

Monthly monitoring report No. 4/2012 of the Czech Telecommunication Office April 2012

Executive summary

On April 13 the CTU promulgated the Measure of General Nature no. OOP/1/04.2012-4, which amends the Measure of General Nature no. OOP/1/02.2008-2, determining relevant markets in the field of electronic communications, including the criteria serving for evaluation of significant market power. This measure extends the list of relevant markets, on which it is possible to apply the regulation ex ante in the Czech Republic, with the Market no. 8 – The Access and Origination of Call (Origination) in public mobile telephone networks (more information can be found in the Article 2).

The Chairman of the CTU's Council addressed General Directors of companies Telefónica, T-Mobile and Vodafone asking them to employ consistently the interim period in progress, for which the Amendment of the Act on Electronic Communications imposes their duty to include the changes ensuing from the Amendment in their contractual relations and information published and invited the companies specified to reflect, within the framework of modifications performed, also complaints of consumers concerning the area of contractual relations which, in the last year alone, were registered several hundreds by the CTU (more information can be found in the Article 8).

On April 2, 2012 the working meeting took place of the CTU's management and consultancy company Grant Thornton Advisory (GTA) with journalists, concerning tender procedure (Auction) for frequencies of the digital dividend (more information can be found in the Article 13).

The CTU has prolonged the consultation of conditions and rules of the Auction of frequencies of the digital dividend by 21 days. The public consultation commenced on March 20, 2012 and comments can now be applied until May 11, 2012 (more information can be found in the Article 13).

On April 19, 2012, [the Notification](#) of publication of the Report entitled „[Monitoring of commercial provision of services corresponding to non-imposed services within the framework of Universal service](#)“ was published on the Internet pages of the CTU.

On May 4, 2012, the Telecommunication Buletin in its Volume 6/2012 published the Measure of General Nature no. OOP/14/04.2012-5, stipulating parameters of quality of publicly available services of electronic communications, which should be measured, contents, form and method of publication of information concerning current prices, quality and conditions under which the services are provided, and the measures ensuring equal access for handicapped users and procedures stipulating quality assessment.

In the theme of the month the CTU concentrates itself on current data of international comparison of prices of mobile services, employing the data used from comparison of the company Teligen from February 2012 (more information can be found in the Article 1).

1. Current situation in the market

Services of fixed networks

Subscribers, who use the services of the digital television of the company **Telefónica** with the tariff O2 TV, can, starting from April until June 2012, dispose of programmes NOVA HD and ČT HD within the framework of their tariffs free of charge.

New customers of the company **UPC**, who, within the special offer, ordered the online service of the digital television Starter before April 25, 2012, including programme packages Sport, Relax or Darwin, can use this service during one year for the price of CZK 150 instead of standard price of CZK 370.

The company UPC prolonged the special offer for its new customers who ordered the telephone service UPC Telephone with the tariff „Basic“ before April 27. Hereby the new customers obtained the monthly flat fee of CZK 1 for the period of 12 months. The price of installation was CZK 0 in case of self-installation and the price for connection was CZK 99.

Company **Telefónica** prolonged the special offer started at the beginning of January 2012 until the end of June 2012. The new customers (natural and juristic persons), who will order the service Internet Optimal or the service Internet Aktiv within the deadline mentioned, together with the obligation to use the service for the period of 12 months, will pay during the existence of contractual relation the monthly price of CZK 500 for the service Internet Optimal and CZK 600 for the service Internet Aktiv. Starting from the 13th month standard prices will be charged, i.e. CZK 750 for the Internet Optimal and CZK 850 for the Internet Aktiv.

The company Telefónica also prepared the offer for existing customers (natural and juristic persons), which deals with the increase of „lower“ tariff to the tariffs Internet Optimal. For the period of one year a customer will then be charged the price of CZK 600 contrary to charged standard price of CZK 750. The customer, who will choose the higher tariff Internet Aktiv, will pay for this service, for the period of 12 months, the price at the amount of CZK 750 contrary to charged standard price of CZK 850. This special offer is valid until June 30, 2012.

From April 1, 2012 until April 30, 2012, the company Telefónica provided for its new customers (natural and juristic persons) special offers in its selected brand shops in Beroun, Benešov, Děčín, Havlíčkův Brod, Cheb, Kladno, Kolín, Kutná Hořa, Liberec, Litomyšl, Louny, Nymburk, Pelhřimov, Poděbrady, Olomouc, Písek, Plzeň, Přerov, Příbram, Rychnov nad Kněžnou, Sokolov, Svitavy, Ostrava, Teplice, Uherské Hradiště, Ústí nad Orlicí, Zlín, Žatec. In those shops the new customers could set up the Internet Optimal with the obligation to stay for 12 months for CZK 400 or the Internet Aktiv with the obligation to stay for 12 months for the price at the amount of CZK 500. Starting from the 13th month standard prices will be charged, i.e. 750 CZK for the Internet Optimal and CZK 850 for the Internet Aktiv.

Starting from April 1 the company Telefónica began to provide special offers to the service Internet Optimal also for its existing customers (natural and juristic persons). All customers, who did not use the offer in the form of reduced price for the service O2 Internet connection, and had no commitment concluded for utilization of this service, could close this commitment using toll-free O2 line for utilization of this service Internet Optimal for the period of 12 months in exchange for reduced monthly price at the amount of CZK 600 during the whole term of the existence of commitment (12 months). This special offer was valid until April 30, 2012.

During the whole month of April special offers of the company **UPC** were in force for all services of Internet connection. The service with the speed of 10 Mbit/s could be obtained for the first 12 months for the price of CZK 299/month instead of the standard price of 445 CZK/month without provision of modem. The service with the speed of 25 Mbit/s could have

been obtained for the first 12 months also for the price of CZK 399/month instead of the standard price of CZK 550/month without provision of modem. It was also possible to obtain the service with the speed of 60 Mbit/s for the first 12 months for the price of CZK 550/month instead of the standard price of CZK 649/month also without provision of modem and the service having the speed of 120 Mbit/s for CZK 650 instead of standard price of CZK 749, also without provision of modem. The price for the lease of modem is CZK 49 per month.

Since the beginning of May the UPC has changed the offer of the Internet tariffs. The speed of the slowest tariff was increased from 1 024/256 kbit/s to 2 000/512 kbit/s. The price remained the same, i.e. CZK 199 per month, but newly the price does not include the fee for the lease of modem. The UPC charges for this CZK 49/month with all tariffs, in case of WiFi modem as much as CZK 69/month. For the activation a customer will pay newly one-time fee at the amount of CZK 1000.

Services of mobile networks

During the month of April the mobile operator **T-Mobile** introduced new tariffs which are called „S námi“ (With us). They are the minute tariffs in which a customer receives a certain number of free minutes of call and a certain number of free SMS messages to send. A customer, who concludes a contract based on some of new tariffs with commitment (for a definite period of time), will have, for the whole term of this commitment, the monthly flat fee reduced by 30 %. These tariffs include calling and sending of SMS messages to its proper network free of charge for a limited period of time, higher tariffs offer another advantages up to unlimited calling to all network. Within the framework of flat fee the Internet in mobile is always offered. After the limit FUP is exhausted, customer can buy again the data package of the same size or to use, for the rest of a month, the slower speed. The tariffing of calls has been shifted with the new tariffs „S námi“ from 60+60 towards tariffing of 60+30 seconds which is slightly more convenient. With the new tariffs „S námi“ the old credit monthly tariffs Kredit, Top, Grand and Grand Plus will no longer be actively offered.

The mobile operator T-Mobile offers to students and to young people not older than 26 years the new student tariff based on the same parameters as the lowest tariff „S námi 390“. However, this group of customers gets the tariff for CZK 234 which is about 40 % cheaper compared to other customers. Moreover, as a bonus, customer receives 10 free units next to free units already provided and data limit 100 MB. For corporate clientele the mobile operator T-Mobile modified the tariffs Grand, which are the variation of two highest offers of tariffs „S námi“ for regular customers.

In the month of April two mobile operators Telefónica and Vodafone began to offer services of particularly trained experts and advisors.

The mobile operator **Telefónica** began with projects directed at the new form of advisory activities under the name of O2 Guru. Within the framework of care of its customers, it deploys its specially trained employees who give advice not only to its customers, but also to customers of competitors, give aid with problems connected to mobile telephone, tablet or mobile technologies. Advice provided is free of charge and O2 Guru reserves up to one hour to every customer. Subsequently, O2 obtains feedback from users. Advisors are available in all brand shops and in a part of franchise shops. Through the Internet it is possible to reserve tentatively consultation, which is limited by time block lasting one hour and begins always at the top of each hour.

Similar consultancy service is offered also by the mobile operator **Vodafone**, which deployed its technical consultants to all its shops and free of charge both to its customers and to customers of competition, it transfers contacts to new telephone, helps customers with the choice of the suitable telephone, with the adjustment of all functions and installation of appropriate applications. In shops data corners are also ready where customers can comfortably test mobile connection to the Internet from Vodafone and experts can help them

to choose suitable data tariff. Vodafone expert are available to customers also nonstop on the telephone.

New technologies and services

The company ZyXEL offers a new product in the form of wireless HDMI interface set (designation of manufacturer is WHD6215). It is designed for wireless transfer of HDMI signal in displaying equipment from as many as four sources. ZyXEL WHD6215 is based on the technology WiHD (Wireless HD). The set works on the frequency of 60 GHz and contains transmitter with four ports serving for connecting of sources of signal (playing console, Blu-ray recorder, smart phones, tablets, etc.) and receiver for displaying equipment (television receiver, monitor). The equipment mentioned is capable of wireless transfer of the signal from the HDMI interface according to relevant specification within a room to the minimum distance of 0 metres and the speed of up to 4 Gbit/s.

Vodafone is testing calling over the Internet (VoIP). Calling is based on the principle of using customer portal of Vodafone Park to the classic telephone numbers by means of the application Park Talk, directly from web browser. The test will last two months during which the operator will offer toll-free calling to its own network, whereas the calls to other networks will be blocked. For its activity the application needs only Flash Player which is a normal part of installation of majority of web browsers. This guarantees high compatibility of the application Park Talk with different browsers and systems.

According to the survey of technological and commercial association Bitkom, there are more than 3000 LTE transmitters built in Germany, covering approximately 13 millions of households and serving to roughly 150 000 subscribers. All three providers having the licence for LTE 800 MHz – Vodafone Germany, Telekom Deutschland (TD) and Telephonica Germany (O2) – started to commercially exploit the LTE in rural regions of the country, where no other method of broadband access to the Internet could be employed. Now, development of the LTE is expected in urban regions : before the end of 2012 approximately 300 towns should be covered by the LTE signal.

The Theme of the month – Current international comparison of prices of mobile services from the company Teligen

The Theme of the month of this monitoring report is the international comparison of prices of mobile services which, on the basis of [consumer baskets determined by the OECD](#), is performed in quaterly intervals by the company Strategy Analytics (Teligen). The last international comparison of retail prices of mobile telephone services was performed by Teligen in February 2012. As compared to the previous international comparison, performed by Teligen in November 2011, the position of the Czech Republic experienced relatively significant changes.

The position of the Czech Republic has changed, within the framework of this international comparison, mainly due to the extension of the database of tariffs compared and, in particular, due to superstructure packages which were so far missing. It is evident that international comparison of prices is sensitive to the methodology employed (nominal prices, prices recalculated with the help of parity of purchasing power) and the choice of tariffs testifying of structure of supply. The company Teligen performs the international comparison using both methodologies (nominal prices, parity of purchasing power), however, for the purposes of regulatory bodies the comparison of nominal prices is generally considered to be more convenient.

The baskets for international comparison include, besides calls, also SMS and have the following appearance :

Quantity of calls and their directions :

Objem za měsíc	Počet hovorů za měsíc	Rozložení hovorů				Ks
		Z mobilu na pevnou	V rámci sítě	Mimo síť	Hlasová schránka	SMS
Koš 30 hovorů	30	16%	55%	25%	4%	100
Koš 100 hovorů	100	17%	52%	28%	3%	140
Koš 300 hovorů	300	14%	46%	37%	3%	225
Koš 900 hovorů	900	14%	55%	28%	3%	350
Koš 40 předplacených hovorů	40	14%	64%	18%	4%	60
Koš 400 SMS	8	8%	55%	25%	12%	400

Distribution of calls during day and distribution of SMS

Objem za měsíc	Rozložení hovorů			Rozložení SMS zpráv			
	Den	Večer	Víkend	Špička	Mimo špičku	V rámci sítě	Mimo síť
Koš 30 hovorů	46%	29%	25%	66%	34%	53%	47%
Koš 100 hovorů	51%	26%	23%	66%	34%	51%	49%
Koš 300 hovorů	49%	32%	19%	66%	34%	50%	50%
Koš 900 hovorů	49%	32%	19%	66%	34%	50%	50%
Koš 40 předplacených hovorů	46%	29%	25%	66%	34%	53%	47%
Koš 400 SMS	46%	29%	25%	66%	34%	50%	50%

The duration of calls

Objem za měsíc	Délka hovoru v min/hovor			
	Z mobilu na pevnou	V rámci sítě	Mimo síť	Hlasová schránka
Koš 30 hovorů	2,00	1,60	1,70	0,90
Koš 100 hovorů	2,10	1,90	1,80	1,00
Koš 300 hovorů	2,00	2,00	1,80	1,00
Koš 900 hovorů	1,90	2,10	1,90	1,10
Koš 40 předplacených hovorů	1,90	1,90	2,00	0,90
Koš 400 SMS	1,60	2,20	1,60	1,10

