

## Management summary

November 2013

### Frequency auction

The auction part of the tender for awarding rights for the use of radio frequencies in the 800, 1800 and 2600 MHz bands that got underway on 11<sup>th</sup> November was brought to a successful conclusion on 19<sup>th</sup> November. Three organisations were successful in the auction: T-Mobile Czech Republic, a.s., Telefónica Czech Republic, a.s. and Vodafone Czech Republic, a.s.

### Open Data

The Czech Telecommunication Office ("CTU") is involved in the Open Data project. At stage one, it defined the data sets for opening in co-operation with university departments. Data will then be made freely-accessible in machine-readable format in several stages. The list of data sets can be expanded further based on an appeal for suggestions sent to [opendata@ctu.cz](mailto:opendata@ctu.cz).

### Czech Post branch network

Chairman of the CTU Council Jaromír Novák was invited to attend a meeting of the presidium of Svaz měst a obcí (Union of Towns and Municipalities of the Czech Republic). Here he stressed that the proposed government decree being prepared by the CTU would not close branches of Česká pošta (Czech Post). The proposal draws fully on the wording of the decree concerning the criteria of availability of postal services, effective from 1<sup>st</sup> January 2013. This decree, in fact, prevents the mass closure of branches. The proposal was sent for inter-departmental comments procedure on 1<sup>st</sup> November.

## Situation on the electronic communication market

### Telefónica

Telefónica increased the price of using one recording in the Customer Voice Message service from the original CZK 57.60 per billing period to CZK 91.96 per billing period for each commenced 30 seconds. The Customer Voice Message service consists of creating individual voice messages as the customer wishes.

As part of a special, regional Internet Bundle offer, Telefónica offered

bonuses in the form of special prices to customers that set up the O2TV digital television service with O2TV Flexi tariff and together with this the O2 Internet Connection service with Internet Comfort<sup>1</sup> or Internet Smart<sup>2</sup>

1 Brno, České Budějovice, Děčín, Hradec Králové, Karlovy Vary, Kladno, Kralupy nad Vltavou, Mariánské Lázně, Mělník, Olomouc, Opava, Ostrava, Plzeň, Písek, Rumburk, Slaný, Šumperk, Teplice, Zábřeh, Zlín

2 The Internet Comfort tariff has an advertised scope of speed profiles for connection towards the customer of VDSL: 10 240 to 20 032 kb/s, ADSL: 3 584 to 8 192 kb/s, and for connection from the customer, VDSL: 1856 to 2 048 kb/s, ADSL: 512 to 768 kb/s.

### CONTENT

- ♦ Situation on the electronic communication market . 1-3
- ♦ New rules for public consultations ..... 3
- ♦ EU regulations ..... 3
- ♦ Price calculators..... 3
- ♦ Market analyses ..... 4
- ♦ Virtual operators ..... 5-7
- ♦ Controlled by CTO..... 7
- ♦ Control of postal services .. 8
- ♦ Frequencies of LTE network auctioned..... 9
- ♦ THEME OF THE MONTH: Complaints made by subscribers and users of services in the 3rd quarter of 2013 ..... 10-13

## New rules for mail for the blind

The blind, and now people with severe visual impairment, will be able to transport a wider range of items as part of mail for the blind services. In addition to letters provided with braille for the blind and publications, including audio recordings, it will be possible to send any aids having been specially made or adapted for the needs of the blind to help them overcome problems associated with their disability free-of-charge as mail for the blind – for example, a white cane.

This is laid down in an amendment to Decree No. 464/2012 Sb., which the Czech Telecommunication Office Council discussed, approving its submission to interdepartmental comments procedure.

## Situation on the electronic communication market

tariff at selected O2 stores<sup>3</sup>. Customers will pay CZK 549 per billing period for the duration of the special offer for using the O2TV Flexi and Internet Comfort tariffs or CZK 649 per billing period for using the O2TV Flexi tariff combined with the Internet Smart tariff. The offer is conditional on committing to use both services (O2TV digital television and Internet connection with the Internet Comfort/Internet Smart tariff) and duly paying for them for an uninterrupted period of 12 months.

It is also conditional on setting up the service and buying a set-top box for a one-off charge of CZK 1,656. If the customer opts to pay the price of the set-top box in 12 monthly instalments, he will pay CZK 138 per billing period. If he decides to pay the price in 24 monthly instalments, he will pay CZK 69 per billing period.

As part of the O2TV Flexi tariff, customers can set up one programme package from a range of Documentaries, Sport, Children, Style, Music, Serials and Films for the duration of the special offer. The Style package will always feature as part of the O2 TV Flexi tariff.

The commitment to take the O2TV digital television service will automatically be extended by the same length of time at the end of this period (auto-prolongation). The customer is entitled to refuse automatic extension at any time. If he does so for the O2TV Flexi tariff, the customer forfeits entitlement to the benefits provided as part of this special offer after this time and the tariff automatically switches to the corresponding tariff from the range of commitment-free tariffs. If he rejects the auto-prolongation of the Internet Comfort or Internet Smart tariff, the customer loses the right to use this tariff and

<sup>3</sup> The Internet Smart tariff has a scope of speed profiles for connection towards the customer of VDSL: 30 144 – 40 900 kb/s, ADSL: 12 288 to 16 384 kb/s, and for connection from the customer, VDSL: 1856 to 2 048 kb/s, ADSL: 512 - 768 kb/s.

the tariff automatically switches to the corresponding tariff from the Internet Optimal+ and Internet Aktiv+ range until the end of the commitment period, after which the customer's tariff automatically switches to the corresponding tariff from the range of commitment-free tariffs. The provision of benefits according to these conditions is conditional on the customer not having used the O2TV digital television service for at least three months prior to applying for the set-up of the service.

Telefónica began offering new Internet Comfort and Internet Smart tariffs with a 12-month commitment period and auto-prolongation on 1st November 2013 via its free O2 telephone line. The profiles of these services concur with the Internet Optimal+ (CZK 505 per month) and Internet Aktiv+ (CZK 606 per month) fixed connection tariffs being offered simultaneously, but without additional services. Subscribers pay CZK 399 per month for Internet Comfort and CZK 499 per month for Internet Smart.

Telefónica launched a special offer relating to the prepaid NAI VÝBĚR card at the beginning of November 2013. Each subscriber who buys a NAI VÝBĚR card from 1st November 2013 to 28th February 2014 receives one of the following benefits: calls to all networks within the Czech Republic for CZK 2.50 per minute (the standard price of a call is CZK 4.90 per minute), calls within the O2 network for CZK 1.90 per minute, 100 free SMS to all networks within the Czech Republic or free weekend calls within the O2 network. This benefit is valid for 30 days after activating the SIM card and can be renewed as long as the subscriber charges up credit of a minimum CZK 200 once a month. This offer also applies to all subscribers with a different prepaid tariff<sup>4</sup> from Telefónica who

<sup>4</sup> The NAIHLAS, NAI DLOUHO, NAIPIŠTE tariffs.

activate the NAI VÝBĚR tariff by way of an activating SMS.



T-Mobile announced financial results for the third quarter of 2013, during which the company obtained 235,000 new customers, meaning that its overall number of subscribers topped 5.7 million. The volume of fixed-connection access (data and voice) also rose to 119,000.

Over the last three quarters, mobile customers called for an average of 142 minutes per month, which according to the information at T-Mobile was some 7.6 % more than during the same period last year. The volume of data transmitted rose by 88.9 % to reach around 4,470 terabytes.

Total revenues for the first nine months of 2013 were 17.8 thousand million crowns, with earnings from mobile services accounting for 15 thousand million. Customers paid an average of CZK 294 per month for mobile services, which is some 20.5 % lower than at the same time last year.

T-Mobile introduced a new offer intended for prepaid-service customers in its price list of tariffs and services for tariff and Twist customers on 1st November 2013. All customers with a Twist card that activate a one-day Volání do všech sítí na den (Call to all networks for one day - 24 hours) package for CZK 30 have the advantage of being able to make unlimited calls to all networks within the Czech Republic.



