejected and the decision of the administrative body of the 1st instance confirmed. The decision of the administrative body of the 2nd instance came into legal force on 23.6.2014.

# Telecommunication regulation in the EU

[Decision No 585/2014/EU of the European Parliament and of the Council](#) of 15 May 2014 on the deployment of the interoperable EU-wide eCall service was published in the Official Journal of the European Union on 3rd June 2014. The decision enters into force on the twentieth day following its publication. Member States ensure that the handling of calls in the eCall service is without charge for users of the eCall service throughout the Union and that it is possible to make calls as part of the eCall service from anywhere in their territories if at least one public mobile net-

work is available. Member States shall present the Commission with a report on the level of implementation of this decision by 24th December 2015.

The European Commission published a report on pricing regulation for data roaming from 1st July 2014 on 24th June 2014. Instead of 45 cents per megabyte, customers will pay a maximum of 20 cents. Telephone calls and SMS will also become cheaper.

European mobile operators will offer a special roaming contract from 1st July or will give customers (before they travel) a choice of mobile opera-

tors in the relevant country that offer the sending of e-mails, the reading of messages online, the uploading of photographs, the viewing of videos online and other data services. Customers will be able to compare the prices for roaming and use the most attractive.

The 19th plenary meeting of BEREC was held in Dublin on 5th – 6th June 2014. European regulators approved the following documents and recommended them for publication: “BEREC Common Position on draft recommendation on relevant markets”, “BEREC Common Position on geographical aspects of market analysis”, “BEREC Annual Report 2013”, “Termination Rates Benchmark Snapshot (as of January 2014)” and “BEREC Evaluation: recommendations and follow-up actions 2014”. Activities connected with a single telecommunications market, international roaming and consumer protection remain important topics.

Type of mobile service in the EU	Ceilings in 2013 (not including VAT)	Ceilings in 2014 (not including VAT)	Reduction
Outgoing call	24 cents per minute	19 cents per minute	21 %
Incoming call	7 cents per minute	5 cents per minute	28.5 %
Sending text messages	8 cents	6 cents	25 %
Downloading data or browsing	45 cents per 1 MB	20 cents per 1 MB	55.5 %

6 / 2014

## Information from CEPT ECC working parties

A meeting of the Electronic Communications Committee (CEPT/ECC) approved the following for public consultation at its meeting of 23rd to 27th June 2014:

Material	Deadline for closing of public consultation
Draft Report 224 on a Long Term Vision for the UHF broadcasting band compiled by ECC/TG6.	9th September 2014

and draft CEPT Reports compiled based on the mandates of the European Commission:

Material	Deadline for closing of public consultation
Draft CEPT Report 53 on the mandate of the EC to develop harmonised technical conditions for the 694–790 MHz ('700 MHz') frequency band in the EU for the provision of wireless broadband and other uses in support of EU spectrum policy objectives	13th August 2014
Draft CEPT Report 52 on the mandate of the EC to undertake studies on the harmonised technical conditions for the 1900–1920 MHz and 2010–2025 MHz frequency bands /'unpaired terrestrial 2 GHz bands'/ in the EU	27th August 2014
Draft CEPT Report 55 on the mandate of the EC to develop Harmonised technical conditions for the 2300–2400 MHz /'2.3 GHz'/ frequency band in the EU for the provision of wireless broadband electronic communications services /Report A/	27th August 2014
Draft CEPT Report 54 on the mandate of the EC to develop harmonised technical conditions in the 1452–1492 MHz frequency band for wireless broadband electronic communications services in the EU	27th August 2014

Discussion is open to all parties involved on the specified dates at the website of the European Communication Office (ECO): <http://cept.org/ecc/tools-and-services/ecc-public-consultation>.