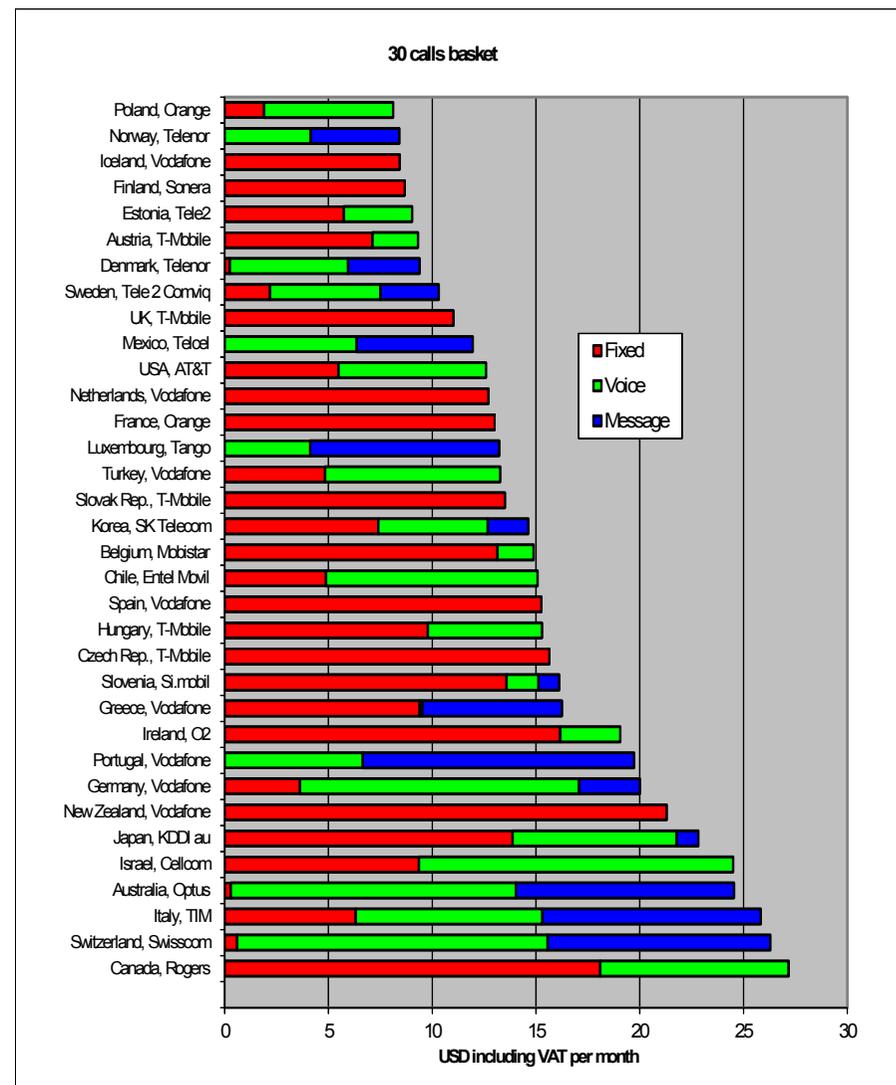
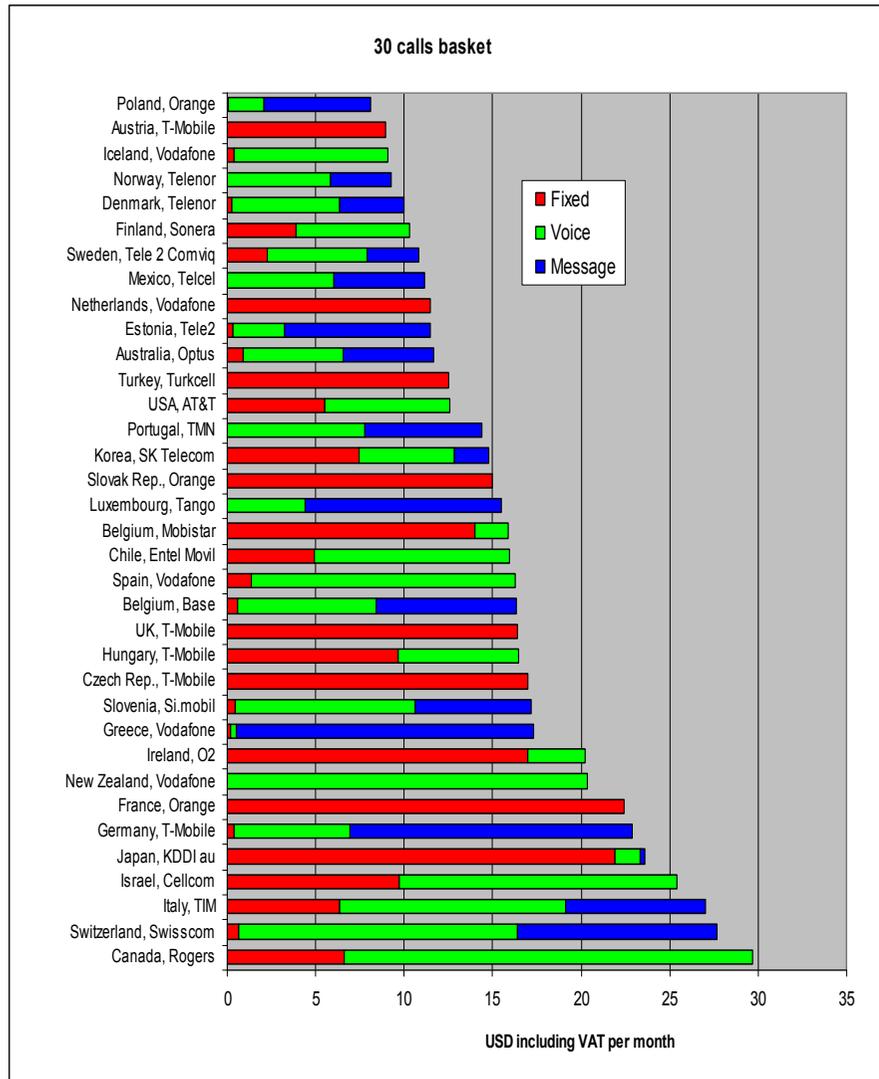
In the international comparison prices of two biggest operators are included (according to the number of users), market share of which attains at least 50 % in a given country out of 34 OECD Member countries. Therefore, in the price comparison are not included Bulgaria, Cyprus, Lithuania, Latvia, Malta and Romania, which are the members of the EU, however, they are not the members of the OECD. The results for individual consumer baskets represent the lowest price (the value of the basket) for a given country (and/or for relevant two operators and their tariffs compared). Concerning the Czech Republic the tariffs of two operators, Telefónica Czech Republic, a.s. and T-Mobile Czech Republic a.s., are included in the comparison.

For the purposes of comparison the CTU added to the results for February 2012 also results of price comparison for November 2011. It is, therefore, possible, to monitor changes in relative position of individual countries.

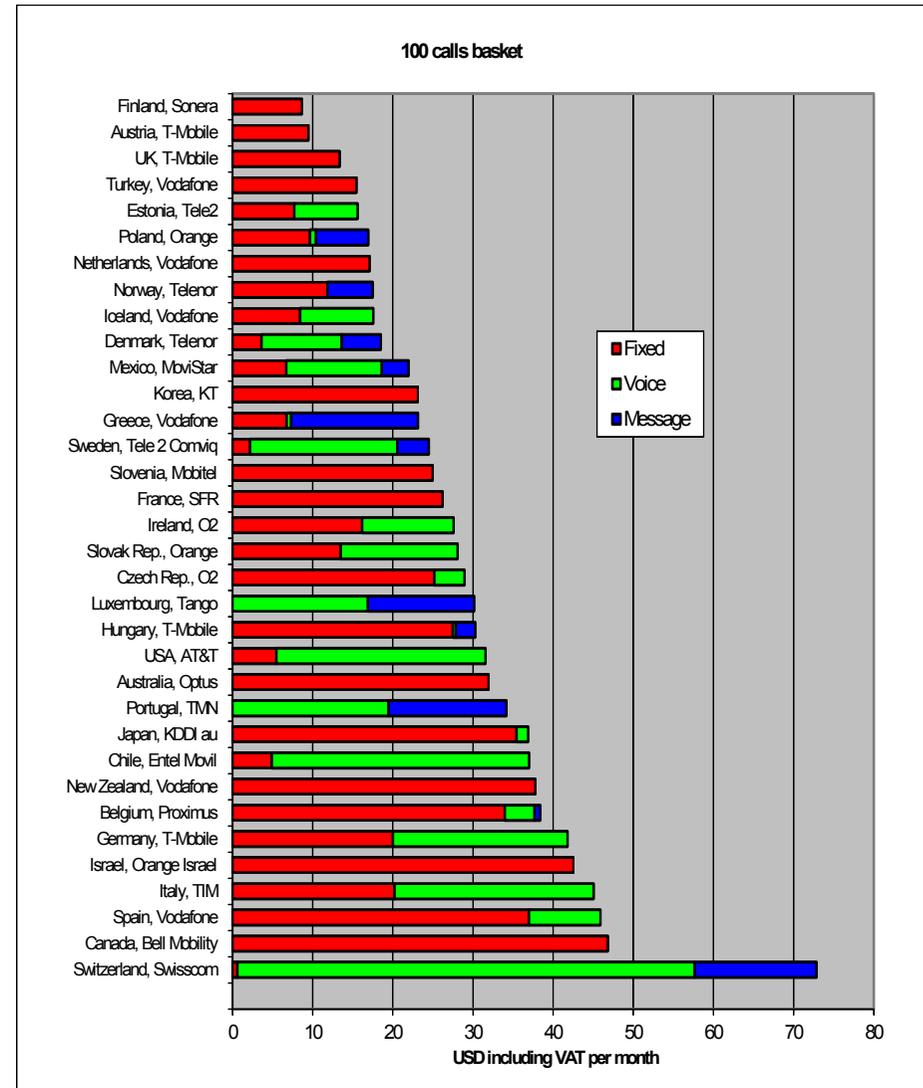
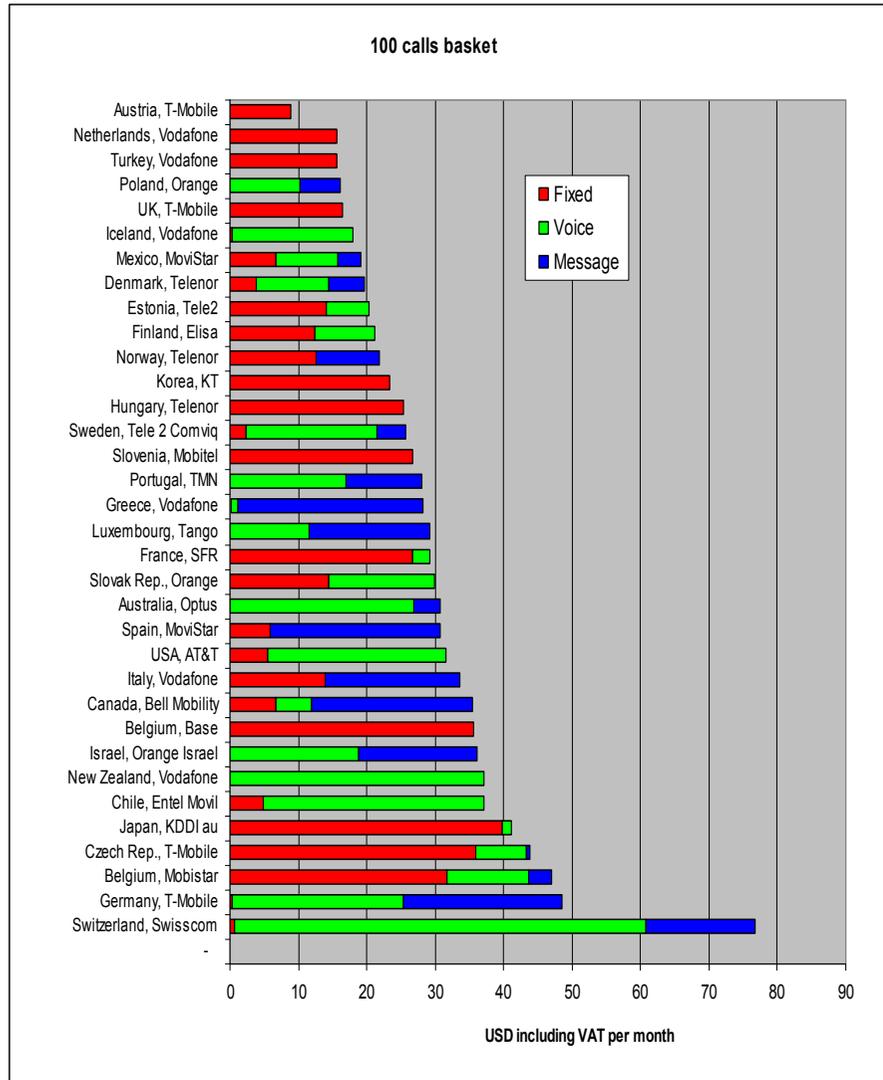
Now follow the graphs and evaluation for individual baskets in international comparison, the graph for November 2011 is on the left side and the graph for February 2012 is on the right side. In the Part A prices in USD are given converted according to the nominal currency exchange, in the Part B then prices in USD are given converted according to the PPP. The item „Fixed“ (expressed in red colour in graphs) represents fixed amount of the flat fee for a given service, The item „Voice“ (green colour) represents payment for voice

calls exceeding the framework of fixed flat fee and the item „Message“ (blue colour) payment for despatched SMS exceeding the framework of fixed flat fee for a given basket.

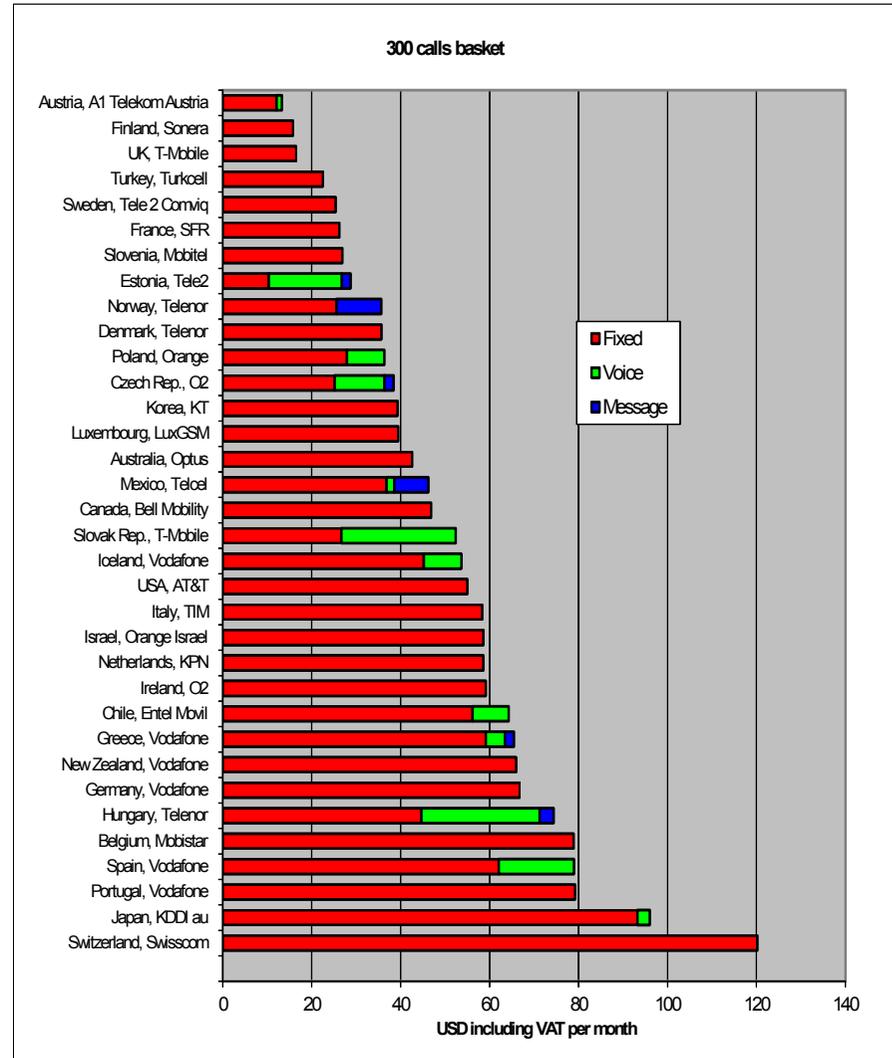
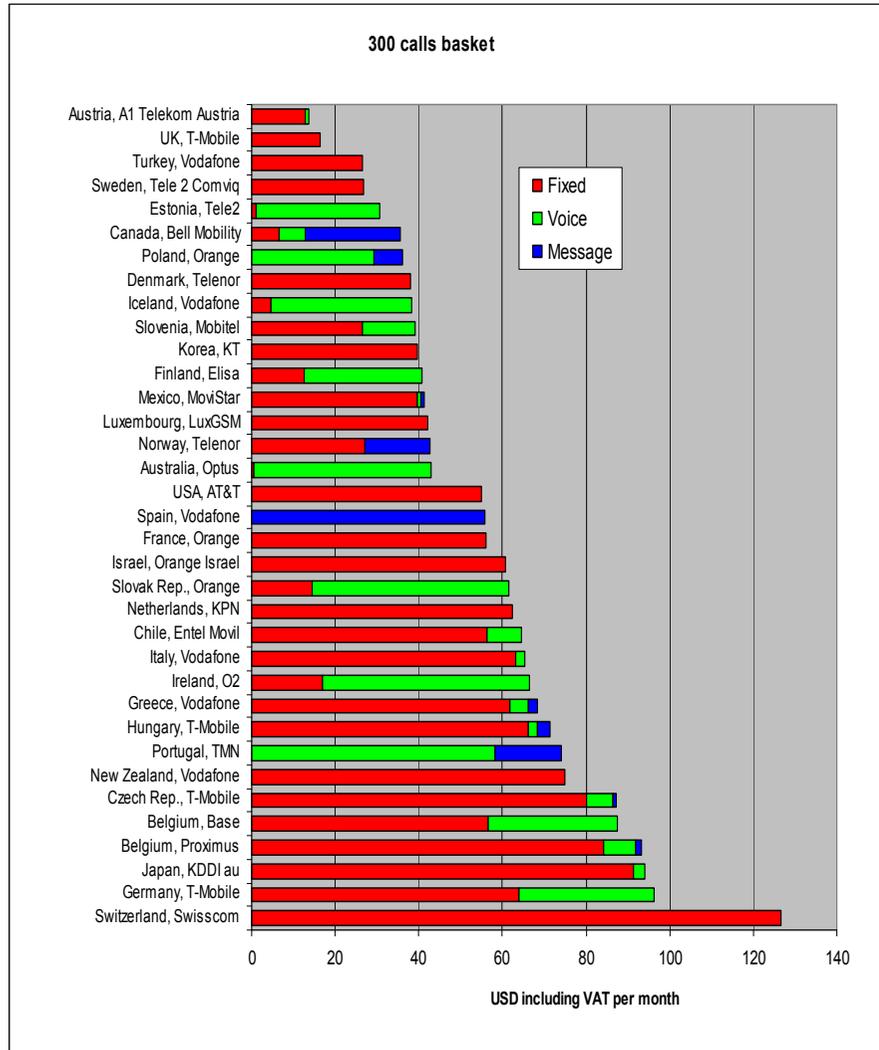
A – Graphs no. 1 and 2 International comparison of prices for the basket of 30 calls in November 2011 and February 2012 – according to nominal exchange rates ([evaluation](#))