Vodafone began offering a special tariff for partners within the family under the name of "Red do sítě pro partnera" (Red to network for partner) with unlimited calls and SMS within the Vodafone network and 130 free minutes to other networks within the Czech Republic. This benefit can be used by customers that use the services of one Red tariff with a minimum monthly payment of CZK 690. The price of the "Red do sítě pro partnera" tariff is CZK 299.40 per month

when signing a contract for two years.

Vodafone also launched the "Data za super cenu" (Data at a great price) offer on the very same day, offering customers the Mobilní připojení 500 MB (Mobile connection 500 MB) data tariff with a discount of 64 % - for CZK 90 per month. All Vodafone customers that own at least two SIM cards, for one of which the customer has undertaken to pay a minimum of CZK 249 per month for a period of two years, can use this service.



As part of a special offer valid until 31st November 2013, UPC offered new customers special prices on Klasik+, Komfort+ and Mini digital television services, the offer applying to on-line orders and a commitment to use the service for a period of 12 months. For Klasik+ services, custo-

mers will pay a monthly price of CZK 200 instead of CZK 400.57 per month and can enjoy one package from a choice of Sport, Relax or Darwin free-of-charge. This tariff allows customers to use more than 50 Czech and Slovak channels, including 12 HD channels. Customers will pay CZK 379 per month for the Komfort+ package as part of this special offer instead of the standard price of CZK 578.49 per month and can enjoy more than 100 channels, including 22 HD channels, over this period. Customers who ordered the Mini digital television service as part of the on-line offer will still pay CZK 154 for this service per month instead of the standard price of CZK 221.64 per month and will be able to watch more than 20 Czech channels, including 7 HD channels. The price for connecting the services when making an on-line order is CZK 1 instead of the original CZK 99.

## Price calculators

The CTU commenced the process of re-accrediting the Tarifon price calculator in 2013, the aim being to again verify that the price calculator complies with the [CTU accreditation criteria](#). As part of the accreditation process, the CTU cooperates with a technical auditor (ČVUT – Czech Technical University), which verifies the accuracy of the calculations of the price calculator. The CTU expects that the re-accreditation process for the Tarifon price calculator will be completed during December 2013 such that the award of new accreditation can fluently follow on from the expiration of the old accreditation. The Tarifon price calculator compares prices of mobile and fixed voice services and access to the Internet.

During its regular checks of observance of the accreditation criteria by a second accredited price calculator, Tarifomat, the CTU found failure to comply with certain accreditation criteria and called on the operator of the price calculator to immediately rectify this situation, also imposing a penalty of CZK 15,000 in accordance with the concluded contract. Specifically, the CTU demanded that the obligation subscribers to the new calculator have to enter their current mobile number before having the opportunity to use the calculator be removed and that references to the general commercial terms and conditions of all comparable operators be added. If accreditation criteria are repeatedly breached, the CTU may withdraw accreditation.

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ment in the sphere of written communication.

The new rules enter into effect on 1st December 2013, in that consultation at a point of discussion commenced by 30th November 2013 is governed by the previous rules (the rules issued under reference number 40 566/2005-606).

## Public consultation now without trade secrecy and vulgarity

Volume 17/2013 of the Telecommunication Journal of 13th November 2013 published the new Pravidla Českého telekomunikačního úřadu pro vedení konzultací na diskuzním místě (Rules of the Czech Telecommunication Office for Conducting Consultation at a Point of Discussion), issued under reference number ČTÚ-87 392/2013-606. The new rules respond to experience of the application of previous Rules of the Czech Telecommunication Office for Conducting Consultation at a Point of Discussion. In the interest of making the entire process of public

consultation transparent, simplifying it and making it more effective, the Office primarily introduced the following changes:

1. the system of dealing with comments, statements and opinions with vulgar or otherwise grossly offensive content;
2. the system of dealing with comments, statements and opinions or their parts marked as confidential or as trade secrets;
3. legislative and technical modifications relating primarily to a change of legislation or technical develop-

## EU regulations

Commission Implementing Decision of 12 November 2013 amending Decision 2008/294/EC to include additional access technologies and frequency bands for mobile communications services on aircraft (MCA services) was published in the Official Journal of the European Union on 14th November 2013.

Decision of the European Parliament of 17 April 2013 on discharge in respect of the implementation of the budget of the Body of Eu-

ropean Regulators for Electronic Communications for the financial year 2011 was published in the Official Journal of the European Union on 16th November 2013.

Decision of the European Parliament of 17 April 2013 on the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2011 was published in the Official Journal of the European Union on 16th November 2013.

European Parliament resolution of 3 July 2012 on eCall: a new 112 service for citizens was published in the Official Journal of the European Union on 29th November 2013.

The Czech Telecommunication Office accepted authorisation to undertake specific activity in relation to Council document "Report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2012 together with the Office's replies".

## Market analyses

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

The CTU held a meeting with representatives of operators on 6th November in relation to a proposed analysis of relevant market 1. The meeting was attended by representatives of Telefónica Czech Republic, a.s., T-Mobile Czech Republic a.s., GTS Czech s.r.o., Český bezdrát s.r.o., UPC Česká republika, s.r.o. and Asociace provozovatelů kabelových a telekomunikačních sítí (Association of Cable and Telecommunication Operators). The CTU is currently putting the finishing touches to the proposed analysis based on comments made by the operators at the meeting and the Office will present it for public consultation by the end of the year.

### Market 2 – call origin (origination) in the public telephone network at a fixed location

It was on 7th November that the CTU made public an appeal for comments in relation to the decision to impose an obligation relating to price regulation on an undertaking with significant market power, Telefónica Czech Republic, a.s., doing this in accordance with Section 130 of the Act on Electronic Communication (hereinafter referred to as the "AoEC"). The proposed price decision imposes the obligation on Telefónica Czech Republic, a.s. to arrange prices for connection to its public telephone line for the origination service such that a maximum price of CZK 0.31 per minute not including VAT is not exceeded (see the proposed price decision for details). Comments on

the proposed price decision could be made within one month of the date of publication of the appeal for comments.

The CTU published the appeal for comments regarding the proposed decision to impose an obligation on Telefónica Czech Republic, a.s. on 11th November in accordance with Section 130 of the AoEC. The CTU is proposing to impose on Telefónica Czech Republic, a.s. the obligation of access to specific network elements and assigned resources, transparency, non-discrimination and separate records of costs and revenues (see the proposed decision to impose obligations for details). Comments on the proposed price decision could be made within one month of the date of publication of the appeal for comments.

Public consultation of the proposed decision on the determination of Telefónica Czech Republic, a.s. as an undertaking with significant market power ended on 18th November. Nobody made any comments as part of public consultation.

### Market 3 – terminating calls (termination) in individual public telephone networks provided at a fixed location and market 7 – terminating calls (termination) in individual public mobile telephone networks

The CTU received a statement from Úřad pro ochranu hospodářské soutěže (Office for the Protection of Competition - OPC) on the second proposed analysis of relevant market 3 on 5th November in accordance with Section 130 of the Act on Electronic Communication. In its statement, the OPC repeated its comments on the first proposed analysis from August this year. The Office dealt with the

statement made by the OPC and sent the new proposed analysis to the European Commission for notification.

### 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

Based on information taken from discussion of proposed analyses of markets 4 and 5 with the European Commission, the CTU decided to take both proposals back from the notification process. The Office is currently discussing its aim to supplement both analyses at the working level and is preparing a new version that will reflect the requirements of the Commission. The areas under discussion are taking into consideration indirect influences relating to the retail market when applying corrective measures, elaborating the principles of non-discrimination based on the equivalence of access and conducting a test of the economic replicability of retail and wholesale products.

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

Public consultation regarding a proposed analysis of relevant market 6 ended on 11th November. Three organisations - GTS Czech s.r.o., Telefónica Czech Republic, a.s. and T-Mobile Czech Republic a.s. – made comments regarding the proposed analysis. The CTU published the handling of these comments on 11th December, within the statutory time limit.

## The management of radio spectrums

### General authorisations – obligation to report

The new ESD II web portal was made accessible upon the entry into effect of general authorisation no. VO-R/23/09.2013-5 in relation to the use of radio frequencies and the operation of fixed services equipment in the 71–76 GHz and 81–86 GHz bands. The main aim of the new ESD II web portal is to enable operators to comply with the obligation to report laid down in the above-mentioned general authorisation. More information on the web portal can be found at the CTU

website.