## Report on the postal services market

**The process of liberalisation was completed on the postal service market in 2013 based on new legal regulation. The CTU collected data about the postal services market for this year to the required extent for the very first time. Data for the previous period is not available.**

An amendment to the law abolished the monopoly enjoyed by the postal licence holder relating to the delivery of inland postal consignments and documents of a weight of up to 50 g for a price lower than CZK 18. Anyone interested in providing these services can now enter the postal market. The only exception here is the service of delivering sums of money remitted by postal order, which only the postal licence holder may provide. An amendment to the law resulted in changes being made to the powers the Office has in the sphere of regulating postal services. The work of the CTU no longer concentrates on the postal licence holder alone, but on the other operators of postal services. The postal licence holder has other obligations in addition to the obligations relating to all postal service operators. These are mainly related to the provision of basic services. Basic services mean the aggregate of postal services defined by the Act on Postal Services, whose provision must be ensured throughout the territory of the state under the terms and conditions laid down. If they are not provided on a commercial basis, the provision of this defined minimum is imposed on the designated operator. Česká pošta (Czech Post) is the postal licence holder.

Until 31.12.2012, the CTU awarded a postal li-

cence to operators that complied with the terms and conditions laid down in the Act on Postal Services. Now, however, the amendment to the law itself determined the

postal licence holder. Česká pošta, or its legal successor, will therefore be the postal licence holder until 31.12.2017.

The obligation imposed only on the postal licence holder plays an important part in future development on the postal services market - the obligation to afford access, in a transparent and non-discriminatory way, to other operators to the elements of postal infrastructure and to special services associated with its operation.

### Postal service operators

The amendment to the law laid down new terms and conditions for obtaining authorisation to undertake business in the sphere of postal services. According to the Act on Postal Services, an operator is a party that provides postal services or ensures foreign postal services. Until 31.12.2012, whoever complied with the obligation to report at the competent Trade Licence Office and proved that he satisfied the terms and conditions for obtaining a trade licence was an authorised operator providing a postal service.

**In 2013, a total of 16 undertakings informed the CTU of operating postal services (including those that provided services before 1.1.2013).** Seven undertakings reported that they intended to offer customers the opportunity to present postal consignments throughout the

Trade name	Presentation for postage throughout the Czech Republic	Delivery throughout the Czech Republic	Provider of postal services before 1.1.2013
Česká distribuční a.s.		yes	yes
Česká pošta, s.p.	yes	yes	yes
JAN HOLÍK			
JANZEN s.r.o.	yes	yes	
JEDNOTA, spotřební družstvo v Novém Jičíně			yes
kouzelná almara a.s.	yes	yes	
KURÝR PRAHA s.r.o.		yes	yes
Mediaservis, s.r.o.		yes	yes
Mechanika Prostějov 97, družstvo			yes
MESSENGER a.s.	yes	yes	yes
MESSENGER service s.r.o.	yes	yes	yes
NOVANET Systems, s.r.o.		yes	
Pošta CÍL s.r.o.			yes
RGW EXPRESS, spol. s r.o.	yes		yes
ROZLET servis s.r.o.		yes	yes
Uloženka s.r.o.	yes	yes	yes

**Table 1: Overview of operators announced in 2013**  
Source: CTU

Czech Republic. A total of 11 business undertakings reported delivering postal consignments throughout the Czech Republic. The most significant registered postal service operators operating on the market even before 2013 are Mediaservis, s.r.o. and Česká distribuční a.s. Two business undertakings, specifically kouzelná almara a.s. and JEDNOTA, spotřební družstvo v Novém Jičíně, brought their activity to an end in 2013 due to the fact that they practically did not provide postal services, nor do they realistically plan to offer them. The Office also ascertained as part of its activity that certain business undertakings provide postal services in spite of not having reported their provision. The Office conducted administrative proceedings in 2013 with three of these operators, specifically Geis Parcel CZ s.r.o., Direct Parcel Distribution CZ s.r.o. and General Logistics Systems Czech Republic s.r.o., on the basis of their applications for consideration of whether or not they provide postal services and issued a lawful decision. These operators contested the decision of the Office and the court will decide on its compliance with the Act on Postal Services.

It can be said with regard to the number of new undertakings active on the postal market that there has been no significant increase in the number of business undertakings actively offering postal services following liberalisation of the monopoly of Česká pošta.