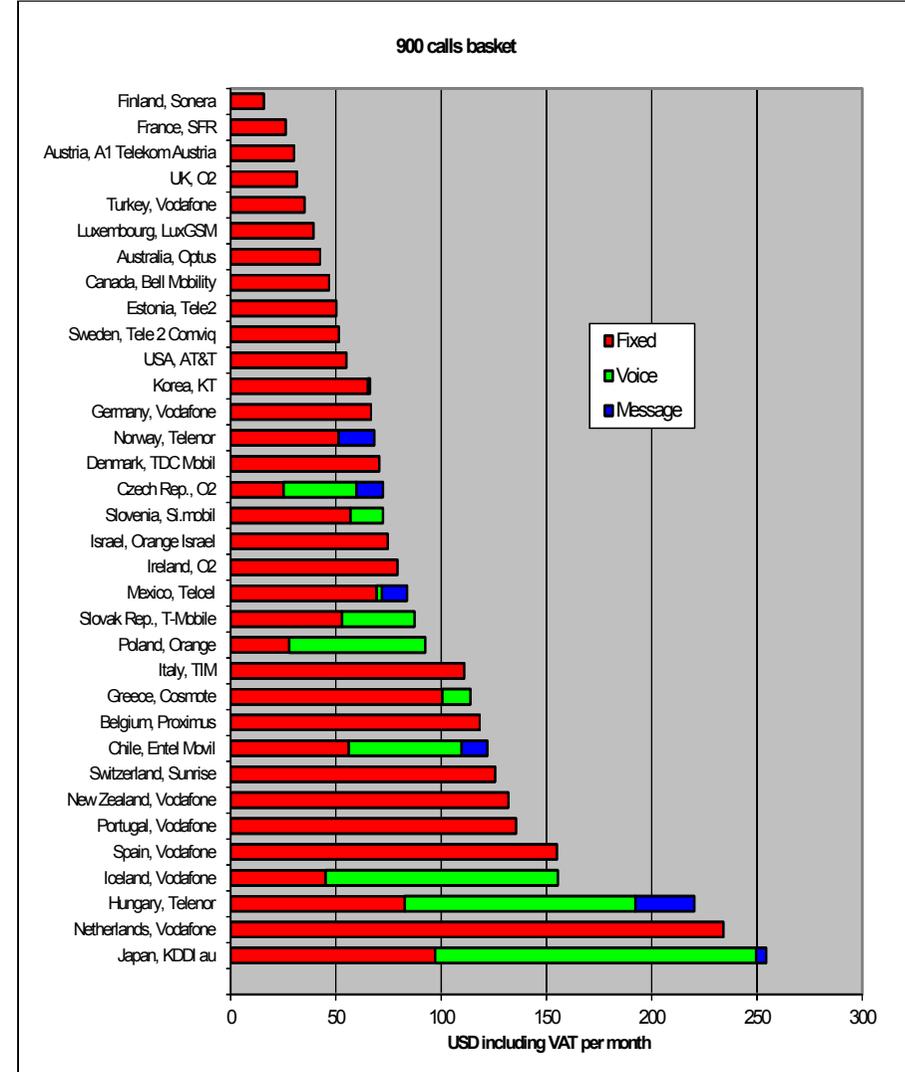
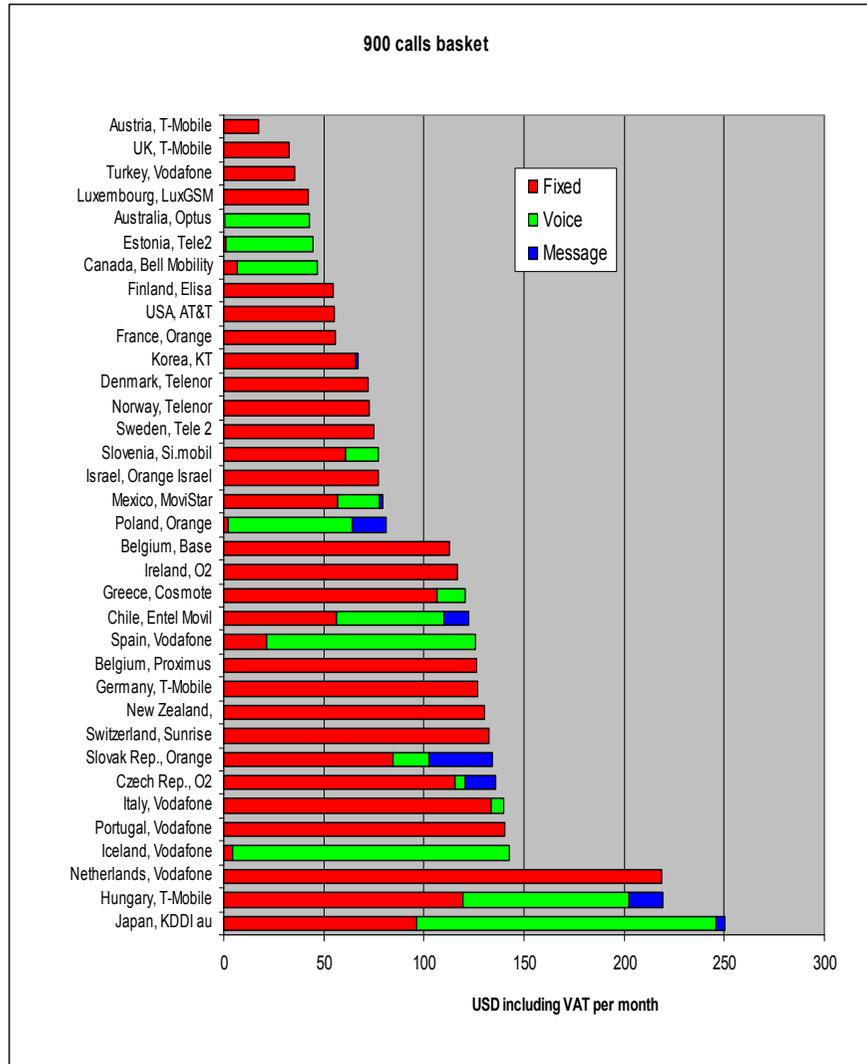
A – Graphs no. 3 and 4 International comparison of prices for the basket of 100 calls in November 2011 and February 2012 – according to nominal exchange rates ([evaluation](#))



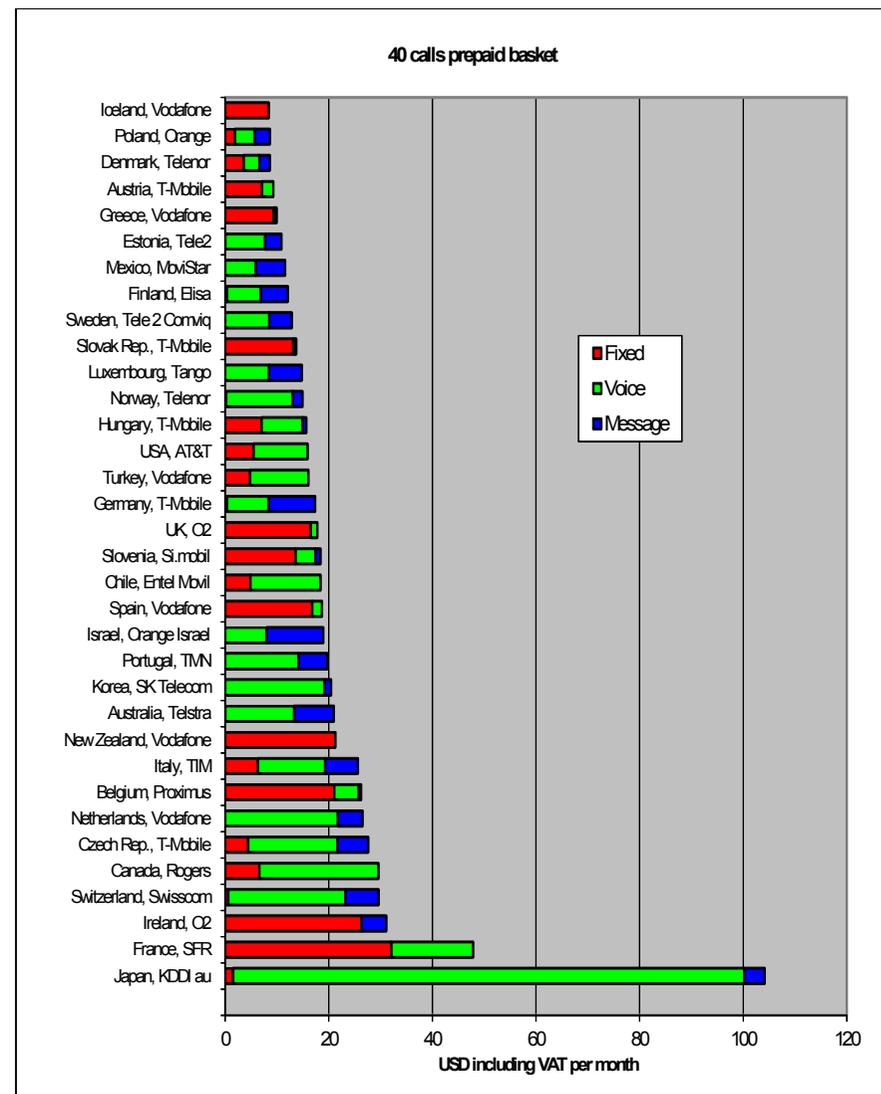
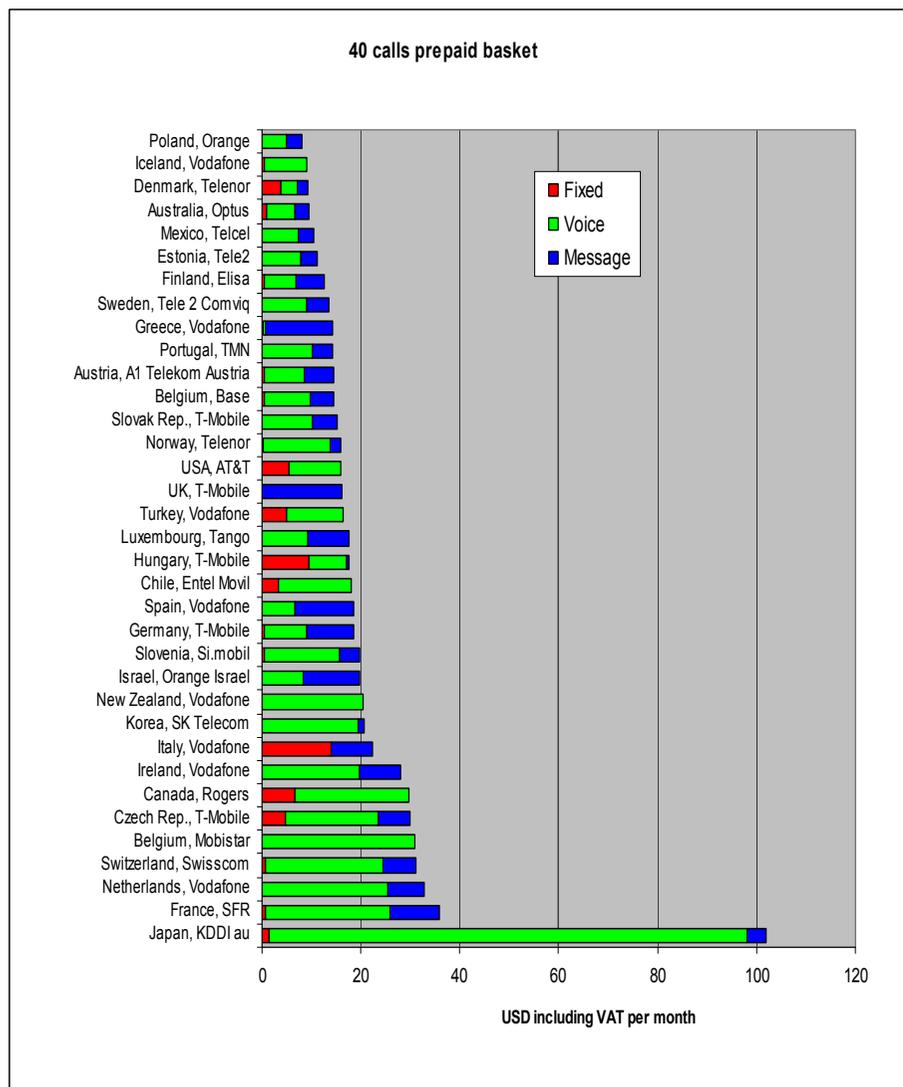
A – Graphs no. 5 and 6 International comparison of prices for the basket of 300 calls in November 2011 and February 2012 – according to nominal exchange rates [\(evaluation\)](#)



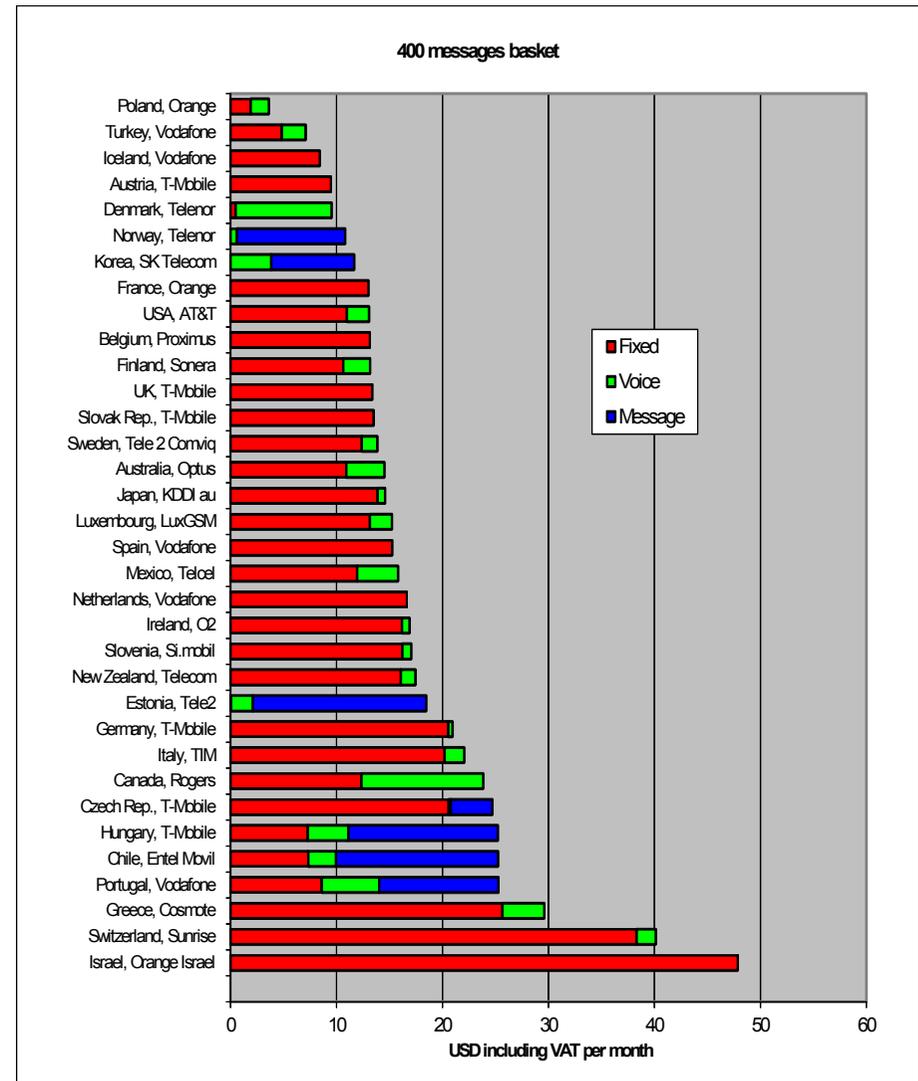
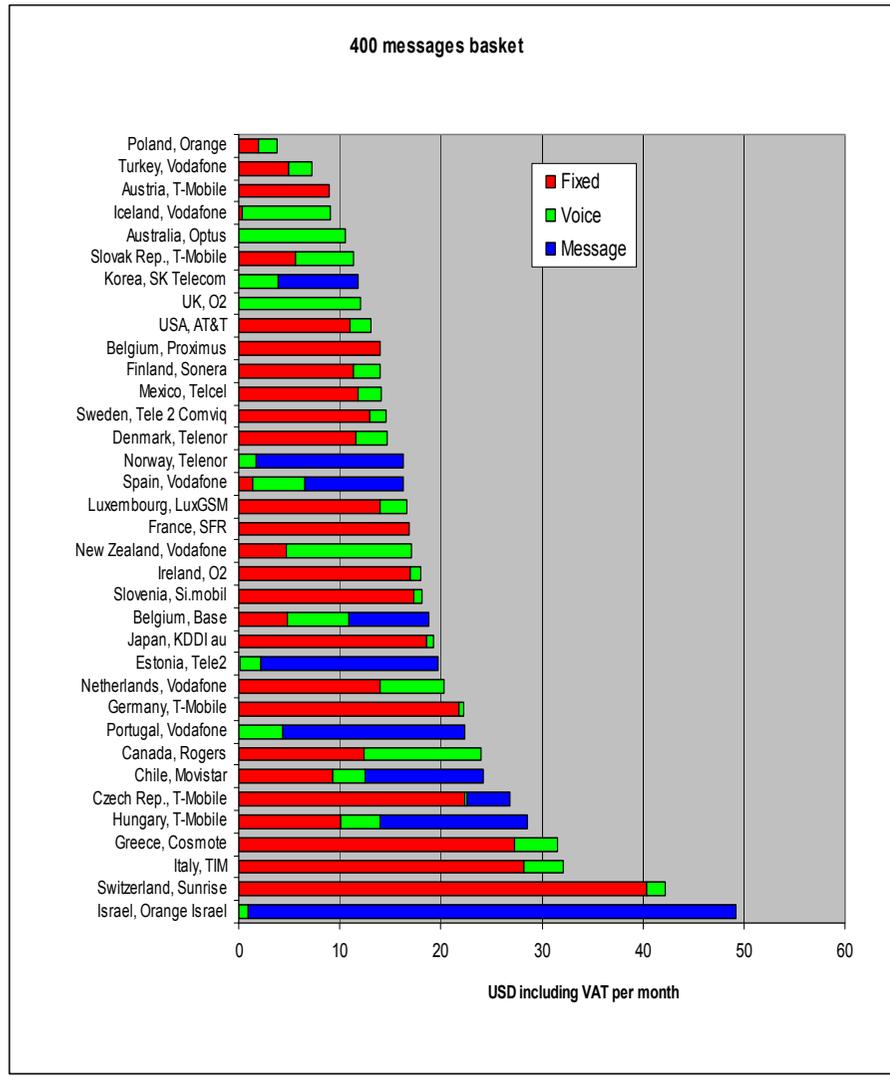
A – Graphs no. 7 and 8 International comparison of prices for the basket of 900 calls in November 2011 and February 2012 – according to nominal exchange rates [\(evaluation\)](#)



