

Monthly monitoring report No. 6/2012 of the Czech Telecommunication Office June 2012

Executive summary

On July 12, 2012 the CTU published on its electronic official board and in the Telecommunication Journal the documentation of the Promulgation of tender procedure concerning award of rights for utilization of radio frequencies serving for provision of public communication network in the bands of 800 MHz, 1800 MHz and 2600 MHz. After more than one year and a half of preparations the tender procedure mentioned was, in harmony with § 21 Para. 5 of the Act on Electronic Communications, de facto started. More information can be found in the Theme of the month.

On June 12 the CTU and the Rada pro rozhlasové a televizní vysílání (the Council for Radio and Television Broadcasting) endorsed a common document called „Common policy of RRTV and CTU in exercising shared competency“. Mutual agreement of both bodies determines the rules for imposition of obligations in distributing determined radio and television program and services in public interest (must carry). (More information can be found in the press release from June 12, 2012)

On July 9, 2012 the decision became effective on the imposition of the obligation to provide, within the Universal service, a partial service of the access of handicapped persons to publicly available telephone service, to the information service of telephone numbers and subscriber directories, equal to the access employed by other end users, particularly by means of specially equipped telecommunication end facilities, pursuant to § 38, Para. 2, Letter f) of the Act on Electronic communications.

Pursuant to § 37 Para. 3, Letter b), of the Act no. 29/2000 Coll., on Postal services and Amendment of some other Acts (Postal services Act), amended by the Act no. 95/2005 Coll., the CTU published on Internet pages on June 11, 2012 [Report concerning performance of obligations of the Česká pošta, s.p. in the field of basic services for the year 2011](#). (More information can be found in Chapter 14)

On the same day the CTU announced [commencement](#) of the third round of analysis of relevant market no. 2 – Origination of call (origination) in public telephone network in fixed location.

On June 29 the Act no. 221/2012 Coll. was published, amending the Act no. 29/2000 Coll., on Postal services and Amendment of some other Acts (Postal services Act), as later amended.

On June 29, 2012 implementing Decrees no. 226/2012 Coll., no. 227/2012 Coll. and no. 228/2012 Coll. to the Act on Electronic Communications, were published (more information can be found in Chapter 9).

On June 22 the CTU promulgated General authorization no. [VO-R/14/06.2012-8](#) concerning utilization of radio frequencies and operation of facilities in the band of 10 GHz. (More information can be found in Chapter 13).

Pursuant to [The Regulation of European Parliament and the Council \(EU\) no. 31/2012 dated June 13, 2012 on Roaming in public mobile communication networks in the Union](#), starting from July 1, 2012, the retail price of voice eurotariff (without VAT), which provider of roaming may charge to its roaming customer for mediation of regulated roaming call, shall not exceed EUR 0.29 for one minute of realised calls and 0.08 EUR for one minute of accepted calls. (More information can be found in Chapter 10).

1. Current situation in the market

Services of fixed networks

The company **Telefónica** published in June in the O2 pricelist of voice services and other services of electronic communications new prices for sale and lease of special telephone apparatus for handicapped persons. The lease of special telephone apparatus the price has been increased from original CZK 28.80 to CZK 29.24, what represents increase by 44 hellers. Concerning the sale of special telephone apparatus the price has been decreased from CZK 458.40 to CZK 455 what represents decrease by CZK 3.40.

Customers, who, before June 30, 2012, ordered with the company **UPC** on-line service digital cable television Klasik with program packages Sport, Relax or Darwin, received for the period of four months the discount from the monthly price for this service. During this period they could use this service for the price of CZK 190 instead of standard price of CZK 380/month. The company UPC offered the price advantage also to customers, who, before June 30, 2012, ordered on-line service of digital television Komfort. Customers received this service for a special price of CZK 275/month instead of standard price of CZK 550/month for the period of four months. These offers are valid for new customers, who concluded the contract with the obligation to stay for 12 months.

The company UPC prolonged its special offer for new customers who ordered telephone service UPC Telefon tariff „Basic“ before May 31, 2012. Therefore, new customers received monthly flat fee at the amount of CZK 1 for the period of 12 month. Price of installation was CZK 0 in case of self-installation and the price for connection was CZK 99.

From June 1 to June 30, 2012 the company **Telefónica** provided for all customers special offers in selected brand shops in Beroun, Benešov, Děčín, Havlíčkův Brod, Cheb, Kladno Kolín, Kutná Hora, Liberec, Litomyšl, Louny, Nymburk, Pelhřimov, Poděbrady, Olomouc, Písek, Plzeň, Přerov, Příbram, Rychnov nad Kněžnou, Sokolov, Ostrava, Teplice, Uherské Hradiště, Zlín, Žatec. In these shops new customers could open up the service O2 Internet connection with the tariff Internet Optimal with the commitment for 12 months for CZK 400/month or Internet Aktiv with the commitment for 12 months for the price of CZK 550/month. Starting from the 13th month standard price will be resumed, i.e. CZK 750/month for the Internet Optimal and CZK 850/month for the Internet Aktiv.

The company Telefónica further started to offer from June 1 to June 30, 2012 for all customers in selected brand shops in Bruntál, České Budějovice, Karviná, Kroměříž and Znojmo the service O2 Internet connection with the tariff Internet Start with the obligation to stay for 12 months. During the period of 12 months from the establishment of the service, the price of the tariff Internet Start is CZK 300. From the 13th month customer is charged standard price at the amount of CZK 400.

During June the company Telefónica started to offer customers in selected brand shops in Prague establishment of the service O2 Internet connection with the tariff Internet Aktiv with the obligation to stay for 12 months for CZK 600. Starting from the 13th month standard price is applied, i.e. CZK 850,- Kč. Each customer, who will ask for establishment of the service O2 Internet connection with the tariff Internet Aktiv pursuant to the above conditions and the service will be opened up before September 30, 2012, will have additional right to a bonus in the form of electronic quaterly coupon with optional beginning of period of validity for Prague's integrated transport for the zones P and 0, for him/her or for a person on behalf of whom he/she has the right to act in this connection. This action will be in force until July 31, 2012.