The Office primarily sees room for greater development of competition in the area of package ser-

vices and services with added value. The growth of these types of servic-

Name of postal service	Number of operators authorised to offer the postal service
Delivery of postal consignment of up to 2 kg in weight	15
Delivery of postal package of up to 10 kg in weight	11
Delivery of postal package of over 10 kg in weight	10
Delivery of registered consignment of up to 2 kg in weight	10
Delivery of registered consignment of over 2 kg in weight	9
Delivery of valuable consignment of up to 10 kg in weight	8
Delivery of valuable consignment of over 10 kg in weight	8
Delivery of a postal consignment of up to 7 kg in weight for the blind	3
Delivery of a registered consignment of up to 7 kg in weight for the blind	3
Delivery of printed matter bag	5
Delivery of registered printed matter bag	4

**Table 2: Overview of the number of operators authorised to offer a specific postal service** Source: CTU

es can be expected together with the further development of buying goods over the Internet. In spite of the fact that there are various alternatives available for the delivery of goods, such as collection in person, transport or courier services, the delivery of a postal package is, from the customer's perspective, one of the most expedient with respect to the relatively low price and the various additional services on offer, such as the opportunity to change the place of delivery, cash-on-delivery, guaranteed period of delivery or the option of delivery at an agreed time. The European Commission pays

considerable attention to the issue of support for e-commerce and the associated need to ensure the delivery of ordered or bought goods, having compiled the Green Paper "An integrated parcel delivery market for the growth of e-commerce in the EU". Development opportunities will also arise for the operators of postal services in this regard. Not even growth in this area, however, will probably balance out the decline in the letter consignment market in the short-term and a total decline in the postal services market must be expected in the future.

### The postal networks of individual operators

Česká pošta has the most extensive network of publicly-accessible outlets, having 3,314 at 31.12.2013. It is also the only one of the registered operators having disposal of an extensive network of 22,106 post boxes.

In spite of the fact that five other operators offer the chance to enter into a postal

Operator	Own premises	Premises of a contractual partner
Česká pošta	97.24 %	2.76 %
Other operators	69.39 %	30.61 %
Total	95.81 %	4.19 %

**Table 3: Ratio of the number of own premises to the number of premises of a contractual partner** Source: CTU

contract for the whole of the Czech Republic and also deliver postal consignments throughout the country, these undertakings do not have such an extensive network of outlets as Česká pošta. The number of outlets intended for the public is not high, if existing at all. In most

cases, presentation for postage is done by way of collection, when the operator collects postal consignments from the sender at its request.

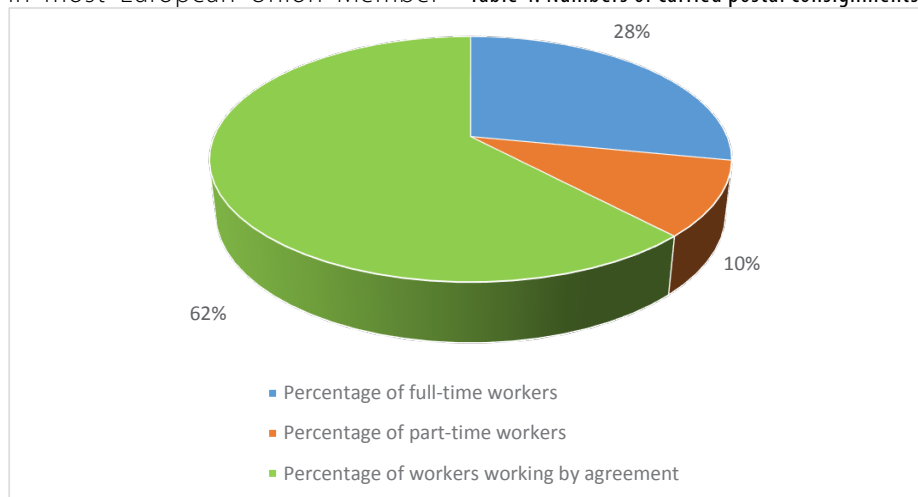
The total number of outlets of all operators is 3,474, whereby 98.1 % of these are run by Česká pošta itself or by its contractual partners.