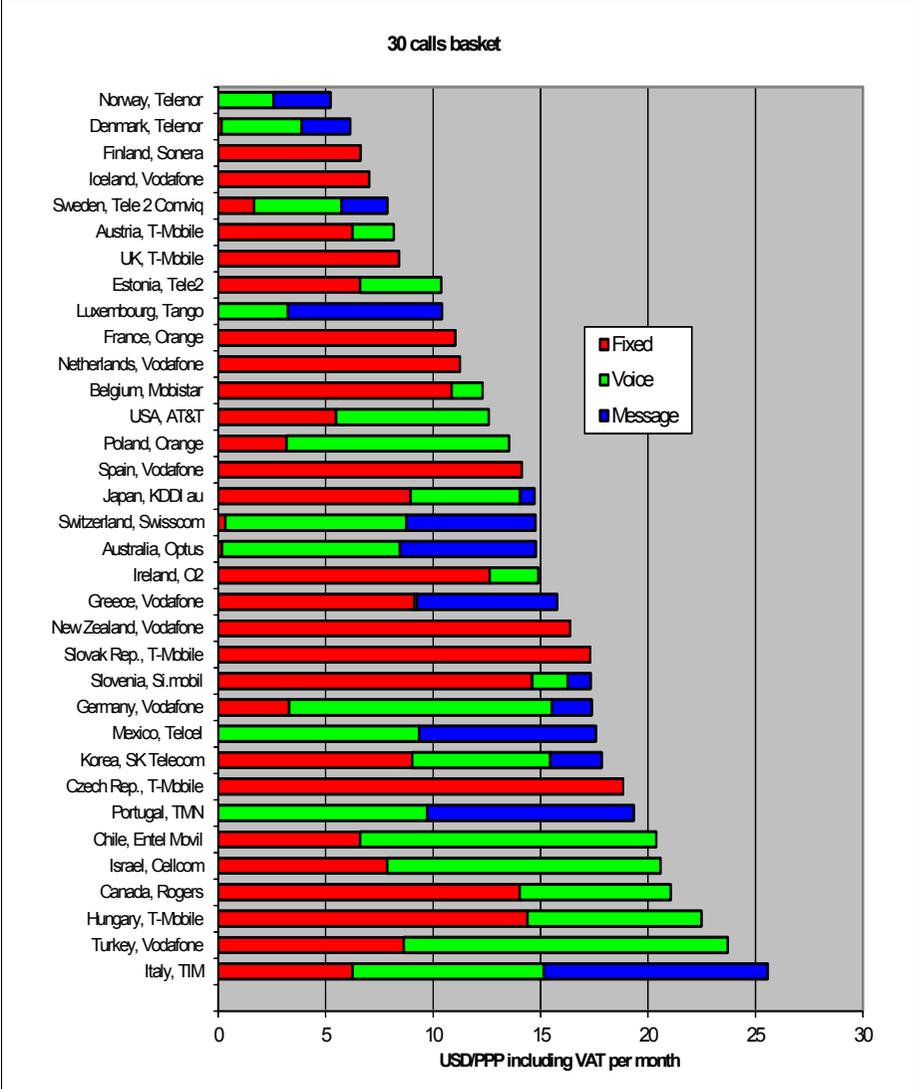
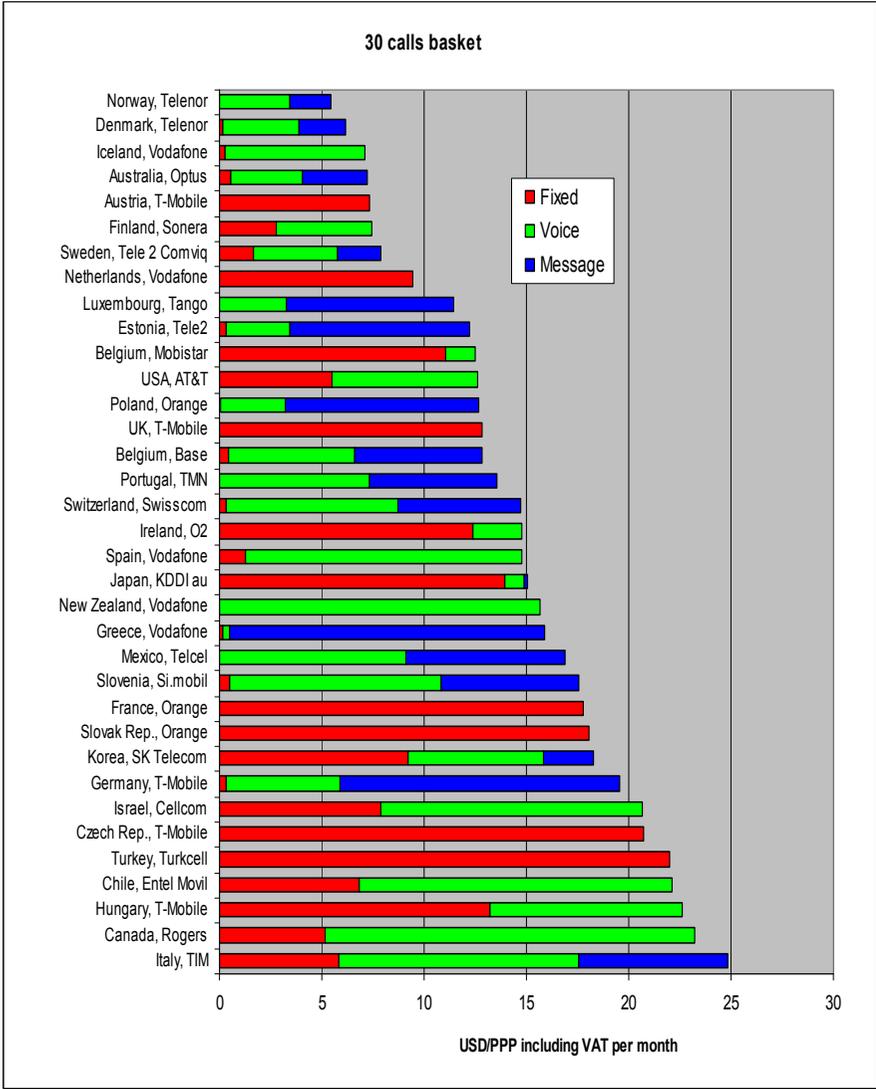
A – Graphs no. 9 and 10 International comparison of prices for the basket of 40 calls from pre-paid card in November 2011 and February 2012 – according to nominal exchange rates ([evaluation](#))



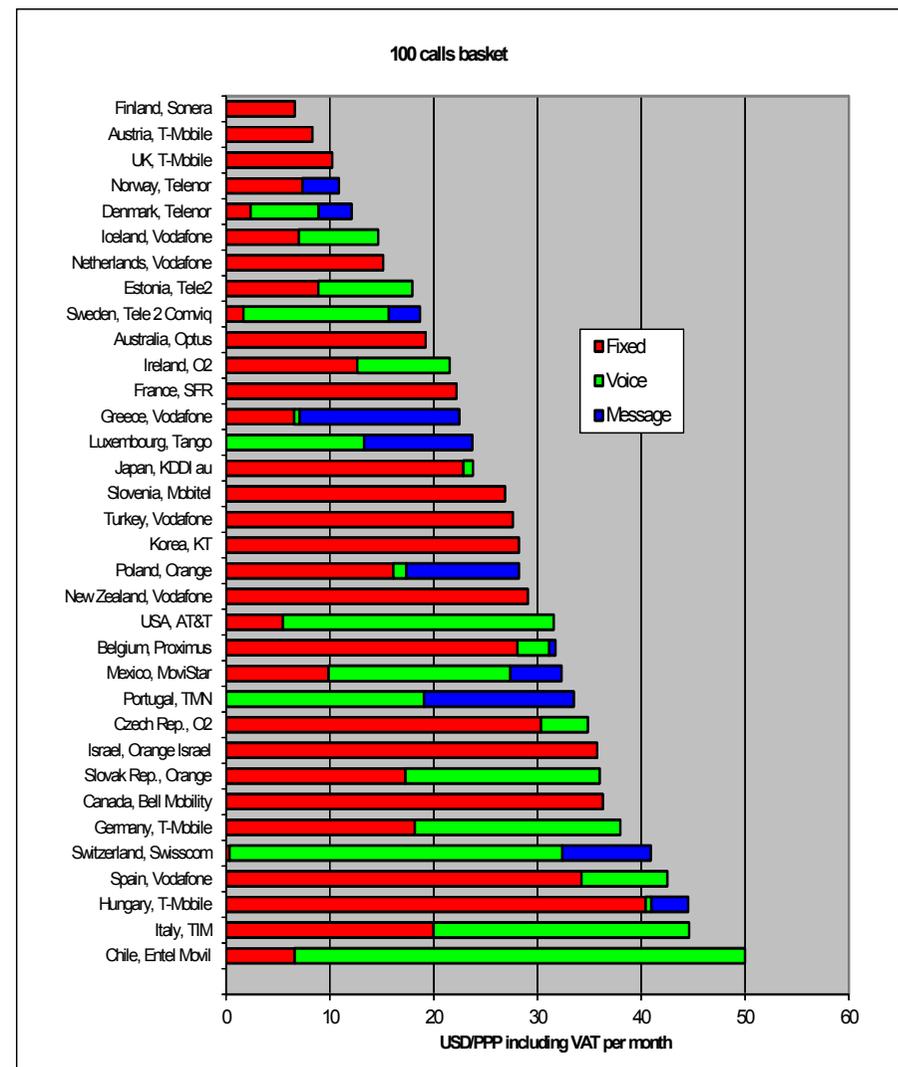
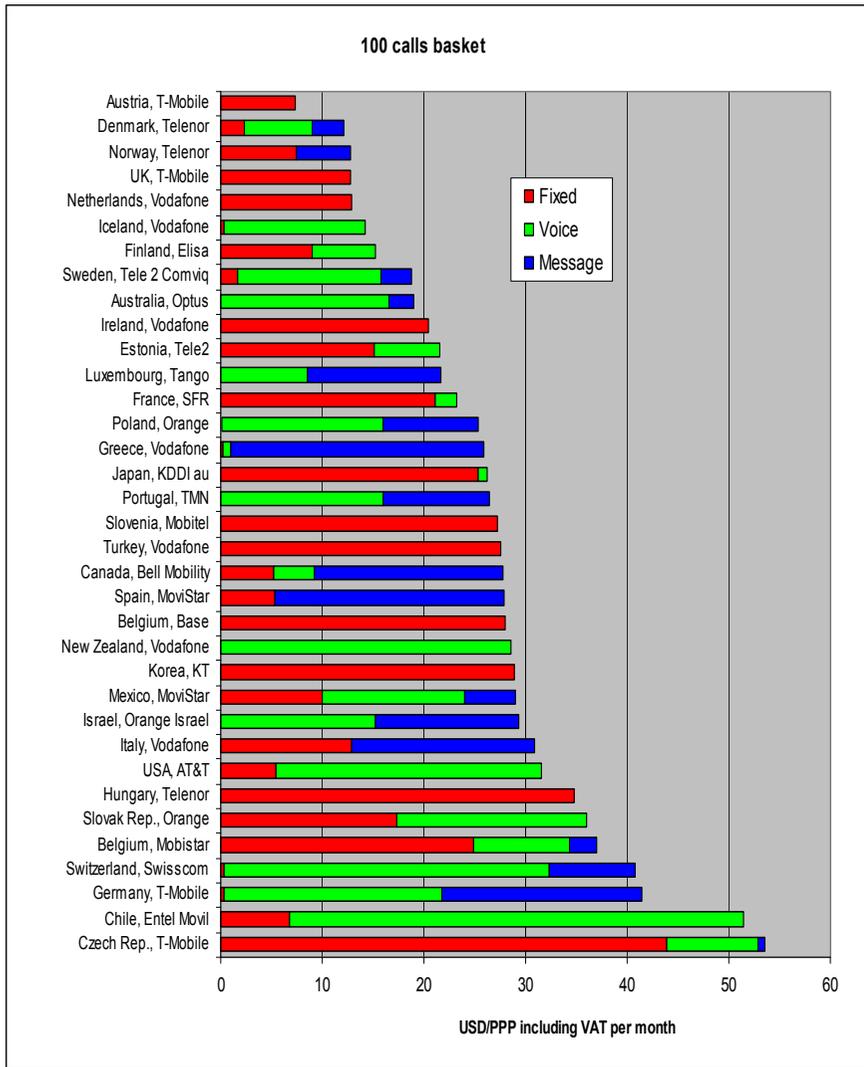
A – Graphs no. 11 and 12 International comparison of prices for the basket of 400 SMS in November 2011 and February 2012 – according to nominal exchange rates ([evaluation](#))