During the month of June the company UPC came with acquisition offers to the tariffs UPC Fiber Power 30, UPC Fiber Power 60, UPC Fiber Power 120. The company offered the service having the speed of 30 Mbit/s (Fiber Power 30) for the first 4 months for CZK 250 instead of standard price of CZK 499 without provision of modem. Customer could have the

service having the speed of 60 Mbit/s (UPC Fiber Power 60) for the first 4 months for the price of CZK 299/month instead of standard price of CZK 599/month without provision of modem. Customer could have the service having the speed of 120 Mbit/s (UPC Fiber Power 120) for the first 4 months for the price of CZK 399/month, instead of standard price of CZK 799/month without provision of modem. This action was in force until June 30, 2012.

Until the end of June 2012 the acquisition offer of the company UPC was valid for corporate customers. If contract was concluded for 12 months or 24 months, it was possible to have the services of Internet Fiber Business 110 during the first 3 months for CZK 1.20, then for standard price of CZK 1,199. Further the company UPC offered the service Fiber Business 60 with the obligation to stay for 12 months for CZK 599 and the obligation to stay for 24 months for CZK 503 instead of standard price of CZK 719. Also the service Fiber Business 80 was offered with the obligation to stay for 12 months for CZK 839 and the obligation to stay for 24 months for CZK 719 instead of standard price of CZK 959.

Services of mobile networks

Mobile operator **T-Mobile** has offered new roaming data tariff Travel&Surf. Service of mobile Internet can be activated for a day, one week or the whole month. Starting from June 1, 2012 the new service of weekly package is offered for the price reduced by 50 %, therefore, customers, instead of CZK 540, will pay only CZK 270 for downloading of data with the limit of 50 MB. The campaign will last until August 31, 2012. Starting from June 1 until September 30, 2012 the company offers new services of daily packages in special offer. Travel&Surf for a day will cost a customer CZK 29 instead of standard price of CZK 60/day with the limit for downloading up to 3 MB. For a higher limit of data downloaded up to 20 MB a customer will pay CZK 149/day instead of CZK 240/day. Data package for a month with the limit for data downloading of up to 200 MB will cost CZK 690. Packages are determined for both tariff customers, and users of pre-paid cards. Concerning the packages of Travel&Surf the operator extended the territory of EU Member States by three target destinations (i.e. Croatia, Egypt and Turkey).

Within the the so-called Eurotariff, regulated by the authorities of the European Union, users will newly pay CZK 8.60 for outgoing calls (so far it was CZK 10.30), CZK 2.38 for incoming calls and CZK 2.68 for SMS and CZK 20.84 for 1 MB, billing will be done for 1 kB. On the basis of the Regulation of the European Commission, the operator will set both these roaming benefits for all customers who have not activated any roaming package or benefit by themselves .

Telefónica informed that from July 2, 2012 it will offer to customers the new roaming tariff „Volání bez hranic“ (Borderless calls), which includes outgoing and incoming calls for CZK 3.90 for every minute of call and SMS sent. The service is divided into three zones. The first zone includes the EU Member States and moreover Croatia, Norway and Switzerland. The second zone includes the "rest" of Europe and the operator adds the set-up fee of CZK 50,- Kč for calls to the minute price of CZK 3.90. In the third zone, which includes countries outside Europe, the set-up fee of CZK 80 is added to every outgoing and incoming call to the minute price. Simultaneously the company will cease to actively offer the tariff „Smart Roaming“, which naturally could be continuously used.

Telefónica started to offer tariff packages "Chytrý NEON" (Clever NEON), which offers voice service and the service Internet in mobile. New „clever tariffs“ are based on existing NEON tariffs. Customer may choose if he/she prefers free minutes to all networks, or lesser number of free minutes and use the offer of mobile telephone for privileged price.

Starting from June 18, 2012 a similar offer can be applied also with „Clever tariffs“ O2 Podnikání. Offers of tariffs „Clever tariffs“ are based on existing tariffs O2 Podnikání. They are offered in four variants M, L, XL and XXL. Tariffs offer common services of calls and services of Internet in mobile.

Starting from June 4, 2012 the company Telefónica extended offer of its data tariffs for mobile telephones by the service entitled Facebook. This tariff, having the monthly price of CZK 75 or weekly price of CZK 19 for users of pre-paid cards, will allow the access to the social network Facebook and to O2 pages of the company Telefónica. If user wishes to get to other Internet pages, he/she must activate one of standard tariffs for Internet in mobile ("Internet v mobilu Start" or "Internet v mobilu").

From June 18, 2012 until January 31, 2013 Telefónica offers new portfolio of data tariffs in the form of additional service "Internet v mobilu+" for smart telephones. All these tariffs contain unlimited SMS to the network O2 and are also for users of pre-paid services and for customers with tariff. Within the framework of this service customer may choose from four variants depending on the quantity of data downloaded from 150 MB for CZK 200 to 10 GB for CZK 800. The offer can be combined with mobile tariffs O2 NEON, O2 [:kùl:] and Pohoda.

In the period from June 18 until September 15, 2012 the company Telefónica offers to its existing customers within the framework of flat fee price of the tariff of services Internet in mobile the benefit in the form of free SMS to the O2 network.

The company Telefónica published the offer "Sleva na telefon za internet" (Discount to telephone for the Internet). Each subscriber, who, in the period from June 18 until June 31, 2012 newly concluded the obligation for utilization of combination of O2 Mobile voice services with selected tariff "O2 Internet v mobilu" or "O2 Mobile Internet" for 24 or 36 months, will get additional discount for the purchase of subsidized mobile telephone for the price of up to CZK 1 500 exceeding standard offers of discounts for mobile telephones.

Starting from June the **MobilKom** offers the new tariff "Volání za korunu" (Call for a Crown) for monthly price of CZK 200. Tariff contains 100 free minutes. After free minutes are depleted a customer will pay for each another minute of call CZK 1. Price of CZK 1/min. can be applied for calls in its own network, to remaining fixed and mobile networks in the Czech Republic and to 30 selected countries. Sending of text message costs CZK 1.50.