### Individual licences

In respect of the reduction of the fees for using radio frequencies as part of a fixed service, the CTU commenced administrative proceedings with individual holders of licences for the use of fixed service radio frequencies with the aim of setting new fees from 1.1.2014.

## Virtual operators

### Connectica

Virtual mobile operator Connectica changed its offer of mobile services in the course of November 2013. The operator offers a total of six tariffs. In the "Tarif 50 volání" (Tariff 50 calls) tariff, for CZK 50 per month, customers receive 10 free minutes, in the "Tarif 100 volání" tariff, for CZK 100 per month, customers receive 50 free minutes and in the "Tarif 200 volání" tariff, for CZK 200 per month, customers receive 120 free minutes. As part of the three "Tarif 49/99/199 SMS" tariffs, customers receive 12/55/150 free SMS, paying a flat monthly rate of CZK 49/99/199 per month. The price of calls made within the operator's own "network" was reduced from the original CZK 0.58 per minute to CZK 0.49 per minute. Customers pay CZK 1.49 per minute for a call to other mobile networks within the Czech Republic instead of the original CZK 1.69. The rate of 0.58 per SMS for one SMS within the operator's own "network" remained unchanged. The rate for one SMS to other mobile networks within the Czech Republic also remained unchanged at CZK 1.39 per SMS.

### Blesk Mobil

Blesk Mobil launched a free package under the name of "Volám na jedno" (Phone one number) on 7th November 2013, as part of which the customer can choose any mobile telephone number from all mobile networks in the Czech Republic every 30 days and subsequently call that number for CZK 1 per minute instead of the standard rate of CZK 2.50 per minute. This special offer package is time-limited to one year from the launch date, meaning to 7th November 2014.

### CallPro

Virtual mobile operator CallPro changed its tariffs during November 2013. The operator newly introduced the "CallPro ;-)" tariff, with calls within its own "network" costing CZK 0.90 per minute and those to other mobile networks within the Czech Republic costing CZK 1.80 per minute. Customers will pay CZK 1 per SMS for one SMS within the

operator's "own" network and CZK 1.25 for one SMS to other mobile networks within the Czech Republic. The fee that customers must pay for having the tariff is CZK 29 monthly and calls are charged per second (1+1). The remaining tariffs ("CallPro 0", "CallPro 100" and "CallPro 200") differ in terms of the number of free minutes to all mobile networks in the Czech Republic, in that the number in the name of the tariff is the number of free minutes to all mobile networks in the Czech Republic. Customers pay CZK 149 per month for the "CallPro 100" tariff and CZK 269 per month for the "CallPro 200" tariff. Customers call other mobile networks within the Czech Republic for CZK 2.20 per minute and numbers within the operator's own "network" for CZK 1 per minute. Customers pay CZK 1 per SMS for one SMS within the operator's "own" network and CZK 1.40 for one SMS to other mobile networks within the Czech Republic. Calls are billed in seconds after the first minute (60+1). A package with a data limit of 100 MB for CZK 60 per month or 500 MB for CZK 150 per month or a package with a data limit of 2 GB for CZK 350 per month can be bought to accompany all tariffs on offer.

### Nej Mobil

New virtual mobile operator Nej Mobil launched a range of services on 1st October 2013. This operator offers its services within the T-Mobile network. It's Nej tariff costs CZK 20 per month and means that customers can call numbers within the operator's own "network" for CZK 0.50 per minute and other mobile networks within the Czech Republic for CZK 1.60 per minute. Customers pay CZK 0.50 per SMS for one SMS within the operator's "own" network and CZK 1.20 for one SMS to other mobile networks within the Czech Republic. Customers pay CZK 0.70 per MB for each 1 MB of downloaded data.

### WIA Mobil

New virtual mobile operator WIA Mobil launched a range of mobile services through the Vodafone network during November 2013. It offers its

customers a tariff based on a prepaid SIM card. Customers pay CZK 1 per minute for calls made within the SIPY/WIA<sup>1</sup> "network". Customers call other mobile networks within the Czech Republic for CZK 1.80 per minute. The rate for one sent SMS to all networks within the Czech Republic is CZK 1.50 per SMS. Calls are billed in seconds after the first minute (60+1 pricing). Customers can buy mobile Internet services with a data limit of CZK 150 MB to accompany their tariffs for CZK 120 per month. The rate for Internet v mobilu na den (Internet on your mobile for one day - 24 hours) with data limit of 25 MB is CZK 30 per day. Customers who do not use Internet connection from WIA<sup>2</sup> are charged a flat rate of CZK 39 per month.

### LAMA mobile

A new virtual operator going by the name of LAMA mobile, run by LAMA ENERGY a.s., launched its mobile services on 18th November 2013. LAMA mobile offers its customers the "FÉROVÁ LAMA" (Fair LAMA) tariff, with no monthly fee and the rate for one call minute based on the number of minutes called. The price for calls within the operator's own "network" and other networks within the Czech Republic is CZK 1 per minute for monthly call time of 351 minutes and upwards, CZK 2 per minute for monthly call time of between 151 minutes and 350 minutes and CZK 2.90 per minute when the customer's call time is up to 150 minutes per month. Calls are charged per second (1+1).

Customers pay CZK 199 for the "SPOŘIVÁ LAMA" (THRIFTY LAMA) tariff, as part of which they get 100 free minutes to the operator's own "network" and 100 free minutes for calls to other mobile operators within the Czech Republic. Calls made within the operator's own "network" and to other networks within the Czech Republic cost CZK 1.90 per minute. Calls are charged per second

<sup>1</sup> SIPY means IP telephony or fixed line with Internet connection.

<sup>2</sup> Internet connection under the name of WIA WiFi WIA 5G, WIA AirMAX, WIA Fiber and WIA DSL.

## Virtual operators

(1+1) while free minutes in a package are being used up. Once free minutes have been exhausted, customers are charged for the first minute of a call and then in seconds (60+1). The operator also offers the "UPOVÍDANÁ LAMA" (TALKATIVE LAMA) tariff for "unlimited"<sup>3</sup> calls to all mobile networks within the Czech Republic for CZK 599 per month. Customers pay CZK 1.50 per SMS for one sent SMS regardless of the tariff.

The operator also offers a range of tariffs for families under the name of "LAMÍ RODINKA" (LAMA FAMILY), with "unlimited" calls among the people in the group. The people in the group can call each other without charge for a monthly rate of CZK 199 (if there are two family members in the group), CZK 289 (if there are three family members in the group) or CZK 369 (if there are four family members in the group). Customers pay CZK 1.90 per minute for calls within the operator's own "network" and to other networks within the Czech Republic and CZK 1.50 per SMS for one SMS to all mobile networks within the Czech Republic. As part of the "LAMA FIREMNÍ" (CORPORATE LAMA) tariff, members of a group of five to ten people can call each other without charge for a monthly fixed rate of CZK 89. Calls and SMS within the operator's own "network" and to other networks within the Czech Republic are charged at CZK 1.50 per minute and CZK 1.50 per SMS. The "UPOVÍDANÁ CHYTRÁ LAMA" (TALKATIVE CLEVER LAMA) tariff, costing CZK 149 per month, offers calls within the operator's own "network" without charge. For calls to other mobile networks within the Czech Republic, a rate is charged depending on the number of minutes called ranging from CZK 1 per minute to CZK 2.90 per minute (the same segmentation of call prices

<sup>3</sup> Unlimited calls are considered to be such a number of free minutes that should cover normal needs with plenty to spare. If operation were to show signs of network abuse of significantly unusual behaviour way above the average values, LAMA will proceed according to the relevant provisions of the General Commercial Terms and Conditions to concern network abuse.

for the number of call minutes as for the "FÉROVÁ LAMA" tariff). The pricing for tariffs (LAMÍ RODINKA, LAMA FIREMNÍ, UPOVÍDANÁ CHYTRÁ LAMA) is set for the first full minute and then in seconds (60+1).