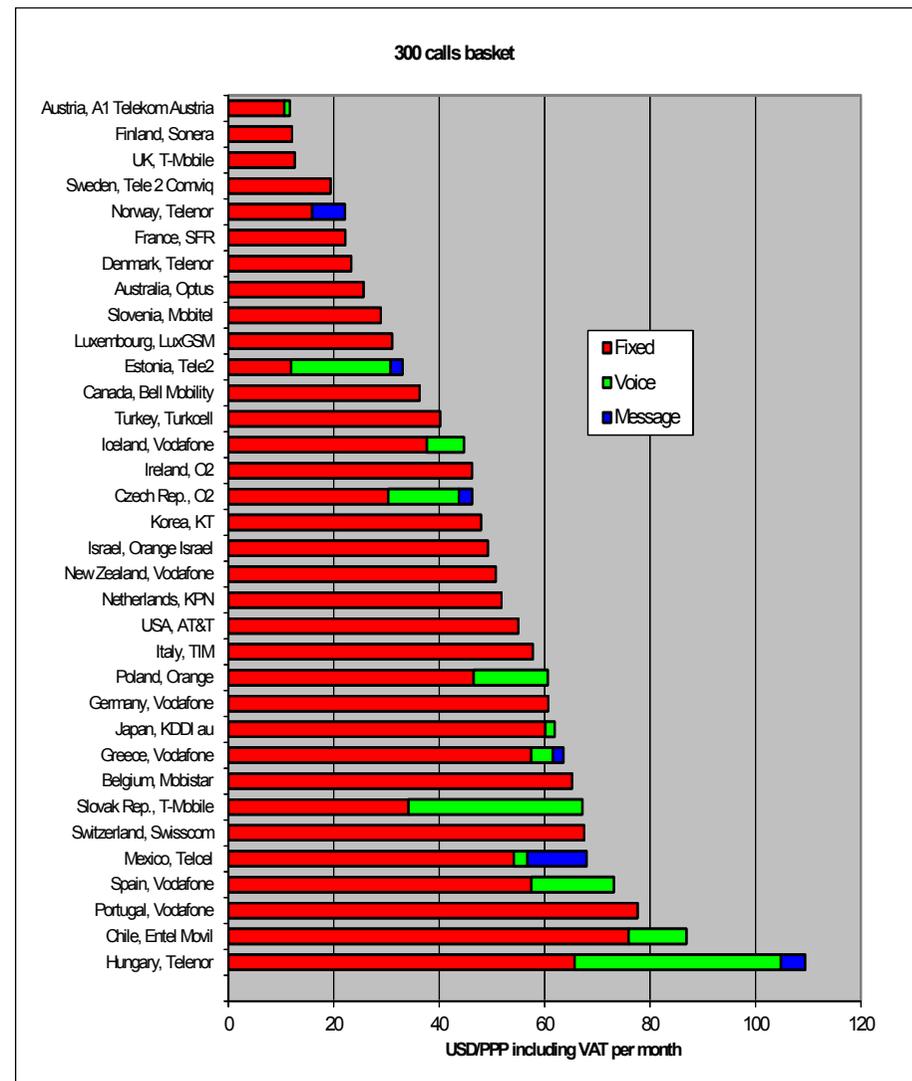
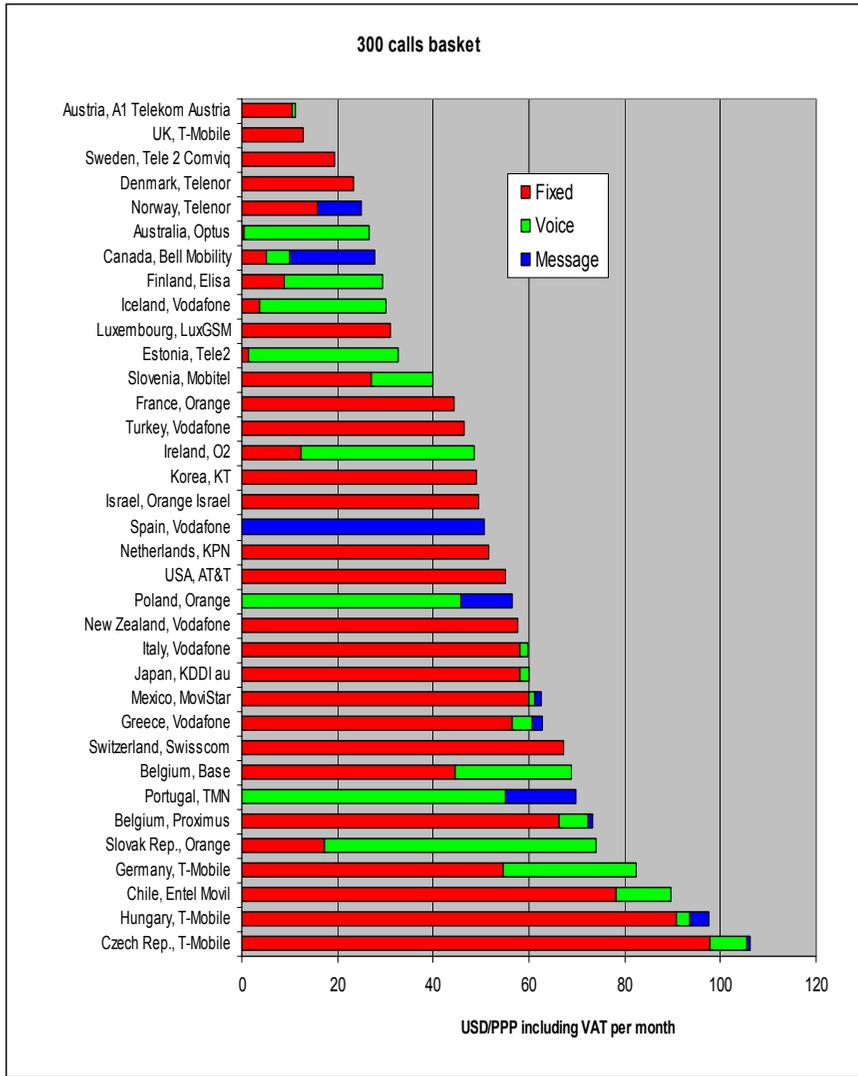
B – Graphs no. 13 and 14 International comparison of prices for the basket of 30 calls in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) ([evaluation](#))



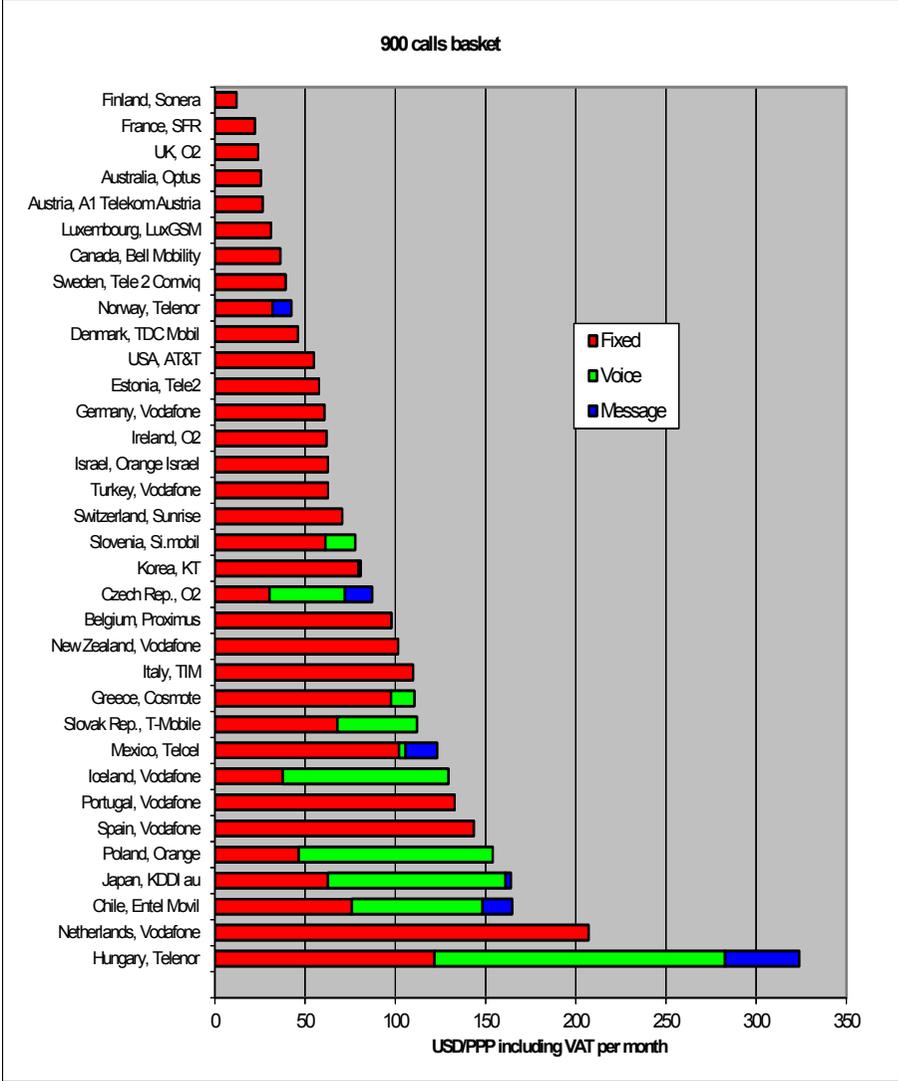
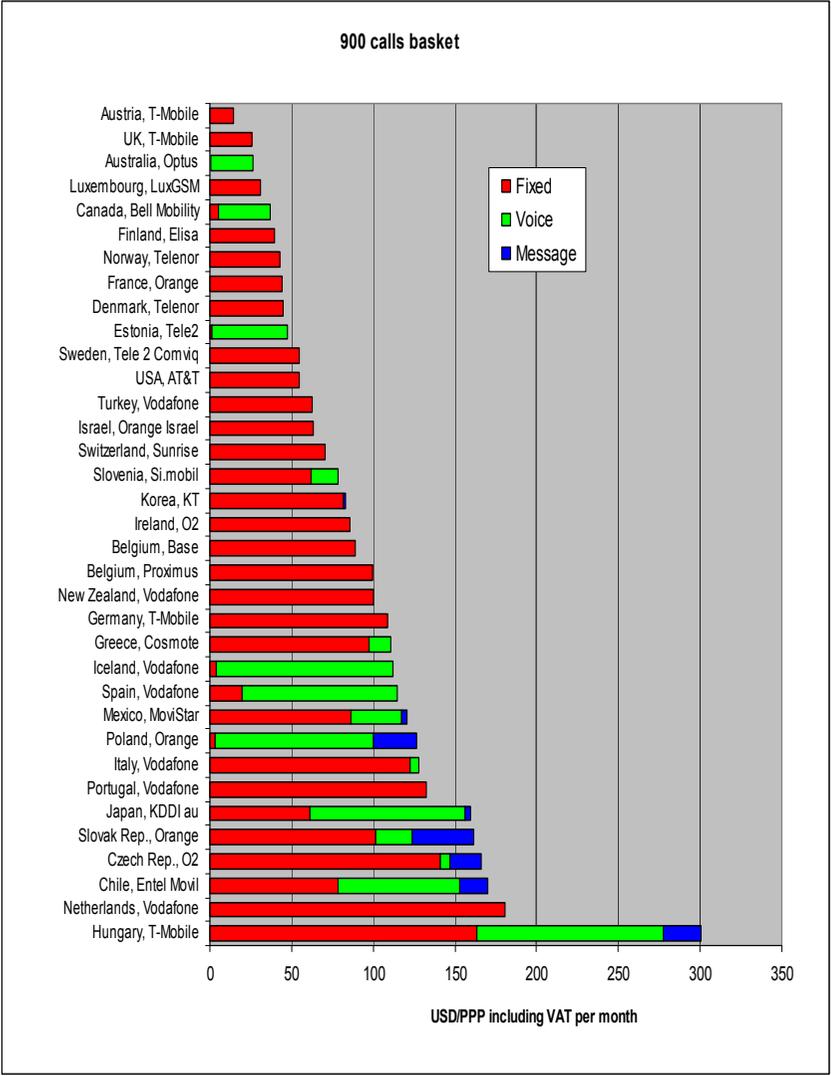
B – Graphs no. 15 and 16 International comparison of prices for the basket of 100 calls in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) ([evaluation](#))



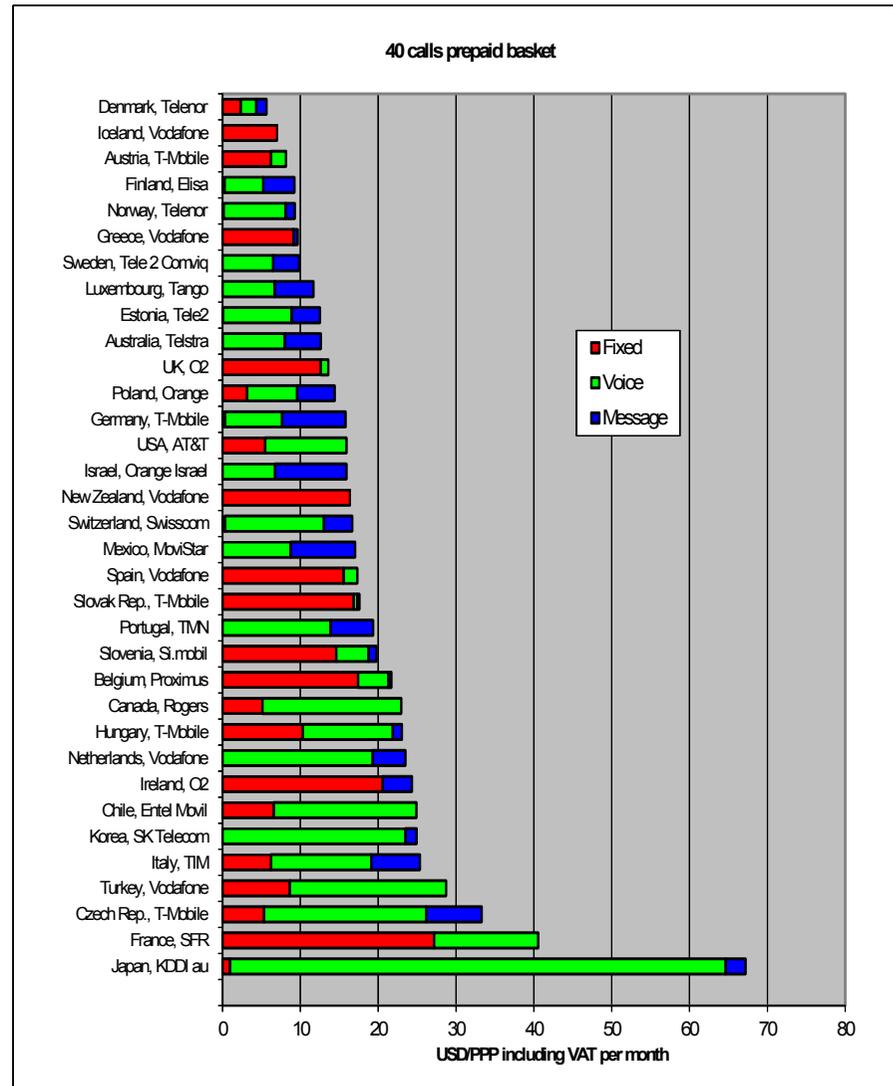
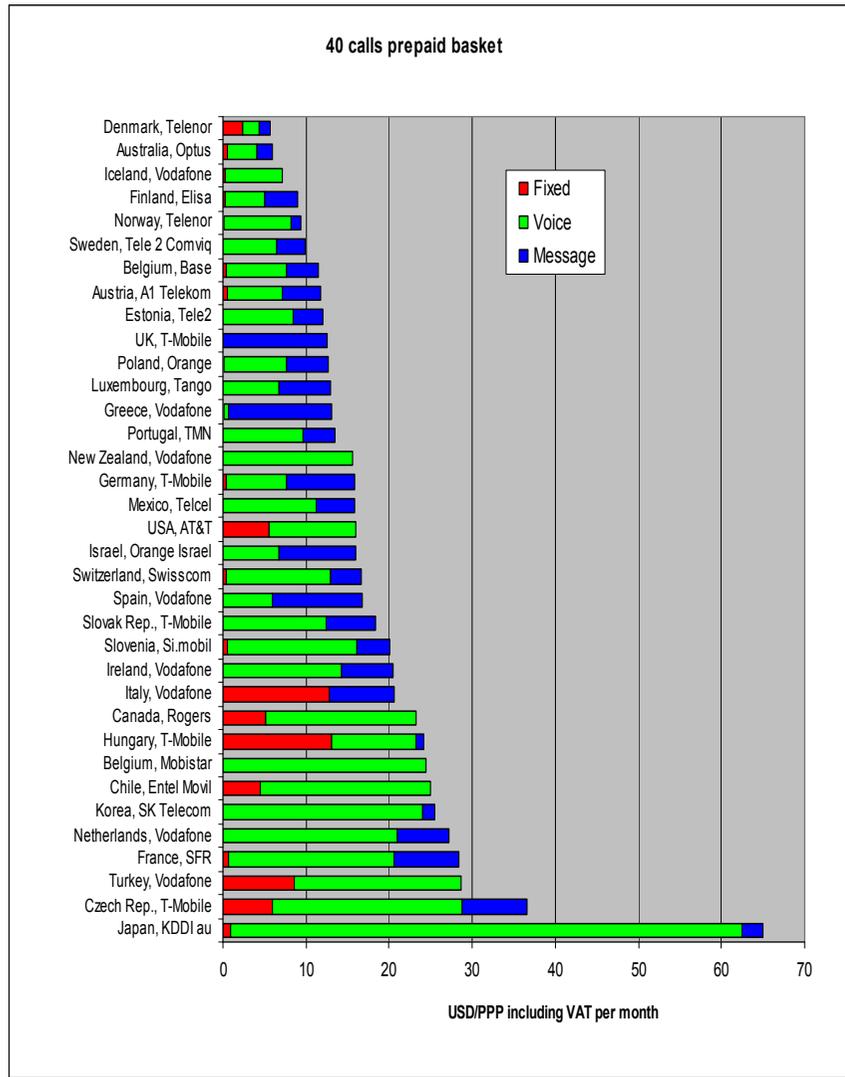
B – Graphs no. 17 and 18 International comparison of prices for the basket of 300 calls in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) [\(evaluation\)](#)