Starting from June 7, 2012 the company **Vodafone** extended the offer of mobile Internet with two new tariffs having higher data limit (FUP). Existing tariff "Připojení na stálo" (Permanent connection) with data limit of 3 GB and monthly price of CZK 525 has been replaced by the service "Připojení pro notebook super" (Connection for notebook super) with data limit of 4 GB and monthly price of CZK 532. Users of existing service "Připojení na stálo" can still use this service. The second new tariff is "Připojení pro notebook premium" (Connection for notebook premium) with data limit of 10 GB and the price of CZK 1,000 for a month. 1 GB of data can be purchased to both tariffs for CZK 200.

New technologies and services

The company Telefónica launched commercial offer of services of swift mobile LTE network. At the present time the network covers only municipality Jesenice u Prahy and a part of the shopping centre Chodov. For this service the company employed frequencies in the band of 1800 MHz. For the LTE the Telefónica started to offer two modems and three tariffs. They include speeds from 4 to 60 Mbit/s and the limit between 2 and 40 GB of data downloaded. Prices oscillated from CZK 333 to CZK 800 monthly. Speed of connection is approximately tenfold as compared with now offered 3G.

On June 28 the new price calculator was launched for public operation of mobile and Internet tariffs and tariffs on fixed lines at the address www.tarifon.cz. Test operation was conducted from May 23 2012. So far this price calculator has not asked the CTU for accreditation.

The Theme of the month – Commencement of tender procedure for free frequencies for mobile networks of new generation

On July 12, 2012 the CTU published on its electronic official desk and in the Telecommunication Journal the documentation to the procedure for the award of rights for utilization of radio frequencies providing public communication network in the bands of 800 MHz, 1800 MHz and 2600 MHz (hereinafter "tender procedure"). After more than one year and a half of preparations the tender procedure mentioned was, in harmony with § 21 Para. 5 of the Act on Electronic Communications, de facto started.

The target of tender procedure is provision of effective utilization of free frequencies for development of mobile networks of new generation (network 4G), wide availability of services of mobile high-speed access to the Internet and support of economic competition in the mobile market of electronic communications. Within the framework of tender procedure particularly frequencies in the band of 800 MHz are offered (the so-called Digital dividend), which were released within the framework of successful completion of transition to terrestrial digital television broadcasting. These frequencies are advantageous, in particular, for comprehensive coverage of territory. Simultaneously, the CTU has included in the offer also all free frequencies from the bands 1800 MHz and 2600 MHz, which are suitable for strengthening of capacity of networks. All frequencies offered are harmonized with European standards for utilization of 4th generation technologies and the CTU therefore expects particularly development of these networks and services provided on them.

Preparation of terms of tender procedure

On September 1, 2011 the CTU submitted to professional public for comments the document called „Basic principles of tender procedure – Auction for the utilization of radio frequencies in the bands of 800 MHz, 1800 MHz and 2600 MHz“ (hereinafter „Basic principles“). Thus the CTU provided professional public with the opportunity to express its opinion before commencement proper of the process of tender procedure, pursuant to relevant legal regulations (§ 21 of the Act), i.e. before public consultation of the draft terms of the Auction is held.

On the basis of evaluation of comments received, about which commenting subjects were informed in the workshop on December 14, 2011, the CTU, together with consultant selected (the company Grant Thornton Advisory), prepared particular draft of terms for the purposes of public consultation.

The CTU submitted the draft of terms for the tender procedure in the form of proposal of comprehensive documentation of texts of „Promulgation of tender procedure“, its annexes and „Auction order“ to comments within the framework of the process of public consultation pursuant to § 130 of the Act on Electronic Communications on March 20, 2012. The terms were proposed so that they secure satisfaction of the above principal targets of tender procedure. During the public consultation the deadline for submission of comments was prolonged and elapsed on May 11, 2012.

Comments, which the CTU received during the public consultation, were, besides processual and organizational aspects concerning tender procedure itself, focused at, in particular :

1. support of the entry of new subject in the mobile market,
2. right of the CTU to determine obligations which successful tenderers for frequencies in the band 800 MHz will take over,
3. levels of starting prices with reference to economic situation and expected investment ambitiousness of deployment of new networks,
4. conditions for deployment of networks and availability of new mobile services which are proposed for utilization of frequencies in the band of 800 MHz in harmony with the State's policy of electronic communications – Digital Czechia,

5. procedure in verification of coverage of territory of the Czech Republic with new networks and also solution of cases of jamming of systems of television reception (DVB-T).

The CTU settled all comments received and in the form of Settlement table published them in the Settlement of comments on its Internet page on July 5, 2012. The CTU also informed the Government about results of public consultation and about the draft final terms of tender procedure and the Government dealt with information on its meeting held on July 4, 2012 and took it into account (Resolution no. 499 dated July 4, 2012). Simultaneously, the Government imposed on the Chairman of the CTU's Council the obligation to promulgate tender procedure before July 15, 2012.

Conditions stipulated in the Promulgation of tender procedure

On the basis of consistent assessment of all comments received during public consultation and their evaluation by expert regulatory and legal reviews, the CTU in determining final terms of tender procedure decided, in particular :

- not to reserve any portion of frequencies offered in the band of 800 MHz exclusively for one applicant solely, but to enable all applicants to apply for at least 2x10 MHz of the spectrum, which is necessary from the viewpoint of effective deployment of new 4G technologies,
- in harmony with the Recommendation of the Government to increase the size of reserved spectrum block in the band of 1800 MHz, which will be reserved for new subject having the interest in the entry in the market, and namely to 2x15,6 MHz,
- to prolongate periods of commitments to offer services of national roaming in new networks 4G for the whole period of validity of allocations of radio frequencies, and in existing 2G (GSM) and 3G (UMTS) networks, for the period of up to 10 years,
- not to determine specific level of prices for services of national roaming for the purposes of promulgation of tender procedure nor wholesale offer of services, but to specify method with the help of which they should be determined and method how the CTU will resolve disputes,
- to reduce the level of starting prices in all offered bands by approximately 20 % with the proviso that even after this modification, starting prices will correspond to the level of starting (basic) prices in auctions held in other European countries,
- to prolongate the period earmarked for the fulfilment of development criteria to 7 years with the proviso that simultaneously availability of services of mobile broadband with the speed of at least 5 Mbit/s will be requested,
- to confirm validity of other terms of development criteria for providing nationwide availability of services, including coverage of railway corridors and motorways.