For customers of LAMA ENERGY a.s., the operator offers the "CHYTRÁ LAMA" (CLEVER LAMA) tariff at a monthly flat rate of CZK 349 without commitment or for CZK 249 per month with a two-year commitment. As part of this the customer can use 150 free minutes within the operator's own "network", another 100 free minutes to other networks within the Czech Republic and 50 free SMS to all mobile networks within the Czech Republic. A monthly rate of CZK 499 without commitment or CZK 399 per month with a two-year commitment provides customers with 200 free minutes and 100 free SMS to all mobile networks within the Czech Republic and a monthly data package with an FUP limit of 150 MB. Calls and SMS to all mobile networks in the Czech Republic cost CZK 1.50 per minute and CZK 1.50 per SMS. Calls are charged per second while the free minutes in a package are being used up (1+1). Thereafter, calls are charged for the first full minute and then in seconds (60+1).

Customers can buy a package with a data limit of 150 MB for CZK 99 per month to accompany the tariffs presented, a package with a data limit of 500 MB for CZK 229 per month or a package with a data limit of 1 GB for CZK 399 per month.

### Klokanmobil

Virtual mobile operator Klokanmobil launched mobile services on 1st November 2013. It offers its services in the form of a fixed-rate tariff or a prepaid card. When paying a fee of CZK 40 per month for the flat-rate „Chytrý klokan“ (Clever klokan) tariff, the price of a call unit and of an SMS depends on the customer's monthly "use". Customers who do not call more than 50 minutes or send more than 50 SMS a month call and send SMS to all mobile networks within the Czech

Republic for CZK 1.50 per minute/SMS. If the units which the customer "uses" in a month exceeds 50 minutes or 50 SMS, the price of calls and SMS sent to all mobile networks within the Czech Republic falls to CZK 1.25 per minute/SMS. If a customer exceeds an upper limit of 100 units per month, calls and SMS to all mobile networks in the Czech Republic are charged at a rate of CZK 1 per minute/SMS.

The price per minute for calls is divided similarly according to used units for prepaid "Nabítý klokan" (Charged klokan) cards. The price for calls to all mobile networks within the Czech Republic as part of "Nabítý klokan" is CZK 2.50 per minute for up to 50 minutes call time or 50 SMS. Calls to all networks are charged at a rate of CZK 2 per minute when the minutes called (SMS sent) total up to 100 call minutes (SMS) and the rate for calls of over 100 minutes (SMS) is CZK 1.50 per minute. The price for one SMS to all mobile networks within the Czech Republic is CZK 1.50 per SMS. For both tariffs, the operator charges a rate of CZK 0.50 per minute/SMS for calls and SMS within its own "network" regardless of the number of minutes called.

Customers can buy additional packages of SMS to all mobile networks<sup>4</sup> within the Czech Republic and additional packages of data services to accompany the "Chytrý klokan" tariff. They are charged CZK 20 per 24 hours for one-day Internet connection with FUP of 25 MB. They can also pay CZK 69 for the Internet for a month with a data limit of 150 MB, CZK 129 per month for 300 MB, CZK 229 per month for 600 MB or CZK 349 per month for 1.2 GB.

### Metronet

Virtual operator Metronet launched a range of mobile services on 1st November 2013. The operator offers a tariff with a flat-rate charge

<sup>4</sup> A package of 100 SMS to all networks for CZK 100 and a package of 200 SMS to all networks within the Czech Republic for CZK 160.

## Virtual operators

of CZK 50 per month. Customers call mobile and fixed-line networks within the Czech Republic for CZK 1.80 per minute. They pay CZK 1.50 for one SMS to all networks within the Czech Republic. Pricing is set for the first full minute and then in seconds (60+1). Customers can buy a data package with a data limit of 100 MB for CZK 75 per month, a package with a data limit of 500 MB for CZK 160 per month or a package with a data limit of 2 GB for CZK 380 per month.

### COOP Mobil

Virtual mobile operator Coop Mobil launched a range of mobile services on 1st October 2013. Customers can make calls within the operator's own "network" and to other mobile networks within the Czech

Republic for CZK 2.50 per minute with a prepaid card (START tariff). Customers will pay CZK 1.50 per SMS for one SMS within the operator's own "network" and to other mobile networks within the Czech Republic. The operator also offers two fixed-rate tariffs. Customers get 60 free minutes and 60 free SMS to all mobile networks within the Czech Republic for a monthly charge of CZK 199 as part of the "STANDARD" tariff. They get 200 free minutes and 200 free SMS to all mobile networks within the Czech Republic for a monthly charge of CZK 659 as part of the "RODINA" (FAMILY) tariff. With both tariffs, customers call numbers within the operator's own "network" for CZK 1.20 per minute and other mobile networks within the Czech Republic for CZK 2.50 per minute. They pay CZK 1.00 per SMS for one SMS within the operator's own "network" and CZK 1.50 for one SMS to other mobile networks within the Czech

Republic. Calls are billed in seconds (1+1). A discount of 20 % on the charge for one minute of call time and one sent SMS is available when customers shop regularly at the COOP chain. Data services can be bought to accompany tariffs: "Připojení na den" (Connection for a Day) offers a data limit of 25 MB for CZK 20 for 24 hours and "Připojení na měsíc" (Connection for a Month) offers a data limit of 300 MB for CZK 159 for one month. Customers can also choose a one-off package<sup>5</sup>: "Připojení 300 MB" (300 MB Connection), offering 300 MB for CZK 159, or "Připojení 1 GB" (1 GB Connection), offering 1 GB for CZK 399.

<sup>5</sup> A one-off package that applies for a maximum of three months or until the exhaustion of the data limit.

## Checked by the CTU in November ...

### ...the operation of communication activities without a licence

– in three cases the Office ascertained that providers were undertaking communication activity entirely without authorisation or did not comply with all criteria for the operation of communication activities according to the requirements laid down by law. In these cases the CTU commenced administrative proceedings.

### ...observance of the terms and conditions of individual licences to use radio frequencies

– the CTU conducted 17 inspections to predominantly concern observance of the terms and conditions laid down for the operators of VHF FM transmitters. It subsequently issued two appeals to rectify the shortcomings identified, due to surpassing the permitted modulation output and failure to observe the permitted transmission station.

### ...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 72 inspections. It identified breach in 29 cases and will commence administrative proceedings in the matter.

**...the use of radio frequencies without a licence** – the CTU conducted a total of six inspections aimed at undertakings whose individual licences had expired. It discovered five cases of the use of frequencies without a licence and will commence administrative proceedings.

**...sources of disruption of 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 85 in situ investigations, of these 14 cases of disruption of meteorological radars with the use of Wi-Fi equipment and 12 cases of disruption of public mobile radio-telephony networks with the use of illegal GSM

signal repeaters and the radiation of active antennae. In seven cases the Office issued an appeal to rectify disruption. The main causes of the reports of disrupted radio reception submitted are defects to receiving antenna technology, amateurish installation of antennae and distribution systems for television receivers or the signal being blocked by construction cranes.

### Cooperation between the CTU and the Česká obchodní inspekce (Czech Trade Inspection Authority)

– When conducting inspections at dealers in telecommunication terminal and radio equipment as part of cooperation between the CTU and the CTIA, both organisations discovered the sale of radio-controlled model cars operating in the 32 MHz, 37 MHz and 47 MHz bands. Such radio equipment cannot be operated in the Czech Republic without an individual licence to use radio frequencies. The CTIA is dealing with the shortcomings identified as part of its scope of duties.

## The CTU working for the consumer

**In November, the CTU commenced 8947 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. The CTU issued 7346 decisions in this regard, 7309 of these decisions concerning matters of financial payment (payment of the price of services).**

Subscriber contracts and the contractual terms and conditions of operators are a common source of complaints by consumers. The CTU therefore devotes continual attention to them. The CTU conducted checks of draft contracts and contractual terms and conditions for 40 selected organisations in the sphere of providing voice and data services between 15th July and the end of October of this year. The aim of these checks was to make sure that documents conformed to the Act on Electronic Communication. The check also concentrated on the problematic agreements from the consumer perspective specified last year by then chairman of the CTU Council Pavel Dvořák in an open letter addressed to mobile operators.

In its examination of the documents at issue, the CTU ascertained that their frequent incomprehensibility is usually caused by incomplete or imprecise wording or inaccurate incorporation of the wording of the Act on Electronic Communication.

Providers frequently do not publish the full version of draft contracts on the Internet. What is more, sometimes the parts of such contracts published are not entirely up-to-date. Provisions of contractual terms and conditions which could be considered as discouraging a change of provider appear here more commonly than among mobile operators – unreasonably longer periods of notice, various administrative charges, unreasonable fees for transferring a number etc.