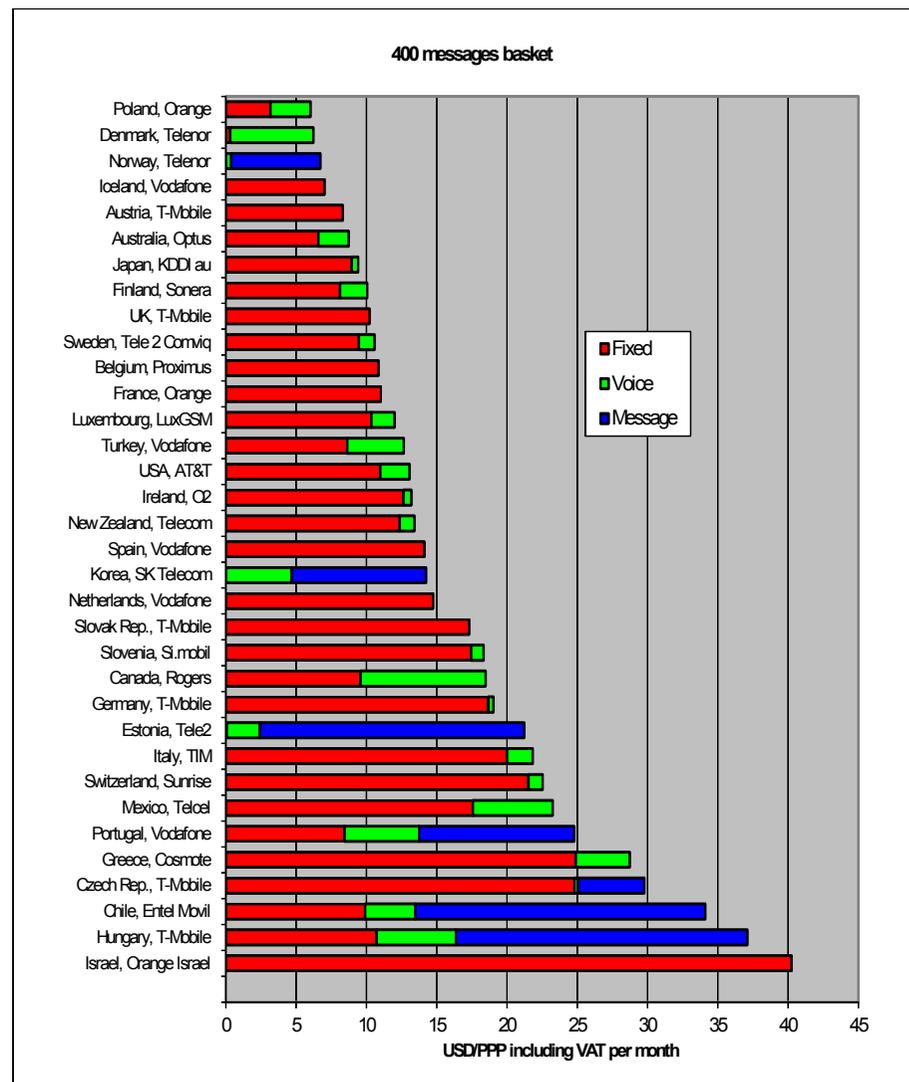
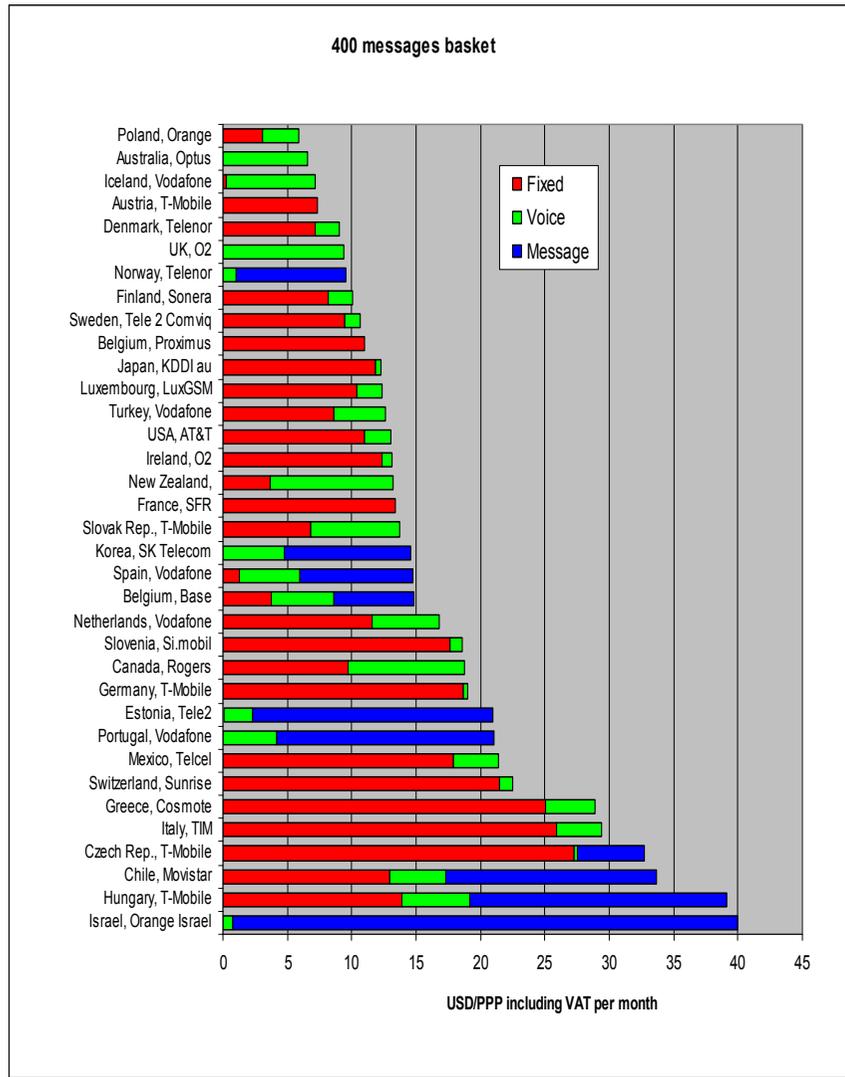
B – Graphs no. 19 and 20 International comparison of prices for the basket of 900 calls in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) [\(evaluation\)](#)



B – Graphs no. 21 and 22 International comparison of prices for the basket of 40 calls from pre-paid card in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) ([evaluation](#))



B – Graphs no. 23 and 24 International comparison of prices for the basket of 400 SMS in November 2011 and February 2012 – according to the PPP (the parity of purchasing power) ([evaluation](#))



Evaluation

Concerning the basket of 30 calls [according to exchange rates and according to PPP](#)

From the comparison of prices for the basket of 30 calls it follows that in the period examined a slight decrease of basket price took place and, simultaneously, the shift of the Czech Republic by one place, from the 23rd to the 22nd position among the OECD Member States, occurred. In comparison using the PPP, the lowest price of basket in the Czech Republic within 3 months fell by approximately \$ 2 and the Czech Republic moved from the 6th place from the end (29th position out of 34) to the 8th place from the end (27th position out of 34). Out of the European countries included in the comparison the price for this basket is higher in Italy, Hungary and Portugal. The lowest tariff in the Czech Republic is "Podnikatel Plus 250 HIT" with the obligation to stay for 24 months in the company T-Mobile.

Concerning the basket of 100 calls [according to exchange rates and according to PPP](#)

In the case of comparison of prices for the basket of 100 calls the position of the Czech Republic improved by 12 places from the original 31st to the current 19th position. At the same time the lowest price fell from more than \$ 40 to less than \$ 30. The position of the Czech Republic also improved in the case of using the PPP and in the set of 34 countries it now occupies the 25th position. The price of this basket expressed in \$, according to the PPP, then fell from more than \$ 50 to approximately \$ 35. The lowest tariff in the Czech Republic is Neon S with the package of 200 SMS and the obligation to stay for 36 months in the company Telefónica.

Concerning the basket of 300 calls [according to exchange rates and according to PPP](#)

The most significant change in the position of the Czech Republic so far between November 2011 and February 2012 took place in the basket of 300 calls. In this period the price decreased from almost \$ 90 to less than \$ 40 and in the international comparison the Czech Republic moved from the 29th to the 12th position among the OECD Member States. Concerning the comparison using the PPP the price decreased from more than \$ 100 to less than \$ 47, and the position of the Czech Republic improved from the last 34th place by 19 notches to the 15th place. The lowest tariff in the Czech Republic is, similarly to the basket of 100 calls, Neon S with the package of 200 SMS and the obligation to stay for 36 months in the company Telefónica.

Concerning the basket of 900 calls [according to exchange rates and according to PPP](#)

Significant decrease of price of the basket in the Czech Republic took place also in the basket of 900 calls, which brought about improvement of the position of the Czech Republic by 12 places from the original 28th to current 16th place. At the same time the price of the basket decreased from approximately \$ 135 to less than \$ 75 (thus by almost 45 %). The position of the Czech Republic has improved by 11 places (from the 31st to the 20th position) in case of price comparison according to the PPP. Also with the basket of 900 calls the lowest tariff in the Czech Republic is represented by the service Neon S with the package 200 SMS and the obligation to stay for 36 months in the company Telefónica.

Concerning the basket of 40 calls from pre-paid cardst [according to exchange rates and according to PPP](#)

Also in comparison of prices for the basket of 40 calls realised by means of pre-paid card a slight decrease of price occurred in the case of the Czech Republic, whereas the overall position (29th) has not changed during the period investigated. Out of the European

countries the price for this basket is higher in France, Ireland and Switzerland. Vice versa, using the comparison according to the PPP, the position of the Czech Republic has improved, though by one place only (the 32nd position). The price of the basket in the examined period decreased by approximately \$ 4 in the PPP. Out of the European countries included in the comparison the price for this basket is higher in France only. The lowest tariff in the Czech Republic is Twist Týden of the company T-Mobile.

Concerning the basket of 400 SMS [according to exchange rates and according to PPP](#)

The price of the basket in the Czech Republic slightly decreased also in case of the basket of 400 SMS (by approximately \$ 2), whereas in relative comparison the Czech Republic moved from the 29th to the 28th position. In the comparison using the PPP the position of the Czech Republic remained unchanged in the 31st place. The lowest tariff of the Czech Republic is Podnikatel Plus 250 HIT in combination with the package 100 SMS and the obligation to stay for 24 months in the company T-Mobile.

2. Regulatory Measures

Market analyses

The Measure of General nature no. OOP/1/04.2011-Y, which amends the Measure of General nature no. OOP/1/02.2008-2, stipulating relevant markets in the field of electronic communications, including the criteria for evaluation of significant market power

On April 13 the CTU promulgated the Measure of [general nature no. OOP/1/04.2012-4](#), which amends [the Measure of General nature no. OOP/1/02.2008-2](#), stipulating relevant markets in the field of electronic communications, including the criteria for evaluation of significant market power. This Measure has extended the list of relevant markets, on which it is possible to apply the regulation ex ante in the Czech Republic, with the market no. 8 – Access and Origin of call (origination) in public mobile telephone networks. Relevant market no. 8 follows the original relevant market no. 15 – Access and Origin of call (origination) in public mobile telephone networks, which was found by the analysis in 2006 as effectively competitive. In the Recommendation of the Commission 2007/879/ES - the Access market and origin of call (origination) in public mobile telephone networks - it is not defined as relevant one any more. The Measure in question became effective on April 28. Following legal effectiveness of the Measure the CTU is ready to prepare the analysis of the relevant market no. 8.

Market no. 4 – Wholesale (physical) access to the network infrastructure (including shared or full local loop unbundling) in fixed location

On April 6 2012 the CTU commenced with the public consultation concerning the draft decision on price [CEN/4/XX.2012-Y](#), which amends the Decision no. [CEN/4/10.2010-78](#) dated October 12, 2010, stipulating maximum prices for provision of services of metallic local loop unbundling or its sub-loop. The draft decision was prepared in continuation to the evaluation of the level of costs of the company Telefónica for the year 2010. Comments concerning the draft decision could be submitted within one month of the day of publication of call for application of comments. More information can be found in the Monthly monitoring report no. [3/2012](#) for the month of March.

Determination of the extent of information on the quality of services provided

On May 4, in [the Volume 6/2012 of the Telecommunication Journal](#), the Measure of General nature no. OOP/14/04.2012-5 was published, stipulating the parameters of quality of

publicly available services of electronic communications provided, which should be measured, contents, form and method of publication of information concerning current prices, quality and conditions under which the services are provided, and measures providing for equal access also for handicapped people, and procedures for quality assessment. On January 1, 2012, the Act no. 468/2011 Coll., became effective, which amends the Act on Electronic Communications. By this Amendment reviewed wording of the European regulatory framework for networks and services of electronic communications is transposed in the Czech legal order, whereas the emphasis is given on safeguarding of equal access to services for handicapped users and expands the extent of services specified in § 54 Para. 2 of the Act on Electronic Communications to the field of publicly available services of electronic communications. For this reason the CTU promulgated new Measure in order to create preconditions for proper functioning of economic competition and protection of users and other subscribers of the market. At the same time the CTU took into consideration also development on the field of supply of services of electronic communications and changing structure of information requested. This Measure of general nature becomes effective on July 1, 2012.

The course of action of the CTU during negotiations on wholesale offer of services

On April 26, 2012, out of the initiative of the CTU, negotiations took place between the company Telefónica and the company Quadruple, the purpose of which was to restore negotiations concerning proposal of the company Quadruple to conclude wholesale contract serving for provision of retail mobile services of electronic communications. Both companies expressed their readiness to continue their negotiations in continuation to the evaluation of modified draft contract submitted by the company Quadruple. The CTU will receive results of the evaluation of modified draft contract of the company Quadruple and strategic decision of the company Telefónica concerning this proposal not later than before May 17, 2012. Afterwards the CTU will convene further negotiations, on which reaction of the company Quadruple and standpoint of the CTU will be discussed concerning materials submitted.

Withdrawal of the number of anti-corruption line 199

Within the framework of its activity in the sphere of number administration the CTU promulgated its Decision ref.no. ČTÚ-66 009/2012-610 concerning withdrawal of the right to use of shortened telephone number 199 – anti-corruption line. The Decision was promulgated on the basis of request of holder of relevant right – the company Telefónica Czech Republic, a.s., which provided connection to this line for operator selected by the Ministry of Interior of the Czech Republic. The Minister of Interior decided to cancel financing of this line on April 30, 2012. The Decision became effective on April 30, 2012.

3. Disputes pursuant to § 127 of the Act on Electronic Communications

Proceedings commenced in April 2012

Reference number	Petitioner	Oponent	Case
THE CTU-68 102/2012-606	Českomoravská telekomunikační s.r.o.	Noel, s.r.o.	Disputes concerning settlement of pecuniary amount of CZK 21.408 plus accessories (unsettled invoices)

Proceedings terminated as legally effective or returned to new hearing in February 2012

In April 2012 no proceedings were terminated as legally effective or returned to new hearing concerning disputes pursuant to § 127 of the Act on Electronic communications.

4. Universal service (US)

Provision of services within the framework of the US

On April 6, 2012 the company Telefónica Czech Republic, a.s. submitted, as the only candidate, within the regular deadline, the application to tender procedure concerning imposition of the obligation to provide, within the framework of the Universal service, a partial service - access of handicapped persons to publicly available telephone service, to the information service on telephone numbers and to subscriber directories equal to the access employed by other end users, particularly by means of especially equipped telecommunication terminal facilities pursuant to § 38 Para. 2 Letter. f) of the Act on Electronic Communications. The application complied with all requirements which was verified by the notarial deed. Tender commission composed of representatives of the CTU and the Ministry of Industry and Trade of the Czech Republic then evaluated the application and recommended imposition of the obligation on this applicant. In further steps the draft decision on the imposition of the obligation will be passed over to the candidate for comments and the public consultation concerning this draft will start.