In the documentation of tender procedure published, the CTU, on the basis of the above mentioned, determined the following decisive conditions in this way :

1. Auction will be performed in the form of SMRA-S as multi-round parallel Auction, when all blocks are auctioned in parallel.
2. Spectrum blocks offered will be auctioned as abstract with the exception of the first block in the band of 800 MHz (block A1) and two specific blocks 2x15,6 MHz and 2x0,2 MHz in the band of 1800 MHz (blocks B1 and B2).
3. After the basic auction phase, in which will be decided about holders of individual blocks offered, is over, it will follow assignment phase, in which decision concerning allocation of abstract frequency blocks in relevant band will be taken.
4. Sequence of subjects for the selection of allocation of frequency blocks will be determined according to the number of offers to the right of priority selection.
5. Exclusive offer of frequencies for new applicant for entry in the market is possible only in the band of 1800 MHz and is formed by a block with the size of 2x15,6 MHz (block B1).

6. Commitments and/or rights are stipulated concerning utilization of national roaming in the networks 4G, 3G and 2G, as support in deployment of network for new subject entering the market so that conditions are created for competition at the level of infrastructure.
7. Further commitments and/or rights are stipulated concerning utilization of wholesale offer of services in the networks 4G, creating thus conditions for competition at the level of services.
8. Development criteria which are faced at rapid offer of services and development of new networks (suspended for one year for a new subject) emphasizing coverage of less populated districts, railway corridors, motorways and speed communications.
9. Validity of allocation will be 15 years.

As far as availability of new services of mobile broadband is concerned, in harmony with the State's policy of electronic communications Digital Czechia, the development criteria are stipulated so that successful tenderers for frequencies from the band of 800 MHz must provide :

- coverage of 95 % of districts from the Group A (sparsely populated districts) within 30 months of acquisition of frequencies having the speed of services of 2 Mbit/s,
- coverage of all districts within 7 years of acquisition of frequencies having the speed of services of 5 Mbit/s.

Simultaneously, the principle must be observed according to which only after districts from the Group A (sparsely populated districts) are covered, a holder may cover district from the Group B (more populated districts). Potential new player will have these deadlines prolonged by one year.

Further time-schedule for implementation of tender procedure

During the whole tender procedure, including its auction phase, the following deadlines are stipulated for the most important activities (in some cases there are preliminary deadlines):

- a) submission of applications to tender procedure accompanied with petitions asking for the award of rights to radio frequencies – before September 10, 2012,
- b) opening of envelopes with applications submitted – before September 11, 2012,
- c) invitation of tenderers who complied with conditions of participation in the Auction proper – before October 12, 2012,
- d) training of tenderers and execution of training auctions – before November 9, 2012,
- e) execution of real Auction (Auction of abstract blocks) – before November 26, 2012,
- f) execution of allocating phase (allocation of blocks acquired within the framework of relevant section of spectrum) – before December 21, 2012,
- g) invitation to pay the price for spectrum blocks acquired and decision on the award of radio frequencies to winning tenderers – January 2013.

The Czech telecommunication Office will continuously inform about the course of tender procedure on its Internet pages.

2. Regulatory measures

Analyses of markets

Market no. 5 – Wholesale broadband access in networks of electronic communications

On June 11, the European Commission decided to open the so-called „Second phase“ of investigation pursuant to Articles 7 and 7a of the Framework Directive on Telecommunications, notification of the analysis of relevant market no. 5 (hereinafter the „Analysis“), according to which the CTU intends to cancel partially the obligation bound to the wholesale offer of broadband access imposed on the company Telefónica in the geographic

territory, where, according to results of the analysis, sufficient competition exists in the offer of services of alternative providers of access to broadband data services (Internet). The European Commission doubts if the proposal of the CTU is in harmony with the EU regulations determining that the wholesale broadband access in municipalities, where company Telefónica has less than 40 % market, is not the subject of regulation. Therefore, the Commission suspended the plans of the CTU and commenced with the „so-called second phase of investigation pursuant to Articles 7 and 7a of the Framework Directive on telecommunications. In its standpoint the Association of European bodies in the field of electronic communications BEREC supported resulting analysis as it was submitted by the CTU. Resulting standpoint of the European Commission, concerning the analysis and correcting measures proposed, is expected during August.

Market no. 7 – Termination of voice calls in individual public mobile telephone networks

On June 18 the CTU received comments of the European Commission concerning draft decisions on price in the relevant market no. 7 for three mobile operators (Telefónica, T-Mobile and Vodafone), which changed the existing valid decisions. Price draft decisions propose decrease of price for termination from CZK 1.08/min. to CZK 0.72/min. starting from July 1, 2012 and subsequently to CZK 0.55/min. starting from January 2012. The European Commission invited the CTU to accelerate works on introduction of prices in harmony with [the Recommendation](#) concerning termination prices and imposition of price regulation also on the company MobilKom. The CTU has considered the Recommendation of the European Commission and stipulated the price according to the cost model of pure LRIC in harmony with the Recommendation already at the beginning of the year 2013. The CTU also shifted effectiveness of the price CZK 0.55/min. to July 15, 2012. The CTU did not comply with the comment proposing to impose price regulation also on the company MobilKom, because the imposition of this regulation would not be in line with conclusions of currently valid [Analysis of the relevant market no. 7](#). The CTU has promulgated the decision on price on July 3, 2012. The Decision on price for the company [T-Mobile](#) and [Vodafone](#) has become effective on July 3, 2012, and the Decision on price for the company [Telefónica](#) on July 4, 2012.

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

On June 21 the CTU has promulgated the Decision on price no. [PRICES/4/06.2012-1](#), which amends maximum price of services of local loop unbundling (LLU) and collocation. This Decision on price has become effective on June 26. This Decision, inter alia, reduces monthly prices for services of local loop unbundling from CZK 242 to CZK 197 and with shared unbundling from CZK 41 to CZK 39.

The obligation to inform, free of charge, users about the level of price of call to services, the price of which is communicated through the automatic voice message

On June 30 the CTU organized the Second working meeting with representatives of professional associations (Association of operators of mobile networks, ICT Union o.s.), concerning authority of the CTU to impose, in case of need, the obligation that users in their access to specific services, the price of which is communicated, are informed, free of charge, through the automatic voice message, about the amount of price for call, and possibility to find potential alternative mode how to secure, in the maximum extent possible, protection of consumer.