The model involving the use of the premises of contractual partners is gradually developing in the Czech Republic. Nonetheless, only Česká pošta and General Logistics Systems Czech Republic s.r.o. currently use it. A growing trend in the ratio of ensuring the availability of postal services through contractual partners to the number of operators' own premises can be expected in the future, especially at Česká pošta. Former monopoly providers of postal services in most European Union Member

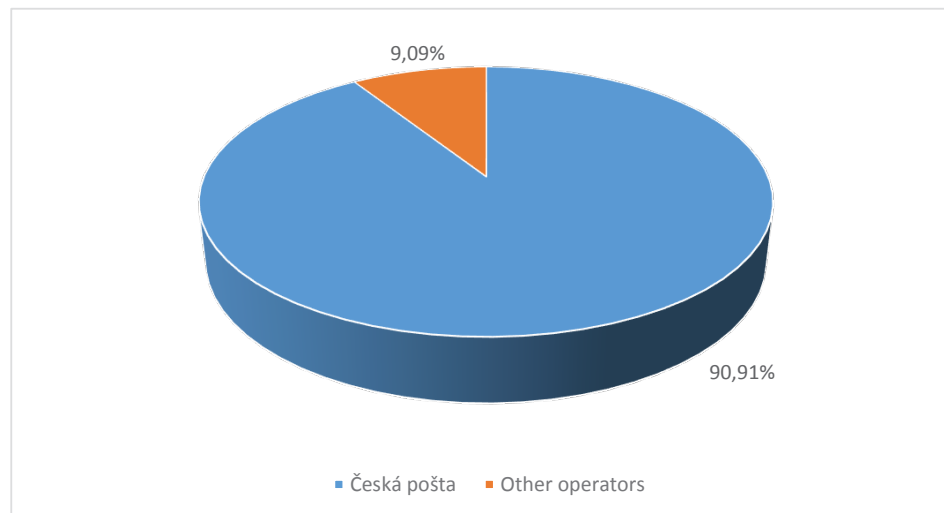
Name of postal service	Carried postal consignments	Česká pošta	Other operators
Delivery of postal consignment of up to 2 kg in weight	504,380,642	496,128,502	8,252,140
Delivery of a postal package	1,755,026	1,688,469	66,557
of this: delivery of postal package of up to 10 kg in weight	1,521,185	1,520,909	276
Delivery of a registered consignment	89,256,853	89,119,853	137
of this: delivery of registered consignment of up to 2 kg in weight	89,235,853	89,119,853	116
Delivery of valuable consignment	5,608,768	5,608,768	0
of this: delivery of valuable consignment of up to 10 kg in weight	5,466,923	5,466,923	0
Delivery of a postal consignment of up to 7 kg in weight for the blind	108,950	108,950	0
of this: delivery of a registered consignment of up to 7 kg in weight for the blind	18,149	18,149	0
Delivery of printed matter bag	9,110	9,110	0
of this: delivery of registered printed matter bag	3,009	3,009	0

Table 4: Numbers of carried postal consignments

Source: CTU



Graph 1: Percentage of workers employed for the purpose of providing postal services by whether they work full-time, part-time

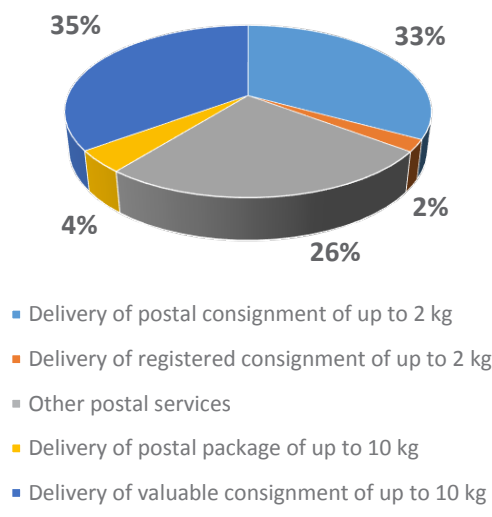


Graph 2: Share of individual services in the total volume of delivered postal consignments