The state of availability of services not included in the obligation to provide universal service

On April 19, 2012, in the Internet pages of the CTU, was published [Communication](#) of the CTU on publication of the Report „[Monitoring of commercial provision of services corresponding to non-imposed services within the framework of the Universal service \(for the year 2011\)](#)“. This service is focused on evaluation of knowledge concerning provision of services corresponding to services (so-called partial services), which are, as a part of the Universal service specified in § 38 Para. 2 Letter a) to d) and g) of the Act on Electronic Communications for the year 2011. This report does not involve other partial services defined in § 38 of the Act on Electronic Communications because these services were imposed by the CTU as the obligation. Report continues in the evaluation of results of monitoring of the these services for 2010.

5. Inspection activities

Inspection activities in the field of provision of services and support of networks of electronic communications

During the month of April the CTU performed the following inspection activities :

- **measurements of coverage of municipalities by the signal of digital television.** In the teritorial region of Zlín measurements of coverage of 4 municipalities while driving were performed pursuant to the Decree no. 163/2008 Coll. during which the coverage of these locations by the digital television signal was verified. Results discovered will serve for the assessment of the need of potential repeaters to help to cover these regions by the digital signal.
- **inspection of utilisation of radio frequencies without authorization and after the validity of authorization for utilisation of radio frequencies has expired.**

Altogether 11 inspections were performed and in 6 cases utilisation of radio frequencies without authorization for utilisation was discovered. Deficiencies discovered are resolved in administrative proceedings,

- **inspection of observance of conditions of general authorization no. VO-R/2/01.2010-1** concerning utilisation of radio frequencies and operation of stations of wireless local information systems (BMIS) in the frequency band of 70 MHz with 7 subjects. One deficiency discovered was resolved with the help of the call demanding elimination of deficiencies pursuant to § 114 of the Act on Electronic Communications,
- **inspection of observance of conditions of general authorization no. VO-R/12/09.2010-12** concerning utilisation of radio frequencies and operation of facilities for broadband data transmission in the bands from 2,4 GHz to 66 GHz. The breach of conditions of this authorization, particularly the operation on indoor frequencies, is repeatedly discovered throughout the Czech Republic Out of 15 inspections breach of conditions of general authorization was discovered in 12 cases and in one case utilisation of radio frequency outside the band VO 12 was discovered. Deficiencies discovered were resolved with the help of call demanding their elimination pursuant to § 114 of the Act on Electronic Communications, and administrative proceedings will start in this case. In other 10 inspections of accomplishment of calls promulgated earlier, in one case non-compliance with the call within the deadline prescribed was discovered,
- **identification of sources of jamming and reasons of low-quality reception.** Altogether 61 inquiries were performed. Besides 35 cases of jamming of television and radio reception, 17 reports of jamming of services of GSM, UMTS and CDMA provided by individual operators were resolved. In April 2012 jamming of these services was caused, in particular, by radiation of active television antennas and broadband amplifiers. On the basis of complaints of holders of amateur licences against jamming of amateur converter, the subject, which deliberately jammed its operation, was localized. If sources of jamming are discovered, calls to eliminate deficiencies are sent to their operators pursuant to § 114 of the Act on Electronic Communications,
- **collaboration of the CTU with Česká obchodní inspekce (the Czech Trade Inspection)** in checking the sellers of telecommunication terminal and radio equipment. Within the framework of this inspection activity, the sale of models of radio transmitters, working in the bands of 49 a 50 MHz was discovered in Lovosice and Lomnice nad Popelkou. These radio facilities cannot be operated in the Czech Republic without individual authorization for the utilization of radio frequencies. In Břeclav and Rájec-Jestřebí inspections of frequencies of radio controlled models were performed and deficiencies were discovered with 4 checked products. The sale of wireless doorbells working in the band of 316 MHz, reserved for the Ministry of Defense in the Czech Republic, was discovered. The deficiencies discovered are resolved by the Czech Trade Inspection within the framework of its competencies.

Přehled kontrolní činnosti při výkonu státní kontroly elektronických komunikací za měsíc duben 2012

Druh činnosti	Počet osvědčení nebo kontrol		Počet výzev k odstranění nedostatků	Počet zaháj. SR	Počet vyd. rozh. →	Rozhodnuto ve prospěch		Uložené pokuty	
	Celkově	Z toho				účastníka	poskytovatele	počet	výše v Kč
1. Počet vydaných osvědčení o oznámení podnikání (§14 ZEK)	22								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	85								
3. Výkon komunikační činnosti bez osvědčení	4			5	9			9	270500
4. Dodržování podmínek všeobecných oprávnění	58		15	0	2			2	20000
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		2	1	0	0			0	0
b) k poskytování služeb elektronických komunikací		4	0	0	0			0	0
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		52	14	0	2			2	20000
5. Kontrola rádiových kmitočtů	112		6	7	8			8	66000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		10		7	8			8	66000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		30	0	0	0			0	0
c) Zjišťování zdrojů rušení provozu elektronických komunikačních zařízení a sítí, poskytování služeb elektronických komunikací nebo provozování radiokomunikačních služeb	72	0	6	0	0			0	0
6. Kontrola čísel pro účely správy čísel (počet kontrolních volání)	14		0	0	0			0	0
a) využívání čísel bez oprávnění k jejich využívání		0		0	0			0	0
b) využívání čísel v rozporu s oprávněním k jejich využívání		0	0	0	0			0	0
7. Rozhodování účastnických sporů	0			13425	6790	178	5020		
a) o námitce proti vyřízení reklamace na poskytnutou službu		0		5	2	0	1		
b) o námitce proti vyřízení reklamace vyúčtování cen za služby		0		15	11	1	5		
ba) přístupu ke službám s vyjádřenou cenou (datové i hlasové)		0		5	0	0	0		
baa) přístupu k datovým službám s vyjádřenou cenou poskytovaným na síti Internet nebo na jiných datových sítích (Dialer)		0		0	0	0	0		
c) o zaplacení ceny za služby (peněžitě plnění)		0		13402	6772	177	5013		
d) ostatní		0		3	5	0	1		
8. Neposkytnutí informací podle § 115 ZEK				0	1			1	5000
9. Ostatní	31		8	14	14			15	103000
CELKEM	215		29	13451	6824	178	5020	35	464500

*) Celkový počet vydaných rozhodnutí zahrnuje i případy ukončení správního řízení usnesením, tj. případy úmrtí účastníka, zániku firmy, přerušení řízení ze zákona (konkurz), nepříslušnosti rozhodovat apod.

Překlad tabulky : Přehled kontrolní činnosti při výkonu státní kontroly elektronických communications za měsíc duben 2012

The Survey of inspection activities in performance of State control of electronic communications for the month of April 2012

Druh činnosti = kind of activity

počet osvědčení nebo kontrol = the number of certifications or inspections

celkově = in total z toho = of which

počet výzev k odstranění nedostatků = the number of notices to eliminate deficiencies

počet zahájených správních řízení = the number of administrative proceedings commenced

počet vydaných rozhodnutí* = the number of decisions promulgated

rozhodnuto ve prospěch = decided in favour

účastníka = participant poskytovatele = provider

uložené pokuty = fines imposed počet = number výše v Kč = amount in CZK

1. The number of certifications notifying business activities issued (§ 14 of AEC)

2. The number of changes of certifications notifying business activities (§ 14 of AEC)

3. Performance of communication activities without certification

4. Observance of conditions of general authorisations

- a) for the operation of public communication networks and associated facilities
- b) for provision of services of electronic communications
- c) for utilization of radio frequencies and operation of instruments (radio equipment)

5. Inspection of radio frequencies

- a) utilization of radio frequencies without authorisation for their utilization
- b) Observance of conditions of individual authorisation for utilization of radio frequencies
- c) locating sources of interference of operation of electronic communication facilities and networks, provision of services of electronic communication or operation of radiocommunication services

6. Inspection of numbers for the purposes of management of numbers (number of inspection calls)

- a) utilization of numbers without authorisation for their utilization
- b) utilization of numbers violating authorisation for their utilization

7. Resolution of subscribers' disputes

- a) on objection against the settlement of reclamation of service provided
- b) on objection against the settlement of reclamation of charging of services
 - ba) on access to data services with specific price (data and voice)
 - baa) on access to data services with specific price provided on the Internet network or on other data networks (Dialer)
- c) on reimbursement of price for services (monetary performance)
- d) others

8. Withholding of information pursuant to § 115 of AEC

9. Others

IN TOTAL

* the total number of decisions promulgated includes also cases of termination of administrative proceedings in the form of resolution, i.e. cases of death of subscriber, extinction of a company, interruption of proceedings ex lege (bankruptcy), incompetency to decide etc.

Within the framework of the CTU's activities in the field of revision of decisions promulgated in the first degree of administrative proceedings, the result of one of implemented administrative appeals is the final decision, by which the CTU imposed the fine at the amount of CZK 5000 for administrative offense pursuant to § 118 Para. 1 Letter l) of the Act on Electronic Communications, in the wording effective until December 31, 2011, perpetrated by a juristic person (business company), because it, in the position of a person managing public communication network and providing available service of electronic communications, did not comply with the obligation stipulated in § 97 Para. 11 of the Act on Electronic Communications and did not submit to the CTU the records of operational and localisation data for the year 2010 within the determined deadline before January 31, 2011. The same administrative offense was perpetrated by a natural business person who also did

not submit to the CTU requested data, for which the fine at the amount of CZK 3000 was imposed on this person.

In another administrative appeal the fine at the amount of CZK 50000 was effectively imposed on another juristic person (business company) for two administrative offenses. This person perpetrated the first administrative offense pursuant to § 118 Para. 1 Letter. b) of the Act on Electronic Communications, in the wording effective until December 31, 2011, because it, contrary to § 13, Para. 6 of the same Act, announced the change of data specified in the announcement from August 10, 2005 as late as on July 1, 2011. This juristic person committed the second administrative offense pursuant to § 118 Para. 8 Letter. b) of the Act on Electronic Communications, in the wording effective until December 31, 2011, because it, in the position of an entrepreneur providing publicly available service of electronic communications, within the period from August 15, 2005 to July 22, 2011, did not publish draft contract concerning provision of publicly available services of electronic communications.

6. Other regulators, inspection authorities, courts

The strategy for high-speed access in France

Until May 25, 2012, the French regulator ARCEP has consulted legal regulations concerning enlargement of optical access networks. To these regulations belong, for example, stipulation that the first telecommunication operator deploying optical access networks in the building („building operator“) must bear the costs connected to the installation and maintenance in house with more apartments. In houses with one apartment only founder can ask for contribution the owner of the building and this arrangement can be freely concluded between the parties. Further it consulted the proposal to mitigate the rules concerning development of optical access networks in sparsely populated regions. From now on the operators will not be bound to connect automatically houses in sparsely populated regions within five years of the beginning of construction of network in such a region. However, after the expiration of such a period they should be able to deploy the access within several weeks if end user so demands. ARCEP admits that additional costs connected to the access of several more houses are potentially very high which might inhibit investments in some regions.

German regulator BNetzA has forbidden the company Telekom Deutschland to offer the new wholesale price model for VDSL-IP bitstream

Telekom Deutschland announced to German regulator BNetzA its intention to introduce the new wholesale price model for VDSL-IP bitstream, which would be based on purchase of certain quantity of accesses to bitstream for a one-time fee in advance and lower monthly price guaranteed for the period of eleven years. In April the BNetzA promulgated its preliminary measure in which it has forbidden the company Telekom Deutschland to offer the new wholesale price model for VDSL-IP bitstream. The access to the VDSL-IP bitstream is not a subject of price regulation and the BNetzA intervenes only in case of the case of price misuse. Firstly, BNetzA calculated the costs of wholesale customer who did not sign contract and would buy a certain number of accesses. Regulator discovered that the price, which would pay an effective operator in the proposed model, would be lower than the costs of any other methods of deployment of VDSL accesses. Therefore, the proposed model would discourage alternative operators from deployment of their own VDSL infrastructure and from full or partial local loop unbundling (LLU) – margin squeeze. Even bigger violation of economic competition could happen with customers who signed the contract.

The European Commission

The European Commission carries on the second stage of investigation in cases where national regulatory bodies do not proceed in harmony with its two (non-binding) recommendations concerning termination prices in fixed and mobile networks (2009) and on the access to NGA networks (2010).

Prices of termination in mobile networks in Estonia (market no. 7) – withdrawal of notification

Prices of termination of calls in mobile networks in Estonia should be determined from July 1, 2012 until June 30, 2015 with the help of international comparison, because the regulator ECA observed that development of the model of pure BU-LRIC is too expensive. The Commission accepts utilisation of benchmarking, however, it maintains that the methodology used by the ECA is wrong resulting in significantly higher price for termination than with the help of pure BU-LRIC. ECA withdrew the notification.

Asymmetric prices of termination in mobile networks for new entrants to the market in France (market no. 7) – serious doubts of the Commission

According to the opinion of the European Commission, the ARCEP inadequately justified the proposal allowing charging of higher prices for call termination (MTR) to new operators in the market (Free Mobil, LycaMobile and Oméa Télécom) than to well-established operators of mobile network. Determination of higher MTR for new entrants in the market is justified only when it reflects real higher costs. According to the opinion of the ARCEP, higher MTR reflects increased costs accruing to new entrants in the market in consequence of necessity to establish wholesale access to well-established network operator and as a result of unbalanced operation what disadvantages new subscribers of the market. On April 13, 2012 the Commission submitted its serious doubts to the ARCEP and started the so-called second phase pursuant to the Article 7a of the Framework agreement, which will suspend validity of the ARCEP's decision by three months until July 13. Within six weeks the BEREC must submit its standpoint. If BEREC shares standpoint of the Commission, it will cooperate with the ARCEP searching for the most convenient measure. ARCEP will be able to change, cancel or preserve its draft decision. If the BEREC does not agree with the Commission or if it does not take any standpoint, the process will be prolonged by one month. Then the Commission may take unbinding recommendation demanding that the ARCEP changes or withdraws its draft measure.

The obligation of interconnection only for three biggest mobile operators in Latvia (the market no. 7) – consent of the regulator with the Commission

On the market of call termination in mobile network the Latvian regulator proposed to impose the obligation of interconnection only for three biggest mobile operators, neither for all four operators nor for twelve virtual mobile operators. On the basis of the second phase of investigation of the Commission the regulator gave its consent to the enlargement of the obligation of access to all operators.

„Glide path“ for termination prices in mobile networks in Spain (market no. 7) – the new phase I of the investigation of the Commission

According to the Commission's viewpoint, the prices for call termination in mobile network using pure BU-LRIC, stipulated by the Spanish regulator CMT as „glide path“ starting from January 1, 2014, should be introduced earlier, i.e. from January 1, 2013, to comply with the deadline specified in the Recommendation on prices for call termination. According to the Commission's viewpoint, the asymmetric termination prices until October

2013 for the fourth mobile operator Xfera, are also unfounded. On March 30 the Spanish regulator CMT informed that revised glide path was announced to the Commission and that the price level according to pure BU-LRIC will be reached six months earlier, i.e. on July 1, 2013. The asymmetry for the operator Xfera should also terminate on the same day. Considering the fact that the CMT submitted again the announcement including modified glide path, the Commission terminated the investigation and started the new phase I of the investigation.

Submarket in the market of wholesale physical access to the network infrastructure (market no. 4) in the Netherlands – serious doubts of the Commission and the standpoint of the BEREC

In the market no. 4, the Dutch regulator OPTA defined the partial market for unbundling of optical feeder points in non-housing premises (Fiber-to-office (FTTO) network), and did not discover any significant market power on that submarket. Although the company KPN must provide unbundling of its optical network to resident customers, it should not be requested from corporate customers. BEREC stated that the OPTA provided enough evidence to support the definition of independent submarket FTTO, however, it agrees with the Commission that the company KPN has significant market power and should be regulated.

Wholesale broadband access (market no. 5) in Poland – serious doubts of the Commission

The Polish regulator UKE imposed the obligation of wholesale broadband access (WBA) on the company Telekomunikacja Polska (TP), which relates both to copper lines and optical FTTH lines, however, FTTH is taken out from the price regulation (the obligation of cost price orientation). The Commission observed that this approach is not in harmony with the NGA Recommendation, which stipulates that the price of WBA products should be cost oriented, if separation or other forms of segregation are not functional, ensuring equal access or if the access to local optical line is not functional (in such a case this obligation of the WBA may be completely cancelled). The Commission is of the opinion that the proposed ban on discrimination, as remedial measure, is not sufficient for provision of equivalent access. The proposed ban on discrimination is based on the agreement between TP and the Polish regulator UKE, through which the TP taken over voluntary commitment to avoid imposition of functional separation.