On the basis of invitation of the CTU from the last meeting, representatives of associations presented their draft solution according to which the obligatory voice message would be integrated directly in the ATX Codex and would become binding form of self-regulation, without the need of decision imposing the obligation. The obligation of implementation of free informative voice message would be applied to services belonging to the group of non-banking accounts and mediation of labour, on which complaints of users

are registered, starting from November 1, 2012, with the proviso that always after the expiry of six months of efficiency, measures accepted would be reviewed together with their influence on the number of warranty claims having potential impact on modification of the wording of ATX Codex. Just these very types of services were identified as very problematic in relation to the issues being resolved.

The CTU appreciated this draft solution and observed that it considers it necessary to apply the obligation of free informative voice message to all numbers having the prefix 900 and 906, with the exception of determined services with which technical problems are envisaged (voting, entry in TV programs) or uselessness of such a voice message. Concurrently, the CTU referred to the analysis of existing situation and number of complaints relating to calls to the numbers with expressed price. Further the CTU invited representatives of professional associations to spend maximum effort aimed at reduction of proposed time of implementation of measures in question. Representatives of associations promised to submit, before July 11, 2012, the information concerning reduction of proposed time of implementation of measures after consultation with their contractual partners and simultaneously to deliver proposal containing the list of services with the prefix 900 and 906, to which exception from the obligation of free automatic voice message, informing caller on the amount of price of call immediately before service is provided, would apply. Simultaneously, the CTU invited representatives of associations to modify the list of services provided on numbers of type 90X in the ATX Codex so that this list is in harmony with the Decree on Numbering plans of networks and services of electronic communications.

CTU's policy in negotiations concerning wholesale offer of services

On June 26 the CTU promulgated another opinion pursuant to § 80 Para. 3 of the Act on Electronic Communications within the framework of negotiations concerning the access contract between the company Quadruple a. s. and the company Telefónica.

In this opinion the CTU did not express its standpoint concerning specific controversial parts of the draft access contract between the company Quadruple a. s. and the company Telefónica, because the substance of the problem lies in the attitude of the company Telefónica towards negotiations and in requirement of the company Quadruple a.s. itself.

In its standpoint the CTU states that it considers the reasons leading the company Telefónica to interruption of negotiations with the company Quadruple a.s. as insufficiently founded and that it considers the attitude and mode of behaviour of the company Telefónica as completely incorrect and in contradiction with the European regulatory framework, specifically with the Paragraph 5 of the Preamble of the Directive 2002/19/ES on the Access to networks of electronic communications and associated facilities and their mutual interconnection, which emphasizes that no limitations on the open and competitive market should exist preventing market players to conclude contracts on access and interconnection.

The last but not the least, the CTU declared that it will initiate, in harmony with § 111 of the Act on Electronic Communications, negotiations with the Office for the Protection of Economic Competition, the subject of which will be suspicion of violation of rules of economic competition on the side of the company Telefónica, and the CTU will hand over to the Office for the Protection of Economic Competition incentive and information to investigate this suspicion so that it complies with its commitments ensuing from the Act on Electronic Communications.

On June 26, 2012 negotiations took place in the CTU in which the CTU entered pursuant to § 80 Para. 3 on the initiative of the company GTS Czech s.r.o., concerning access contract between the company Telefónica and the company GTS Czech s.r.o. However, the attitude of the company Telefónica is the same as in the case of the company Quadruple a.s., taking such negotiations groundless. Also in this case the CTU considers the reasons leading the company Telefónica to the blockade of negotiations as very general

and unfounded statement. The CTU considers the attitude and behaviour of the company Telefónica as incorrect and in contradiction with the European regulatory framework.

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

Procedures commenced in June 2012

In June 2012 no proceedings were commenced in case of disputes pursuant to § 127 of the Act on Electronic Communications.

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

In June 2012 no proceedings were terminated as legally effective or returned to new hearing pursuant to § 127 Act on Electronic Communications.

4. Universal service

Provision of services within the framework of the US

On July 9, 2012 the Decision became effective on the imposition of the obligation within the framework of the Universal service to provide partial service - the access of handicapped persons to publicly available telephone service, to the information service on telephone numbers and subscriber directories equal to the access used by other end users, particularly through specially equipped telecommunication terminal facilities pursuant to § 38 Para. 2, Letter f) of the Act on Electronic Communications.

By this Decisions the obligation to provide services through specially equipped telecommunication terminal facilities within the framework of the Universal service was imposed on the company Telefónica. The obligation was imposed for the period starting on July 15, 2012 and lasting 3 years. Thus uninterrupted provision of this partial service will be secured.

5. Inspection activities

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

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

- **Location of the source of jamming of meteoradar Brdy** – on the basis of complaints of the Český hydrometeorologický ústav concerning jamming of meteorological radar situated in the elevation point Praha, monitoring and location was performed of sources jamming broadcasting on the frequency of 5,640 MHz. In the month of June 2012 tracing of five sources of jamming of meteorological radar was performed. Calls demanding elimination of jamming were promulgated.
- **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 25 inspections, breach of conditions of general authorization was discovered in 90

cases. Deficiencies discovered were resolved with the help of the call demanding elimination of deficiencies pursuant to § 114 of the Act on Electronic Communications and administrative proceedings will be opened in this case