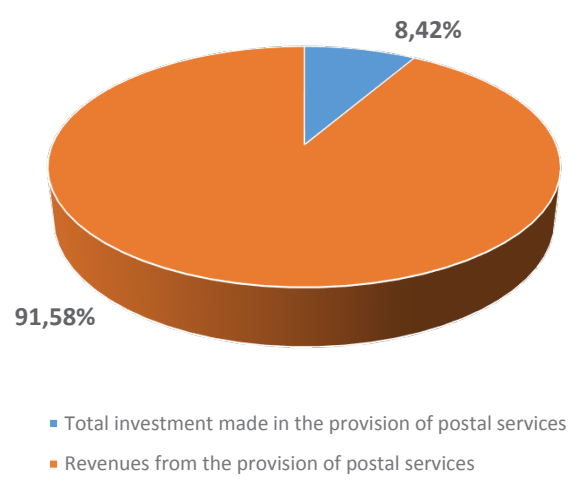
States proceed in the same way, in that some no longer use their own premises to offer postal services (in Sweden, for example). It can be expected that technological development and pressure on more effective provision of postal services will lead to operators using automatic self-service machines for the delivery and, where appropriate, the presentation for postage of postal consignments. This way of providing postal services is gradually developing abroad. In Poland, for example, automatic self-service machines are used in larger part to present consignments for postage and for delivery. Currently none of the operators active in the Czech Republic uses automatic machines to allow customers to present consignments for postage. Some operators began testing and subsequently operating automatic self-service machines for the delivery of postal consignments.

### Employment

The traditional operators of postal services are often among the biggest employers in the relevant



Graph 3: Share of revenues from basic services in total revenues



Graph 4: Ratio of justified warranty claims to the total number of warranty claims lodged

states, which is also the case for Česká pošta. Monitoring the development of employment is still an important gauge in mapping out economic stability in the sphere of postal services. Postal service operators use various employment possibilities beyond classic employment, for example in the form of agreements to execute work or agreements on work activity.

**The postal services provided**

In spite of the fact that the commercial names of postal services differ among the individual operators, the basic categories of postal services are the same and allow for a comparison between individual operators across the market. The following table shows the volume of selected provided postal services.

**Economic indicators**

In addition to the volume of pro-

vided postal services, we also have economic indicators to document the development of the postal services market, in particular the development of revenues, costs and investments. These also allow for an evaluation of the postal services market within the context of the economy as a whole. The revenues of all operators for provided postal services totalled CZK 12,980 million in 2013. In a comparison with the value of GDP at the common prices for the year 2013 published by the Czech Statistical Office, the postal services market contributed 0.334 % toward the creation of GDP.

**The quality of postal services**

The total number of warranty claims is only 0.0204 % of the total number of carried postal consignments. Operators admitted having been mistaken in the provision of a postal service in 21.73 % of war-

ranty claims made. Česká pošta dealt with 20.69 % of warranty claims as justified. The average number of justified warranty claims in relation to the total number of warranty claims lodged with other operators was 29.6 %.

**Conclusion**

There was no immediate and rapid increase in the development of competition in 2013, in contrast to expectations given that 2013 was the first full year of a fully-liberalised postal market. The reason for this, among other, is the development of the market in the past and the until-now dominant position of Česká pošta as the postal licence holder. Development on the Czech postal market does not therefore differ from development on other European markets following their mplete liberalisation.

The development of competition on the postal market is also affected by the replacement of selected postal services, particularly with electronic communication services. The postal service market is not therefore seen by investors as being particularly prospective. Typical evidence for this is the situation relating to the service of delivering a postal consignment of up to 2 kg in weight, which is being replaced on a massive scale by e-communication services. The cost demands associated with a company building its own infrastructure if entering the market also play an important role in business decision-making.

Of the total of 16 registered postal service operators, seven business undertakings provided customers with the opportunity to present postal consignments for postage at a nationwide level and 11 business undertakings a delivery service at a nationwide level. Other business undertakings provided postal services in a limited area. Of all the undertakings that registered the intention to provide postal services during the year, however, 14 registered operators were active on the postal services market in the Czech Republic at the end of 2013, mostly

using their own postal network.

The Office primarily sees room for greater development of competition in the area of package services and services with added value. The growth of these types of services can be expected together with further development of buying goods over the Internet. In spite of the fact that there are various alternatives available for the delivery of goods, such as collection in person, transport or courier services, the deliv-

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#### Monthly monitoring report - June 2014

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