7. Associations

On Monday, April 2 in the afternoon, the ICT Unie organized the second year of discussion meeting of the ICT SUMMIT in the conference ISSS 2012 in Hradec Králové. The subtitle of the action was „Priorities of Czech ICT industry – for citizen, company, State, under the auspices of the Ministry of Industry and Trade.

On April 25 the ČAEK held the Congress on which representatives of ÚOHS, CTU, TÚ SR, European Commission, MPO, ÚOOÚ gave their speeches. The Chairman of the Council of the CTU Pavel Dvořák declared that current Auction of frequencies continues in completion of the first phase of digitalization of television broadcasting and the CTU will make every effort to make the action non-discriminatory.

8. Consumer issues

Subscriber disputes – disputes concerning financial performance and objections against the settlement of complaint

During the month of April the CTU commenced 13425 administrative proceedings concerning subscriber disputes between a person performing communication activities, on the one hand, and a participant, on the other hand, dealing with financial performance and proposals for commencement of procedure concerning objections against the settlement of complaint against price settlement or provision of publicly available service of electronic communications, which the CTU decides pursuant to § 129 of the Act. **6772 decisions in re were promulgated**, of which 6772 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

The Chairman of the Council of the CTU employed new competencies, which were assigned to the CTU in harmony with the Amendment of the Act on Protection of Consumer, and addressed general directors of companies : Telefónica Czech Republic, a.s., T-Mobile Czech Republic, a.s. and Vodafone Czech Republic, a.s., asking them to use consistently current transient period in which they are obliged, pursuant to the Amendment of the Act on Electronic Communications, to include the changes brought about by the Amendment in their contractual relations and published information and asked those companies to reflect, within the framework of realised modifications, also complaints of consumers concerning the field of relations, of which several hundreds were registered and settled by the CTU in the last year only.

The Amendment of the Act on Electronic Communications puts emphasizes on the fact that particularly contractual provisions between provider of services of electronic communications on the one side, and user/consumer on the other side, always include all comprehensive, complete and easily accessible information specified in § 63 of the Act on Electronic Communications.

The CTU is convinced that the Amendment of the Act on Electronic Communications creates sufficient room necessary for modification of contractual relations both in harmony with the Act on Electronic Communications, and the field of contractual provisions which were much criticized by consumers in the past as problematic.

On the basis of requirements of the Amendment of the Act on Electronic Communications, the Act on the Protection of Consumer and evaluation of stimuli and complaints of subscribers/consumers in the last year, the most problematic issues were identified by the CTU in contractual relations where the CTU expects their elimination or principal modification.

The CTU is of the opinion that contractual relations must be modified in harmony with the Amendment of the Act on Electronic Communications so that they are comprehensible and transparent for all consumers and that during negotiations concerning contractual relations, consumers dispose of all information imposed by the Act on Electronic Communications. The CTU also demands that these companies eliminate all contraversial and unambiguous provisions from contractual relations which cause authorized complaints of consumers and which may be in contradiction not only with the Act on the Protection of Consumer and the Act on Electronic Communications, but also with morality and good manners.

The issues of modifications of contractual relations will be the subject of inspection of the CTU in the second half of the year and integral part of this inspection will also be verification concerning methods with the help of which complaints of consumers were taken into account in contractual relations and how these problematic issues are regulated in contractual relations with similar companies abroad. In this direction the CTU will employ all its lawfull competencies in order to strengthen protection of consumer within the framework of contractual relations. Press release and complete wording of the letter of the Chairman of

the Council of the CTU to the above mentioned companies has been published on the Internet pages of the CTU:

<http://www.ctu.cz/aktuality/tiskove-zpravy.html?action=detail&ArticleId=9149>

9. Legislative changes

On April 12, 2012 **the Decree no. 124/2012 Coll., amending the Decree no. 117/2007 Coll., on Numbering plans of networks and services of electronic communications, as later amended**, was published in the Volume 46 of the Collection of Laws. The Decree implements, in particular, § 35 of the Act on Electronic Communications (the access to the universal international number for toll-free calls). In order to create equal and non-discriminatory conditions new rules are stipulated for the access to non-public communication networks similar to telephone numbers of public communication networks. In the field of portability of numbers, language modification of § 27a of the Decree on Numbering plans has been implemented and other changes of technical or legislative character have been performed. This Decree became effective on April 15, 2012.

On April 27, 2012 **the Decree no. 134/2012 Coll., on Determination of the extent of itemized billing of price** was published in the Volume 50 of the Collection of Laws. This Decree, in harmony with § 44 Para. 5 of the Act on Electronic Communications, as amended by the Act no. 468/2011 Coll., determined the extent of itemized billing of price for services of electronic communications. In the given example, it is a Degree replacing modification of relevant issues which was implemented so far by the Measure of General Nature no. OOP/2/07.2005-5 promulgated by the CTU on June 29 2005. In fact, the change of the form of relevant modification was performed when, instead of original Measure of General Nature, the relevant area is newly modified with the help of this Decree, nevertheless, no principal change of material content has been made. This Decree became effective on June 1, 2012.

On April 27, 2012 **the Decree no. 135/2012 Coll., on Determination of the extent of itemized billing of price according to the type of services** was published in the Volume 50 of the Collection of Laws. This Decree, in harmony with § 64 Para. 5 of the Act on Electronic Communications, as amended by the Act no. 468/2011 Coll., determined the extent of billing of price for services of electronic communications according to the type of services. In the given example it is a Degree replacing modification of relevant issues which was implemented so far by the Measure of General Nature no. OOP/2/07.2005-4 promulgated by the CTU on June 29 2005. In fact, the change of the form of relevant modification was performed when, instead of original Measure of General Nature, the relevant area is newly modified with the help of this Decree, nevertheless, no principal change of material content has been made. This Decree became effective on June 1, 2012.

On April 25, 2012, within the framework of the 21st Session of the Senate of the Parliament of the Czech Republic, the Senate discussed **the Amendment of the Act amending the Act no. 29/2000 Coll., on Postal services and Amendment of some other Acts (the Act on Postal services), as later amended and some other Acts** (Print no. 323).

However, this draft Act was rejected by the **Senate (Resolution no. 579)**, and, therefore, it was returned to the Chamber of Deputies on April 27, 2012 for further proceedings.

During April 2012 **no legal regulations were published in the Collection of Laws** which might have principal impact on the field of postal services.

10. European Union

On April 12, 2012 the European Commission promulgated [Public tender concerning „Internet of things“](#). With the help of this consultation the Commission wishes to find out views of the public concerning privacy, security of critical infrastructure with the help of the Internet of things, ethics, interoperability, management and standards. The results of the consultation will be included in the Recommendation of the Commission concerning the Internet of things which will be submitted before Summer of 2013. Recommendation will continue in [the Communication of the Commission on the Internet of things](#) published in 2009, in which 14 directions of activities were brought forward, allowing Europe to propose technologies and systems of the Internet of things, which are compatible to its principal values, like protection of privacy and personal data. Consultation is open until July 10, 2012.

On April 26, 2012 the 48th Meeting of the COCOM took place in Brussels. One of the main themes discussed was the information of the European Commission concerning transposition of regulations of regulatory framework of the EU from 2009 of individual Member EU States in national legislations. The programme of the Meeting further included discussion over the Draft Recommendation of the European Commission on Notification procedure pursuant to the Article 22 Para. 3 of the Directive on the Universal Service. Its purpose is to prevent worsening of quality of services, elimination of obstacles or slowdown of operation in the network. Domestic regulatory bodies should determine requirements stipulating minimum quality of services for enterprises running public communication networks. The Commission informed about its initiative aimed at reduction of costs for deployment of broadband networks and submitted Report on the implementation of unified number of emergency call 112 in individual Member States. The European Commission prepares new Rules of procedure for the COCOM Meeting (Communications Committee).

On April 27, 2012 the European Commission started [the Public consultation on possibilities to reduce the costs connected to the introduction of high-speed Internet](#). Up to 80 % of total investment costs of broadband connection represent civil-engineering works. The costs are so high because of missing coordination of building projects, insufficient utilization of existing infrastructure and limited collaboration among different subjects.

The Commission will welcome opinions concerning :

- obstacles for investments in infrastructure of broadband connection,
- methods how to improve utilization of existing infrastructure,
- coordination of civil-engineering works,
- measures strengthening coordination among competent bodies and simplification of procedures for promulgation of permissions,
- „readiness“ of new buildings for the infrastructure of high-speed Internet.

Public consultation will last until July 20, 2012. Its results will contribute to the reduction of investment costs and a ultimately to reduction of final retail price for broadband connection. Digital for Europe determines the target of 100% coverage by broadband connection before the end of 2013 in the whole Europe and the speed of 30 Mbit/s for all citizens with the proviso that before the year 2020 at least one half of the Europe's households will have the Internet connection faster than 100 Mbit/s deployed.

11. ITU and other international organisations

CWG WCIT

On April 23 – 25, 2012 the last but one meeting of the Working group of the Council ITU (CWG WCIT) took place in the seat of the ITU in Geneva, authorized by the Plenipotentiary Conference, Guadalajara, 2010 to prepare the World Conference on

International Telecommunications – WCIT). The group is preparing the draft wording of the new Telecommunication Code which will be endorsed by the Conference. The result of the CWG WCIT Meeting is, in particular, compilation of the draft of the new Telecommunication Code together with alternative wording of individual provisions according to proposals received and to accompanying documents. The last meeting of the CWG WCIT will take place in June 2012 in Geneva, Conference will be held in December 2012 at the invitation of United Arab Emirates in Dubai.

European Conference of Postal and Telecommunication Administrations (CEPT)

ComITU

On April 2 – 4, 2012 the Meeting of the Committee for CEPT Affairs was held in Copenhagen. CEPT/ComITU is the managing component in situations where the CEPT is acting in the position of regional organisation and coordinates policy of European countries on the global forum. The goal of the meeting was, in particular, preparation for the World telecommunication Conference (WCIT), including preparatory meeting of the group of the Council of CWG WCIT, preparation for the World Assembly for standardization of telecommunication (WTSA) and this year's meeting of the Council. The result of the Meeting is the position for negotiations and draft text of the European Common Proposals (ECP) for the meetings of WCIT and WTSA.

ECC WG FM

On April 23 – 27, 2012 the 74th Meeting of the Working group of the CEPT/ECC/WGFM dealing with the issues of radio spectrum management took place in Bern, Switzerland. The group discussed proposals of new harmonisation documents (Decision and Recommendation of the ECC), review of existing documents and decided to submit proposals for public consultation. Reports of individual project teams were discussed concerning the field of monitoring of radio spectrum, identification of frequency bands for security applications in State administration, satellite communications, issues of naval communications, radio broadcasting, short-range facilities and the issues of broadband communications from board of airplanes to land stations. During the meeting the FG Group (Forum Group) was established responsible for the issues of radioamateur services. Considerable attention was paid to the issues of co-existence of meteorologic services and mobile services (RLAN application) in the band of 5 GHz. Considering increasing problems concerning jamming of meteorologic radar by RLAN systems, information for TCAM was prepared by the ECC, because one of the main reasons of rise of jamming of meteorologic radars is non-observance of standards in production of RLAN facilities. In the Czech Republic, on top of that, there are the problems connected to observance of regulatory and technical measures specified in the OOP/12/03.2011-3. Concerning the issues of co-existence of meteorologic services and mobile services (RLAN application) in the band of 5 GHz, the Report of the ECC will be elaborated.

12. Digitalisation of RTV

During April international co-ordination of frequencies for provision of coverage by the digital signal was finished in territorial regions of Jeseník and Zlín in the following locations: broadcasting network 1 – Hradec nad Moravicí 36, Žulová 54 and Halenkov 43; in the broadcasting network 2 – Jablůnka 49.

On April 26 the workshop was held in the seat of the CTU focused at the issues of future development of terrestrial digital television broadcasting in the DVB-T2 standard. Representatives of broadcasting operators, operators of broadcasting networks, manufacturers and sellers of receivers and other institutions involved expressed their

standpoint concerning the issued in question. Participants in the workshop agreed that the envisaged experimental broadcasting should be limited to technical verification of the new system only and should be limited in time. Knowledge from the workshop will be used in the preparation of the update of strategic documents devoted to digitalization and other working activities of the CTU on the international field, particularly the issues of international coordinatory negotiations.

13. Radio spectrum management

Public consultation of the draft conditions of the Auction of frequencies under preparation

On April 2, 2012 working meeting of the CTU management and consultancy company GTA with journalists, who monitor in detail tender procedure (the Auction) for the frequencies of digital dividend. The CTU introduced the presentation, which was prepared for this meeting in co-operation with consultancy company, and submitted it to the public this way.

In order to safeguard sufficient space for the application of comments of all potential participants of the Auction, the CTU prolonged the deadline for the consultation of conditions and rules of the Auction of frequencies of digital dividend by 21 days. Hereby it complied with the request of the Ministry of Industry and Trade of the Czech Republic asking for the prolongation. Public consultation commenced on March 20, 2012 and the comments can now be applied until May 11, 2012. The Auction of frequencies, acquired by succesful transition to digital television boadcasting, will provide top quality services of mobile broadband of the so-called fourth generation to citizens and entrepreneurs.

Change of conditions of utilization of radio frequencies

On April 24 the CTU Council endorsed the General authorization no. [VO-R/7/04.2012-6](#) concerning utilization of radio frequencies and running of civic radio stations in the band of 27 MHz. The reason for promulgation of this General authorization, which replaced existing General authorization no. [VO-R/7/08.2005-22](#), is the need to implement the new Decision CEPT/ECC/DEC(11)03 dated June 24, 2011, on harmonized utilization of frequencies of civic band (CB) by radio facilities. In particular, it will make possible boadcasting with DSB amplitude modulation having radiated output of 4 W and SSB having radiated output of 12 W on channels no. 1 - 40 and some other minor modifications. The purpose of those changes is to unify conditions in the Czech Republic with conditions in neighbouring states. The General authorization becomes effective on June 1, 2012.

On April 24 the CTU Council endorsed the General authorization no. [VO-R/10/04.2012-7](#) concerning utilization of radio frequencies and running of short range facilities. The reason for promulgation of this General authorization, which replaced existing General authorization no. [VO-R/10/09.2010-11](#), is the need to implement the Decision of the European Commission 2011/829/EU dated December 8, 2011, which changed the Decision 2006/771/ES on Harmonisation of radio spectrum for short range facilities. and updated version of the Recommendation CEPT ERC/REC 70-03 – the utilization of short range facilities dated August 22, 2011. In particular, it will make possible modification of conditions for short range facilities in the band of 21,62–26,65 GHz, limitation of possibility to use the band 786–862 MHz by wireless microphones in connection with future utilization of the band by broadband applications within the framework of the so-called digital dividend, addition of new frequency band 1785–1800 MHz for wireless microphones and and some other minor modifications. The General authorization becomes effective on June 1, 2012.

On the basis of stimuli of some operators and manufacturers of the equipment of fixed connection point-point in the band of 10 GHz, the CTU began preparation of the amendment of General authorization no. [VO-R/14/12.2006-38](#) concerning utilization of radio

frequencies and operation of equipment in the band of 10 GHz. Considering announced potential deployment of technologies of the TDD system, some operators of the FDD system expressed their concern of potential increase of number of cases of harmful jamming of existing fixed connections. The CTU is of the opinion that in harmony with principles of technological neutrality, it is impossible to ban utilization of certain technology in this band and that protection of existing connections can be sufficiently provided on the basis of valid legislation. Nevertheless, the CTU intends to submit for public discussion in May the proposal of the amendment of General authorization, which will bring about certain specifications of existing rules (definition of output of facility, provision concerning procedure if harmful jamming appears etc.). Subsequently, the CTU wants to introduce also the obligation of registration of stations in this band similarly to some other general authorizations. However, this step is connected to the implementation of necessary measures on the side of the CTU allowing electronic registration.

14. Postal services

In connection with preparation of implementing regulations to the Amendment of the Act on Postal services, the CTU organized on April 11, 2012 the workshop focused on determination of intangible benefits of holder of postal licence. On the workshop intangible and market benefits were presented, which can a holder receive in consequence of accomplishment of obligations to provide basic services in determined extent and quality, and which should enter in the calculation of net costs.

Discussed in the CTU Council on May 9, 2012