- **inspection of utilization of radio frequencies without authorization.** In Moravia 16 cases of utilization of frequencies outside the band stipulated in general authorization no. 12 by WiFi facilities were discovered. Administrative proceedings will be opened with their operators concerning utilization of frequencies without authorization.
- **inspection of observance of conditions of general authorization no. VO-R/24/11.2008-16** concerning the operation of facilities of infrastructure for distribution of radio signals inside tunnels and internal spaces of buildings. In Svijany in the Liberec region the operation of repeater of networks of GSM mobile telephony was discovered without written consent of networks operators the signal of which is covered by this repeater. Moreover, the radio equipment in question caused interference of network mobile telephony in the band of 900 MHz. Deficiencies discovered were resolved with the help of the call demanding elimination of deficiencies and will be resolved in the proceeding dealing with imposition of fine.
- **inspection of observance of conditions of individual authorization** for utilization of radio frequencies of naval mobile service. In the preceding period, during the inspection of radio facilities of fluvial ship OBELIX (OL 6491) in Mělník the operation of broadcasting radio equipment having erroneous ATIS code was discovered, moreover with operating personnel without valid certification of professional qualification. In subsequently opened procedure, on the party of the procedure was imposed fine at the amount of CZK 7,000. In regions of Česká Lípa and Liberec discrepancy of real coordinates of the stand with coordinates stipulated in the authorization was discovered. On top of that, in Česká Lípa region maximum admissible values of radiated output were surpassed. Deficiencies discovered will be resolved with the help of call demanding elimination of deficiencies and will be resolved in the proceeding dealing with imposition of fine.
- **Inspection of efficient and purposeful expenditure of funds** earmarked for drawing and repayment of costs from the radiocommunication account. Inspection of costs spent, earmarked for regionalization of digital broadcasting in the region Jeseník-Praděd, was performed in the company České Radiokomunikace a.s. For this purpose real condition of modifications was physically verified by comparing it with submitted invoices and appraisal of necessity of technical solution chosen. Results, accompanied with photodocumentation and technical data, were submitted to the commission evaluating amounts of reimbursements.
- **Performance of communication activity without certification.** On the basis of initiative of a third party, State inspection was performed with two subjects suspected of performance of communication activity, which is business activity in electronic communications, and did not observe the obligation of notification towards the Office (notification of business activity in harmony with provisions of § 13 of the Act on Electronic Communications). They were the companies Dělnická tělocvičná jednota Vřesina and civic association Radioklub OK2KHF from Havířov. In both cases the inspection found out violation of some provisions of the Act on Electronic Communications. Administrative proceedings will be opened with the subjects in the following period.
- **collaboration of the CTU with Česká obchodní inspekce (the Czech Trade Inspection).** In checking sellers of telecommunication terminal and radio equipment the sale of radio controlled models of cars, working in the bands of 31, 35 and 49 MHz was discovered in Bílina na Meziboří and in Jablonec nad Nisou. These radio

facilities cannot be operated in the Czech Republic without individual authorization for the utilization of radio frequencies (in the band of 35 MHz only the models of aeroplanes can be operated pursuant to the relevant general authorization). Also the sale of wireless doorbells working in the band of 232 to 338 MHz, reserved for the Ministry of Defense in the Czech Republic, was discovered. Deficiencies discovered are resolved by the Czech Trade Inspection within the framework of its competencies. During two inspections of introduction of radio equipment in the market in Ostrava no deficiencies were discovered.

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

Druh činnosti	Počet osvědčení nebo kontrol		Počet výzev k odstranění nedostatků	Počet zaháj. SŘ	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)	14								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	906								
3. Výkon komunikační činnosti bez osvědčení	4			6	4			4	15500
4. Dodržování podmínek všeobecných oprávnění	83		40	9	8			9	114000
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		4	2	0	0			0	0
b) k poskytování služeb elektronických komunikací		5	0	0	0			1	4000
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		74	38	9	8			8	110000
5. Kontrola rádiových kmitočtů	131		12	2	2			3	25000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		17		2	2			3	25000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		29	5	0	0			0	0
c) Zjišťování zdrojů rušení provozu elektronických komunikačních zařízení a sítí, poskytování služeb elektronických komunikací nebo provozování radiokomunikačních služeb	85	0	7	0	0			0	0
6. Kontrola čísel pro účely správy čísel (počet kontrolních volání)	18		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			30967	5924	324	4458		
a) o námitce proti vyřízení reklamace na poskytnutou službu		0		7	2	1	1		
b) o námitce proti vyřízení reklamace vyúčtování cen za služby		0		29	11	2	4		
ba) přístupu ke službám s vyjádřenou cenou (datové i hlasové)		0		0	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		30924	5906	320	4452		
d) ostatní		0		7	5	1	1		
8. Neposkytnutí informací podle § 115 ZEK				15	15			15	96000
9. Ostatní	29		6	34	34			30	248000
CELKEM	261		58	31033	5987	324	4458	61	498500

*) 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 červen 2012

The Survey of inspection activities in performance of State control of electronic communications for the month of June 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 50,000 for administrative offense pursuant to § 118 Para. 8 Letter f) of the Act on Electronic Communications, in the wording effective until December 31, 2011, perpetrated by juristic person (business company), because it disconnected subscriber telephone numbers, although subscriber had no overdue instalments of amounts for services provided. Thus the juristic person violated the obligations of § 61, Para.1 of the Act on Electronic Communications, according to which entrepreneur providing publicly available service of electronic communications is obliged to provide this service continuously throughout the year, provided that the Law in § 71 of the same Act does not stipulate otherwise as far as the quality is concerned.

6. Other regulators, inspection authorities, courts

Judgement of the Supreme Administrative Court

On June 8, 2012 the CTU received written copy of the **Judgement of the Supreme Administrative Court** [ref.no. 2 Ao 5/2011](#) dated May 15, 2012, promulgated in the case of **proposal to cancel Article 13 Para. 4 Letter c) of the Measure of general nature no. PV-P/22/06.2011-9**, the part of the Plan for utilization of radio spectrum for frequency band of 87,5–146 MHz, promulgated by the CTU on June 7, 2011 under ref.no. CTU-28 175/2011-605. Contested provisions of Article 13 Para. 4 PV-P/22/06.2011-9 modify technical parameters for planning and co-ordination of broadcasting radio facilities of the radio with the proviso that in the contested part of Letter c) the total output of multiplex signal is determined at the level „0 dBr“. Relevant court’s decision **rejected** in its entirety the proposal to cancel this part of the Measure of general nature.

European Commission – Second phase of investigation

Price termination in fixed (market no. 3) and in mobile network (market no. 7) in the Netherlands

The Commission promulgated non-binding recommendation, concerning Dutch regulator OPTA, to change or cancel its draft market analysis determining prices of termination in mobile and fixed networks with the help of the method LRIC + and not with the help of pure LRIC. Regulator OPTA probably will not satisfy Commission’s request because it is bound by the decision of national court and cannot appeal.