As far as the CTU is concerned, the providers under consideration most commonly make mistakes in their regulation of the rights of subscribers to withdraw from a contract when the contractual terms and conditions change, if this involves a change of significant matters or if this change is to the detriment of the subscriber's position (Section 63(6) of the AoEC).

The Office called on the providers of services whose contractual documentation exhibited shortcomings to rectify these within the set deadline. Administrative proceedings for breach of obligation according to Section 115 of the AoEC, for which the maximum penalty is CZK 2 million, were commenced with those providers of electronic communication services who did not provide the Office with full contractual documents or who did not provide any at all. Administrative proceedings involving the imposition of the obligation to change contractual terms and conditions or the imposition of a penalty for the fact that a contract does not comprise statutory particulars will be commenced with others who do not modify their contracts and contractual terms and conditions within the set time limit.

### Postal services

Two decisions to impose penalties on Česká pošta (Czech Post) entered into legal force in the month of November. The Office imposed a penalty of CZK 1,600,000 for failure to meet the requirement of delivering at least 94 % of postal consignments the next postal day. Czech Post, as the holder of a postal licence, achieved results of 92.15 % in 2011, meaning that it committed an administrative infraction consisting of the fact that the postal obligation was discharged in a way which does not comply with basic qualitative requirements. Czech Post lodged remonstrance against the decision to impose a penalty. The second penalty concerned registered consignments that Czech Post stored at a branch without first having made the mandatory attempt to deliver them to the place of residence of the addressee.

The CTU completed administrative proceedings conducted with Czech Post in the matter of breach of obligation according to Section 33(9) of the Act on Postal Services to inform the CTU of an increase in the prices of basic services within a time limit of at least 90 days before the date on which it intends to increase the prices of these services. Czech Post decided to increase the prices of certain basic services as of 1st August without informing the CTU of this within the time limit required by law (for more see page 28 of Monitorovací zpráva za měsíc červenec 2013 (Monitoring Report for June 2012) and page 15 of Monitorovací zpráva za měsíc srpen 2013 (Monitoring Report for August 2013)). The CTU imposed a penalty of CZK 1,500,000, although this is not final and conclusive.

### Universal service

On 6<sup>th</sup> November the CTU published for public consultation the [plan](#) to impose the obligation (as part of a universal service) to allow persons with special social needs in accordance with Section 44 and 45 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 can use constituent services and a publicly-accessible telephone service ("special prices") according to Section 38(3) of the Act on Electronic Communication. Comments on the proposed plan could be made within one month of the date of publication of the appeal for comments.

The CTU issued a decision on net costs for the year 2012 of CZK 50,136,727 and determined that net costs are an unacceptable burden for the provider of the universal service, Telefónica. These



## Universal service...

net costs arose for Telefónica in 2012 in connection with the provision of constituent services of the universal service, meaning public telephone services (in municipalities with up to 5,000 inhabitants) and the sale of specially-equipped telecommunication terminating equipment. The CTU verified the calculation submitted by the universal service provider both on the basis of the documents which were part of the application and the documents which

were additionally requested. Telefónica rectified the shortcomings ascertained in a corrected calculation. The decision entered into legal force on 8<sup>th</sup> November 2013 and payment was made on 15<sup>th</sup> November 2013 from the national budget via the CTU.

The CTU also issued a decision on a loss from the provision of special prices for 2012 amounting to CZK 96,813,185. Special prices are price benefits for selected groups of handicapped subscribers that are, based on the obligation imposed, only provided by Telefónica in the fixed

network and the mobile network. The decisions were preceded by an application made by Telefónica and a check of whether special prices were provided to authorised persons when complying with the maximum amount of discount of CZK 200 a month for individual subscribers. The CTU took the shortcomings identified during the inspection into account in a new calculation of loss. The decision entered into legal force on 19<sup>th</sup> November 2013 and payment of the loss was made on 22<sup>nd</sup> November 2013 from the national budget via the CTU.

## Frequencies for LTE network auctioned

The most important part of the entire process of authorising frequencies for the 4G network, which the CTU began the preparation of in 2010 in relation to Commission Decision 2010/267/EU and which the Government of the Czech Republic supported in January 2011 in its Resolution 78 of 26<sup>th</sup> January 2011, reached its climax.

The CTU began preparing the terms and conditions of the tender immediately after the then chairman of the CTU Council decided to discontinue the previous tender on 8<sup>th</sup> March. In the terms and conditions of the new tender, the CTU set out several procedural modifications of the actual course of the tender and its auction stage and a number of motivational conditions for support for the entry of new undertakings to the mobile market. It primarily reserved a section of 2 x 10 MHz in size in the 800 MHz band for new actors, offered them an integrated block of 2 x 15.8 MHz in size in the 1800 MHz band and at the same time allowed them access to national roaming in the 2G and 3G networks of existing mobile operators.

The tender process began on 15<sup>th</sup> August, when the CTU published full tender documentation, following public consultation on the proposed terms and conditions. The CTU received applications from 5 bidders by the set deadline of 30<sup>th</sup> September: from three current mobile operators (Telefónica Czech Republic a.s., T-Mobile Czech Republic a.s. and Vodafone Czech Republic

a.s.) and from Revolution Mobile a.s. and SAZKA Telecommunications a.s.

After the CTU had checked that all interested parties complied with the set terms and conditions for participation, it moved on to the preparation stage, in which all participants undertook training in the use of the electronic auction platform and two trial auctions were staged. The auction stage itself commenced on 11<sup>th</sup> November and continued on to 19<sup>th</sup> November, when supply matched demand in the 14<sup>th</sup> round and the auction stage of the tender ended in accordance with the rules of the auction.

Each of the successful participants received 2 x 10 MHz spectrums in the 800 MHz band and 2 x 20 MHz spectrums in the paired part of the 2600 MHz band. The section originally reserved (auction block A3) in the 800 MHz band was won by Vodafone Czech Republic a.s., which also won frequency blocks of an aggregate size of 2 x 4 MHz in the 1800 MHz band. Telefónica Czech Republic a.s. won three frequency blocks in the 1800 MHz bands (2 x 3 MHz) and T-Mobile Czech Republic a.s. two frequency blocks (2 x 2 MHz). The total price for the radio spectrums won by the successful participants was CZK 8,529.5 million, of which CZK 2,802.5 million is to be paid by Telefónica Czech Republic a.s., CZK 2,614 million by T-Mobile Czech Republic a.s. and CZK 3,113 million by Vodafone Czech Republic a.s.

A 2 x 15.8 MHz block remained unsold in the 1800 MHz band, two 2 x 5 MHz blocks in the paired part of the

2600 MHz band and the entire unpaired 2600 MHz band. The Office will inform the public of proposals for onward procedure in the authorisation of these frequencies in the course of 2014.

On 22<sup>nd</sup> November, the CTU called on the winning bidders from the auction stage to submit a joint mutual agreement on the division of the obtained sections of the radio spectrums in individual frequency bands in accordance with the terms and conditions of the tender. The parties have a time limit of 1 month for these discussions. If all parties do not reach agreement within this time limit, the CTU will decide on the division of the sections of radio spectrum obtained using the procedure regulated in the terms and conditions of the tender. The CTU will subsequently decide on rejecting the applications of the unsuccessful bidders from the auction stage, shall call on the successful bidders to pay the price of the parts of the radio spectrum they have won and once this price has been paid shall issue a decision on the allocation of radio frequencies.

The results of the tender to date and the set development criteria generate the conditions for the fast development of mobile broadband services in new 4G networks. The CTU expects that these services will soon be available to even less-populated areas of the Czech Republic. The terms and conditions of the tender and the obligations which the participants accepted also support development on the wholesale 4G services market, which should result in a broader offer for end users.

## Electronic communication services

Three hundred and fifty complaints (56.5 % of the total number) were handled by the CTU according to Act No. 127/2005 Sb. on electronic communication (hereinafter referred to as the "AoEC") and Act No. 634/1992 Sb. on consumer protection (hereinafter referred to as "AoCP"). The CTU informed complainants of how to proceed according to the AoEC in relation to service providers (informing them, for example, of the right to make a warranty claim with a service provider) or that a complaint is the basis for further investigation according to the AoEC or the AoCP or the basis for conducting a state audit or the issue of an appeal according to Section 114 of the AoEC to rectify the shortcomings identified.