Wholesale broadband access (market no. 5) in Poland

BEREC has agreed with the Commission that the Polish regulator UKE should determine the obligation of cost-orientation of prices for wholesale broadband access (WBA) to optical access networks on the market of wholesale broadband access.

Wholesale broadband access (market no. 5) in the Czech Republic

See the Chapter 2.

Wholesale broadband access (market no. 5) in Finland

The Commission has a similar viewpoint concerning notification as in cases of Poland and the Czech Republic, i.e. it critically comments the absence of the obligation of cost-orientation on optical access networks. The Recommendation of the Commission (non-binding) states that the price of WBA service in the networks of new generation should be cost-oriented if functional separation or other forms of separation, ensuring equal access or functional access to local optical loop unbundling, do not exist (in such a case the obligation to provide the WBA may be cancelled).

Asymmetric prices of termination in mobile networks for new players in the market in France (market no. 7)

BEREC shares the doubts of the Commission concerning the possibility to charge higher prices for termination of call (MTR) to new operators entering the market than are the prices charged to well-established operators of mobile network, because of higher costs accruing to new players in the market (see MMR 4/2012). However, the BEREC is of the opinion that the Commission has incorrectly evaluated incomparability of operations and should provide instructions concerning interpretation of Point 10 of the Recommendation of the Commission on termination prices, allowing new subjects higher MTR with higher incremental costs per unit than the model of efficient operator has, and if it faces obstacles preventing expansion on the retail market. ARCEP may change or preserve its draft decision. If it decides to preserve draft measure announced, the Commission may take a non-binding recommendation asking the ARCEP to change or withdraw the draft measure. After the publication of BEREC's standpoint the ARCEP announced that it will continue in its dialogue with the Commission and the BEREC in the oncoming procedure in order to attain satisfactory regulatory situation.

7. Associations

Starting from November 1, 2012 the Association of operators of mobile networks (APMS) and the Association for information technologies and telecommunications (ICTu) will introduce the obligation to inform about the price of relevant call to selected paid lines with the help of voice message which will inform calling person about the price. This obligation will fall on calls to paid lines providing information about offers of employment and non-banking financial services. The goal of this measure is another increase of protection of consumers against fraudulent behaviour of some companies.

On June 26, 2012 the CTU's Council met with representatives of the ICT Union. The theme of the meeting were the analyses of relevant markets no. 5 and 8, Auction of frequencies and consumers' issues.

8. Consumer issues

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

During the month of June the CTU launched 30,967 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 opening of procedure concerning objections against the settlement of complaint concerning price settlement or provision of publicly available service of electronic communications, which the CTU decides pursuant to § 129 of the Act on Electronic Communications. The number of proposals submitted in the month of June, as compared with the preceding period, increased considerably. **5,924 decisions in re were promulgated**, of which 5,906 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

During the months of April and May the CTU registered a number of complaints and queries of consumers concerning the issues of unilateral change of contractual conditions which were initiated from May 1, 2012 by the company UPC Česká republika, s.r.o. The change of contractual conditions in question rested in the increase of price of services provided by the company UPC Česká republika, s.r.o., specifically, this change consisted in the increase of price for the lease of terminal HW equipment (modem and set-top box). On the basis of stimuli of consumers, the CTU launched investigation already in May in the relevant case and on the basis of findings acquired on June 8, 2012 administrative proceedings were commenced with the company UPC Česká republika, s.r.o., in case of

suspicion of perpetration of administrative offense, because the obligation included in § 63 Para. 6 of the Act on Electronic Communications, imposing on entrepreneur, providing publicly available services of electronic communications, the obligation to inform subscriber about the change of contractual terms was not met, just as the obligation of entrepreneur to inform subscriber about the possibility to withdraw, without any sanction, from contract if his/her position deteriorates. If violation of the above obligation is confirmed, the company UPC Česká republika, s.r.o. will face sanction of up to the amount of CZK 10,000,000.

In the last period hundreds of consumer/subscribers of satellite television services, provided under the trade name of Skylink and CS link, turn to the CTU, who believe to be cheated by misleading advertisement when they purchased one-time card serving to decoding of the so-called paid satellite programs and in harmony with commercial offer they should have support of unlimited reception of these program without any further fees. The introduction of service fee at the amount of CZK 29/month, which the new operator of these services, the company M77 Group S.A., introduced, consider all subscribers, who turned to the CTU and the ČOI, as deception of consumer. On the basis of stimuli mentioned the CTU has engaged itself in investigation concerning suspicion on violation of the Act on Protection of consumer, and concretely fulfilment of provisions of § 5 Para.1 Letter c), misleading commercial practices. Consumer is deceived by the offer of card under the trade name of Gratis, the utilization of which is declared as free of charge in the pricelist, although its utilization depends on settlement of regular monthly fees. Although the operator declares that service fee is not connected to the utilization of the card but is bound to unspecified administrative acts, if the fee is not settled the card cannot be used.

Considering the fact that the introduction of service fee is also connected to changes of ownership relations of companies which, originally, provided the services Skylink and CSlink , i.e. the company TradeTec,a.s. and Media Vision s.r.o., which, according to the data in the Business register submitted the proposal for the implementation of cross-border fusion with the company M77 Group S.A. having its seat at Luxembourg, the CTU, in collaboration with other bodies of State administration, launched the investigation, and on June 26, 2012 it promulgated the press release dealing with this issue the full wording of which can be found at the address : <http://www.ctu.cz/aktuality/tiskove-zpravy.html?action=detail&ArticleId=9327>. The subject of this investigation is, besides unfair commercial practices, also suspicion of violation of the Act on Electronic Communications, because, since June 15, 2012, the company M77 Group S.A. started to provide these services and conclude new contracts under its own name without being registered in the Business register in the Czech Republic or without having here organisational component and without being here notified as entrepreneur providing services of electronic communications. Considering complexity of this case the CTU assumes not only close co-operation with other bodies of State administration but also collaboration with the European Commission.

9. Legislative changes

On June 29, 2012, in Volume 78 of the Collection of Laws, was published **the Act no. 221/2012 Coll., 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**. This Act will become effective on January 1, 2013.