Eighty-four complaints were not within the CTU's remit. In such cases it informs the complainant of who does have the authority and ability to deal with the complaint or refers the complaint to the competent body (for example, cases of deceptive advertising, unwanted business communications, unethical customer acquisition, the protection of personal data etc.).

The CTU found 185 complaints (29.9 % of the total number) to be unfounded and informed the complainants of the fact that no obligation laid down by the AoEC, the AoCP, implementing regulations to these acts or the decisions of the CTU had been breached.

There was an increase of 33 complaints (i.e. 5.6 %) in the 3<sup>rd</sup> quarter of 2013 in comparison with the total number of complaints in the 2<sup>nd</sup> quarter of 2013. A year-on-year comparison of the 3<sup>rd</sup> quarter of 2012 and 2013 shows a drop in the total number of complaints of 712 (115 %). This extraordinary year-on-year decrease mainly occurred in relation to the fact that the receipt of complaints about the introduction of a service charge for Skylink and CS Link satellite television services reached its culmination.

The number of complaints which the CTU is not competent to handle, most often concerning services offered by third parties – in particular Premium SMS and audio text services – also fell during the period under consideration.

### Complaints are divided in the following way by subject-matter:

171 complaints about billing of the prices of services (27.6 % of the total number). The Office provided complainants with legal advice or commenced administrative proceedings according to Section 129 of the AoEC (subscriber disputes).

155 complaints concerned subscriber contracts; most were directed at T-Mobile Czech Republic a.s., and Telefónica Czech Republic a.s.

41 complaints related to the transfer of a telephone number – this showed an increase of 86 % on the previous quarter. We can assume

that this occurred as a result of the entry into effect of Measures of a

General Nature OOP/10/10.2012-12, laying down the technical and organisational conditions for implementing the transferability of telephone numbers and the principles of charging a price between business undertakings in relation to the transferability of telephone numbers.

45 complaints fall within the area dealt with by the AoCP. Most commonly these concerned unfair practices. However, it should be added that the CTU found the overwhelming majority of these complaints to be unfounded.

Other grounds for complaint usually appeared in only a few cases. A full overview of the subject-matters of complaints is provided in Table 1.

The number of complaints relating to services provided as part of a universal service has been mini-

Complaints and questions from subscribers/users 1) in the 3<sup>rd</sup> quarter of 2013

Subject-matter	Complaints				Total complaints <sup>10</sup>	Settled in favour of the subscriber/user <sup>11</sup>	Total <sup>12</sup>
	Questions	Method of settlement	Provision of information				
	Procedure according to the law <sup>13</sup>	No violation of the law <sup>14</sup>	Outside the Office's remit				
a	b	c	d	e	f	g	h
1. 1. Electronic communication services	405	261	117	16	394	682	799
2. Failure to set up electronic communication services	3	2	2	2	6	7	9
3. Quality of electronic communication services	31	14	8	2	24	47	55
4. Subscriber contracts	169	102	49	4	155	275	324
5. Failure to provide electronic communication services in accordance with a contract	21	10	13	2	25	33	46
6. Activation of unwanted electronic communication services	7	7	6	0	13	14	20
7. Disagreement with billing	174	126	39	6	171	306	345
2. 8. Radio communication services	9	1	0	0	1	10	10
3. 9. Transferability of a telephone number in a mobile network	89	25	16	0	41	114	130
4. 10. Transferability of a telephone number in a fixed network	6	3	0	0	3	9	9
5. 11. Failure to set up or transfer a telephone station	0	1	0	0	1	1	1
6. 12. Customer support service provided by electronic communication service provider	5	1	0	2	3	8	8
7. 13. Method of customer acquisition by providers and dealers	1	3	0	1	4	5	5
8. 14. Reception of TV signal in connection with the digitalisation of broadcasting	19	4	0	0	4	23	23
9. 15. Deceptive advertising	1	0	1	0	1	1	2
10. 16. Consumer protection <sup>2</sup>	43	9	34	2	45	54	88
17. adherence to honesty of service provision (Section 3 of AoCP)	0	0	0	0	0	0	0
18. unfair business practices <sup>3</sup> (Section 4 of the AoCP)	20	5	16	0	21	25	41
19. deceptive business practices (Section 5 of AoCP)	15	2	12	2	16	19	31
20. aggressive business practices (Section 5a of AoCP)	2	0	1	0	1	2	3
21. prohibition of consumer discrimination (Section 6 of AoCP)	0	0	0	0	0	0	0
22. the duty to inform (Section 9 and 10 and Section 11 to 13 of AoCP)	5	1	5	0	6	6	11
23. other obligations in the provision of electronic communication services (Section 15 and 16 and Section 19 of AoCP)	1	1	0	0	1	2	2
11. 24. Universal service	0	0	1	0	1	0	1
25. access to publicly-accessible telephone service <sup>4</sup> for the disabled	0	0	1	0	1	0	1
26. public telephones <sup>5</sup>	0	0	0	0	0	0	0
27. access and the possibility of people with low incomes <sup>6</sup> using services	0	0	0	0	0	0	0
12. 28. Other <sup>7</sup>	677	42	16	63	121	782	798
29. telephone directories	1	1	0	0	1	2	2
30. information service about subscribers' telephone numbers	1	1	0	0	1	2	2
31. services from third parties – Premium SMS	39	2	0	22	24	63	63
32. services from third parties – audio text services	13	2	1	10	13	25	26
33. annoying and unwanted calls	16	10	2	0	12	26	28
34. offering marketing advertising in violation of Section 96 of AoEC	3	1	1	0	2	4	5
35. communication networks, protective bands and use of the property of another	21	4	0	3	7	28	28
36. undertaking business in electronic communication	190	1	1	0	2	191	192
37. professional competence test (Section 26 of AoEC)	317	0	0	0	0	317	317
38. coverage by TV signal and GSM	8	3	0	0	3	11	11
39. personal data protection	3	1	2	0	3	4	6
40. miscellaneous	65	16	9	28	53	109	118
TOTAL	1255	350	185	84	619	1689	1874

Tab No. 1 - Complaints and questions from subscribers/users in the 3<sup>rd</sup> quarter of 2013

### KEY

1) Not complaints according to Section 175 of Act No. 500/2004 Sb., the Rules of Administrative Procedure, as amended by Act No. 413/2005 Sb. Not objections to the settlement of a warranty claim on pu-

blicly-accessible electronic communication services provided or other subscriber disputes resolved within administrative proceedings. Complaints and questions

mal over the long-term, with the CTU registering only one complaint about the services provided as part of a universal service in the 3<sup>rd</sup> quarter of 2013.

## Questions about electronic communication services

The CTU began accepting questions about electronic communication services on 1<sup>st</sup> January 2012 and categorises these in the same way as complaints (see Table 1). The Office registered a total of 1255 questions in the 3<sup>rd</sup> quarter of 2013, which is 123 more than in the previous quarter. Apart from questions directed at the conditions of engaging in business in electronic communications and issuing certificates according to Section 26 of the AoEC, which accounted for a total of 40.4 %, the overwhelming majority involved consumer issues. As in the case of complaints, the largest category involved questions directed at the issue of billing the price of services (13.9 %). There was a more considerable increase in the number of questions about subscriber contracts, which accounted for 13.5 % of the total number of questions received, in that these questions mainly concerned issues surrounding the effect of Act No. 214/2013 Sb., which significantly amended the AoEC. There were also more questions about the transferability of numbers in the mobile network, as already mentioned in relation to the entry into effect of Measures of a General Nature OOP/10/10.2012-12 (7 %).

An overview of the total number of complaints and questions for the 3<sup>rd</sup> quarter of 2013 is presented in Table 1 and Graph 1. The development of the number of complaints about electronic communication services in a year-on-year comparison from the 3<sup>rd</sup> quarter of 2012 to the 3<sup>rd</sup> quarter of 2013 is shown in Graph 2. The number of complaints in comparison with the same periods in previous years is shown in Graph 3. Graph 4 shows an expression of the number of complaints made by subscribers to the specified companies (in %) for the 3<sup>rd</sup> quarter of 2012 to the 3<sup>rd</sup> quarter of 2013.

## Conclusion:

We can say, based on the statistical evaluation of the quantitative

are on record at the settlement stage.

2) According to Act No. 634/1992 Sb. on consumer protection, as amended.

3) Business practices in accordance with Section 4 of the Act on Consumer Protection, according to which a business practice is unfair if the conduct of the business undertaking towards the consumer is in conflict with the requirements of professional care and is capable of significantly influencing his decision-making such that he might take a commercial decision which he would not otherwise take. Unfair business practices are mainly deceptive and aggressive business practices.

4) Decision 44 813/2009-610/VII. vyř. of 23<sup>rd</sup> June 2009 on imposing the obligation to provide a constituent service within the bounds of a universal service: access for disabled people to a publicly-accessible telephone service equal to the access used by other end users, in particular by way of specially-equipped telecommunication terminal devices, according to Section 38(2)(f) of the Act on Electronic Communication.

5) Decision 466/2006-610/II. vyř. of 13<sup>th</sup> March 2006, as amended by Decision 20 583/2008-610/IX. vyř., 63 465/2009-610/IX. vyř. and 100 041/2010-610/VI. vyř., imposing the obligation to provide a constituent service within the bounds of a universal service - public telephone services.

6) Decision ČTÚ-43 632/2011-610/VI. vyř. of 7<sup>th</sup> June 2011 in the matter of imposing 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 commerci-

and qualitative parameters of complaints and questions submitted by subscribers/consumers in the 3<sup>rd</sup> quarter of 2013, that there were no fundamental or significant deviations from the average for previous periods in 2013.

In terms of the number of questions and complaints submitted by consumers, we must stress the issue of the transferability of numbers, in which an amendment to Measures of a General Nature OOP/10/10.2012-12, laying down the technical and organisational conditions for implementing the transferability of tel-

al terms and conditions such that these persons have access to and are able to use a constituent service and a publicly-accessible telephone service.

7) A different type of complaint not classifiable under 1 to 10.

8) An electronic communication service provider and in the notes a provider of content.

9) The Act on Electronic Communication; in the case that the complaint or question concerns consumer protection, the Act on Consumer Protection.

10) Includes complaints – procedure according to AoEC (column c), complaints – no violation of the AoEC (column d) and complaints – not within the Office's remit (column e).

11) Includes questions (column b), complaints – procedure according to AoEC (column c), and complaints – not within the Office's remit (column e).

12) Includes questions (column b), complaints – procedure according to AoEC (column c), complaints – no violation of the AoEC (column d) and complaints – not within the Office's remit (column e).

13) The number of complaints segmented according to individual electronic communication service providers against which a complaint is lodged. If required, the name of an electronic communication service provider not shown in the list is added in the header. For a marginal electronic communication service provide, the word "Other" can be added.

AoEC - Act No. 127/2005 Sb. on electronic communication and amending certain related acts (the Act on Electronic Communication), as amended.

AoCP - Act No. 634/1992 Sb. on consumer protection, as amended.

ephone numbers and the principles of charging a price between business undertakings in relation to the transferability of telephone numbers, entered into effect. We can say, based on the content of questions and complaints made by subscribers/consumers regarding the issue of the transferability of numbers within the period under consideration, that consumers do not sufficiently differentiate between the newly-set time limit of four days for the transfer of a number and the settlement (termination) of contractual relations with the provider of services which

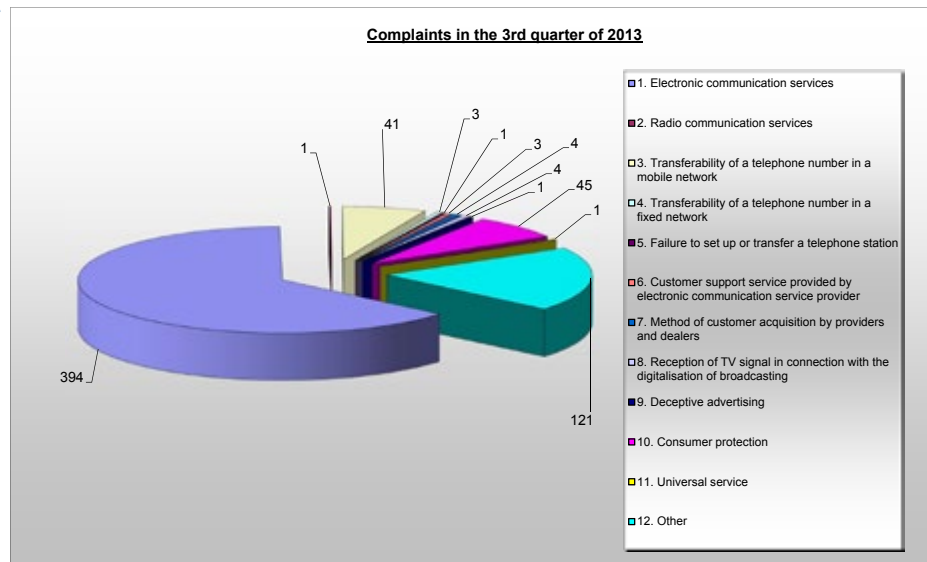
the subscriber is leaving, something which ensues from the contractual terms and conditions of the particular service provider. We also ascertained, based on regular monitoring of the media, open discussion forums and the content of complaints, that the information provided to consumers by service providers can be incomplete and inaccurate. The CTU commenced an administrative audit of all service providers that announced the provision of a publicly-accessible telephone service in this matter in September, the aim being to find out whether service providers had incorporated the issue of the transferability of numbers into their contractual provisions in accordance with the new Measures of a General Nature and in accordance with Section 63(1)(o) of the AoEC. This audit was conducted at 780 undertakings and the Office will probably complete it by 15<sup>th</sup> December. We can provisionally say that most problems relate to smaller providers of telephone services.

Another group of questions and complaints with which consumers contacted the CTU during the period under consideration involved questions about Act No. 214/2013 Sb., which amended the AoEC. Most questions were directed at the effect of Section 63(1)(p) of the AoEC, which sets out the size of payment to be made when prematurely terminating a contract. The CTU is of the opinion that the act has been effective in this specific provision since 8.8.2013. The CTU further conveyed this legal interpretation in the monthly monitoring report for the month of October.

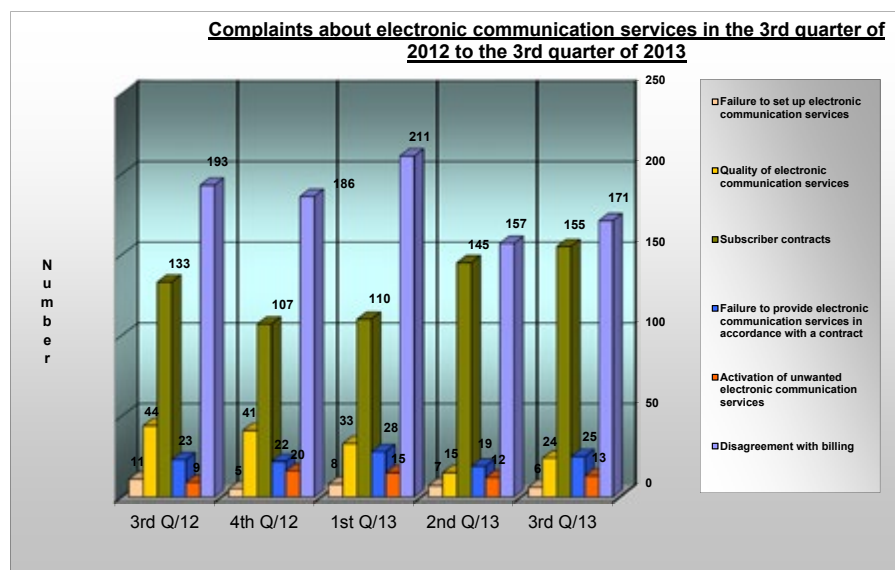
The questions and complaints which the CTU is not competent to handle most commonly concerned services provided by third parties, meaning so-called Premium SMS and audio text services. The issue in question was considered at a joint meeting with representatives of the Czech Trade Inspection Authority (hereinafter referred to as the "CTIA"), which is preparing an inspection operation. The CTU is cooperating with the CTIA in this matter. A joint inspection will be conducted in the near future.

## Postal services

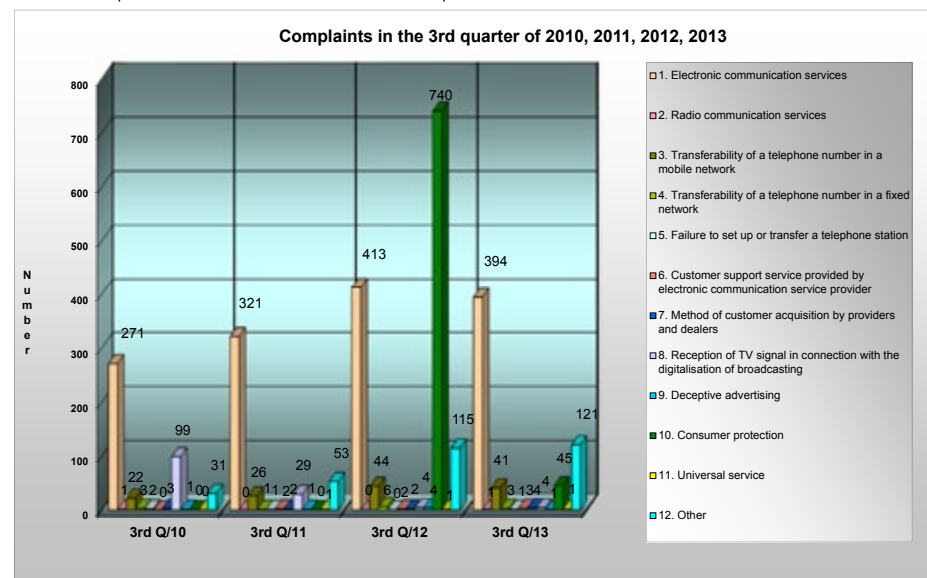
The CTU registered 25 complaints and one question about



Graph No.1 - Complaints in the 3rd quarter of 2013



Graph No. 2 - Complaints about electronic communication services in the 3rd quarter of 2012 to the 3rd quarter of 2013

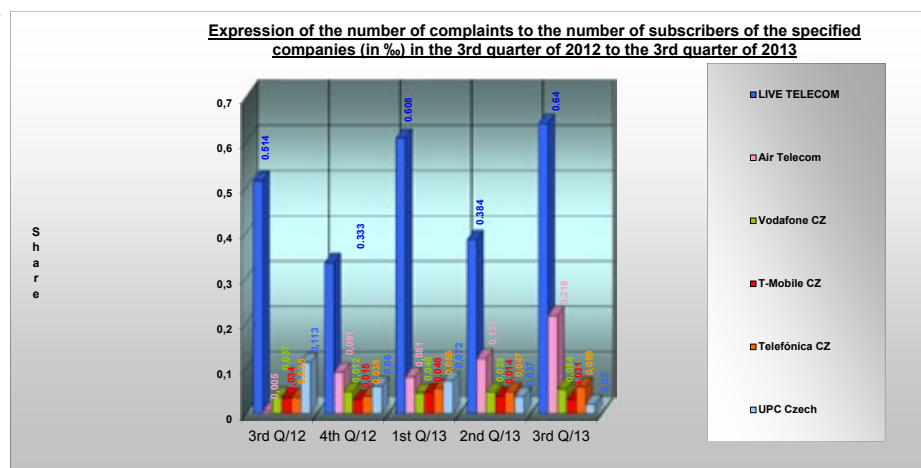


Graf No. 3 - Complaints in the 3rd quarter of 2010, 2011, 2012, 2013

basic postal services in the period under consideration. The number of complaints shows an increase of 38.9 % on the previous quarter. Of the total number of complaints about basic postal services, the CTU settled 17 in favour of the consumer and in 8 others there was no infringement of the law. Consumers most commonly (in six cases) complained about the delivery of postal consignments. In all cases the complaints were directed at the services provided by Česká pošta, s.p. (Czech Post). The question sent concerned the delivery of an amount of money by way of postal order.

The CTU also received 46 complaints relating to the basic parameters of providing postal services, such as the long waiting period, the opening hours of post offices, the delivery of postal consignments, the handling of complaints and returns etc., which is an increase of 31.4 % on the previous period. Complaints concerned the delivery of postal consignments in 26 cases. All complaints were again directed at the services of Czech Post.

The Office also now monitors complaints and questions to concern selected non-postal services (CZECH Point, data boxes, electronic signatures, the services of Poštovní spořitelna (Post Office Savings Bank) and other financial services). However, the CTU does not have the remit to handle these and refers such submissions to the bodies having subject-matter competence. The CTU registered only one complaint in this category in the previous quarter. The remaining complaints were not within the CTU's remit; for example,



Graf No. 4 - Expression of the number of complaints to the number of subscribers of the specified companies in the 3rd quarter of 2012 to the 3rd quarter of 2013

**Complaints and questions from customers about postal services in the 3rd quarter of 2013**

Subject-matter	Questions	Complaints				Total	
		Procedure according to the law	No violation of the law	Inside the Office's remit	Settled in favour of the customer		
a	b	c	d	e	f	g	h
<b>1. 1. Complaints and questions based on a service according to Section 3 of the Act on Postal Services</b>							
2. delivery of postal consignments of up to 2 kg	0	6	1	0	7	6	7
3. delivery of postal packages of up to 10 kg	0	0	0	0	0	0	0
4. delivery of an amount of money by way of postal order	1	4	3	0	7	5	8
5. delivery of registered consignments	0	4	3	0	7	4	7
6. delivery of valuable consignments	0	1	0	0	1	1	1
7. free delivery of postal consignments of up to 7 kg for the blind	0	2	1	0	3	2	3
8. basic postal services abroad	0	0	0	0	0	0	0
9. delivery of postal packages of over 10 kg posted from abroad	0	0	0	0	0	0	0
10. coupon-response international service	0	0	0	0	0	0	0
11. response consignments international	0	0	0	0	0	0	0
12. delivery of printed matter bag	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>17</b>	<b>8</b>	<b>0</b>	<b>25</b>	<b>18</b>	<b>26</b>
<b>2. 13. Complaints and questions about postal services *)</b>							
14. long waiting times	1	0	0	0	0	1	1
15. post office opening hours	5	0	0	0	0	5	5
16. change of post office at which a consignment is stored for collection	1	10	2	0	12	11	13
17. the delivery of postal consignments	8	21	5	0	26	29	34
18. dealing with complaints and returns	5	3	1	0	4	8	9
19. breach of postal secrecy	0	0	0	0	0	0	0
20. postal consignments to/from abroad	0	2	0	0	2	2	2
21. the delivery of official instruments	1	0	1	0	1	1	2
22. requests for information	3	1	0	0	1	4	4
<b>TOTAL</b>	<b>24</b>	<b>37</b>	<b>9</b>	<b>0</b>	<b>46</b>	<b>61</b>	<b>70</b>
<b>3. 23. Complaints and questions about selected non-postal services</b>							
24. Czech POINT	0	0	0	0	0	0	0
25. data boxes	0	0	0	0	0	0	0
26. electronic signature	0	0	0	0	0	0	0
27. Poštovní spořitelna (Post Office Savings Bank) and other financial services	0	0	0	0	0	0	0
28. other services	1	0	1	7	1	8	9
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>9</b>
<b>SUM OF COMPLAINTS AND QUESTIONS ABOUT POSTAL AND SELECTED NON-POSTAL SERVICES</b>	<b>25</b>	<b>37</b>	<b>10</b>	<b>7</b>	<b>47</b>	<b>69</b>	<b>79</b>

\*) It is necessary to check for each complaint whether it is a basic service. If so, complete information about this complaint in part 1.

Tab No. 2 - Complaints and questions from customers about postal services in the 3rd quarter of 2013

complaints about the conduct of employees at Czech Post, complaints made by stamp collectors or complaints about the SIPO direct debit system.

**Monthly monitoring report - November 2013**

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 Issued By the Public Relations Department • adress: Sokolovská 219, 190 00 Prague 9,  
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 Published monthly.