On June 29, 2012, in Volume 80 of the Collection of Laws, was published the **Decree no. 226/2012 Coll., amending the Decree no. 327/2006 Coll., stipulating characteristics of reasonable requirements for connection to the public telephone network in fixed location and the access to publicly available telephone service in fixed location and conditions of access to the Internet within the framework of the Universal service**. This Decree reacts to the implementation of revised wording of the European regulatory

framework for networks and services of electronic communications implemented from January 1, 2012 by the Act no. 468/2011 Coll. and harmonizes original legislation with the new situation given by this Act. This Decree **has** become effective on July 1, 2012.

On June 29, 2012, in Volume 80 of the Collection of Laws, was published the **Decree no. 227/2012 Coll., amending the Decree no. 162/2006 Coll., stipulating parameters of determination of quality of the Universal service and its limitation values**. This Decree reacts to the implementation of revised wording of the European regulatory framework for networks and services of electronic communications implemented from January 1, 2012 by the Act no. 468/2011 Coll. and harmonizes original legislation with the new situation given by this Act. This Decree has become effective on July 1, 2012.

On June 29, 2012, in Volume 80 of the Collection of Laws, was published the **Decree no. 228/2012 Coll. stipulating assessment criteria determining if more subjects have common significant market power on the relevant market of electronic communications**. This Decree replaces original Decree no. 430/2005 Coll., which is herewith cancelled. The need of promulgation of new Decree results from the process of implementation of revised wording of the European Regulatory framework for networks and services of electronic communications implemented from January 1, 2012. Revised Regulatory framework regulates the criteria assessing if more subjects have common significant market power on the relevant market. Original enumeration of fourteen criteria is modified to basic six criteria. These are small flexibility of demand, similar market shares, big legislative or economic obstacles to entry in the market, vertical integration with common rejection of supplies, insufficient purchase power on the demand side or insufficient potential competition. Just the addition of criterium of vertical integration with common rejection of supplies is the principal change in the new Decree. This Decree has become effective on July 1, 2012.

10. European Union

Public consultation was promulgated on June 1, 2012 focused at [„Review of instructions concerning funding of broadband networks from public sources“](#). The target of consultations is to assembly information from participating parties necessary for the revision of instructions concerning funding of broadband networks, which stipulate how the Commission will use the EU Rules for State support in relation to public support provided in the infrastructure of the network of broadband connection. Consultation is open until September 1, 2012.

On June 4, 2012 the European Commission published the information concerning the new regulation permitting implementation of cross-border electronic transactions which will be safe at the same time. Principal elements of the regulation – electronic identification systems and electronic signatures – will create predictable legal environment for safe and smooth electronic contacts among enterprises, citizens and bodies of public administration. Thus the efficiency of public and private on-line services, services of electronic commercial intercourse and electronic trading in the EU will be increased.

The regulation stipulates legal security for electronic identification systems on the basis of the principle of mutual recognition and sharing within the framework of which a Member State will accept national electronic identification systems which were officially communicated to the Commission. Member States need not obligatorily register their national electronic identification, however the Commission hopes that many Member States will do so or will decide to do so.

On June 6, 2012 the 28th Meeting of the Group for radio spectrum policy of the European Commission (RSPG) was held in Brussels. To the main themes belonged the issues from the Working program 2012 focused at the activities connected to the Program of

radio spectrum policy (RSP). The European Commission raised its requirements for elaboration of Standpoints of the RSPG and reports of the RSPG concerning wireless high-speed communications, the assistance of the EU in bilateral negotiations, the coverage of the needs of spectrum in other sectors, preparation of the World's Radiocommunication Conference WRC-15, issues of management of interferences and shared utilization of spectrum. Besides discussion focused at these themes, i.e. information from working groups and reports of reporters, introductory discussion was opened concerning future utilization of the band of 700 MHz. Publicly available documents from negotiations can be reached at <http://forum.europa.eu.int/Public/irc/infso/rspg/library>.

On June 18, 2012 [The Annual comparative survey of the European Commission concerning progress](#) in the field of digital dividend was promulgated. Principal findings include :

Positive results :

- Broadband connection has overspread almost throughout the Europe. 95 % of Europeans has the access to the fixed broadband connection.
- Consumers and enterprises rapidly pass over to mobile services. The number of users of mobile broadband connection increased by 62 % to 217,000,000.
- In 2011 additional 15,000,000 newly tagged on the Internet. Now, 68 % of Europeans, on regular basis, tag on the Internet. 17,000,000 of Europeans have their profiles on social networks.
- Greece, Portugal and Ireland switched to electronic public administration in order to preserve quality of public services. Besides the Czech Republic, the biggest increase of provision and utilization of services in the field of electronic public administration took place in economies facing lack of funds, what stresses significant role played by the electronic public administration in successful structural reform.

Problematic fields :

- One half of labour force in Europe has insufficient skills in the field of information and communication technologies (ICT). Almost 25 % of the EU population has no knowledge in the ICT field.
- Shopping on the Internet is still limited to domestic market. Although 58 % of Internet users in the EU purchases on the Internet, only one out of ten of them has purchased the goods on web pages in other EU Member State.
- Utilization of electronic trade by small and medium-sized enterprises stagnates. Majority of small and medium-sized enterprises do not sell or buy on the Internet what is limiting their export and income potential.
- The EU continues to lag behind our competitors as far as investments in research are concerned. Commercial investments in research are falling. The investments in the ICT branch in the EU now corresponds to less than one half of investments in research and development in the ICT branch in the USA.
- Prices of roaming of telecommunication companies continue to disadvantage consumers. On average, consumers still pay for roaming calls 3.5 times more than for domestic calls.

Comparative survey of the Digital agenda in 2012 evaluates progress which has been reached at the level of the EU and Member States ([see Comparative survey in the Czech Republic](#)) in performing this task, measured on the basis of 78 measures of the Digital agenda on the side of the Commission and 23 measures on the side of Member States.

On June 26 – 27, 2012 the Meeting of the Expert working group FR-IMPL EWG was held in Brussels, focused at the issues of implementation of regulatory framework. The Meeting was orientated at discussion of comments to the draft document „Procedures for the elaboration of BEREC Opinions in Article 7 and 7a Phase II cases“. The task was to modify

these procedures so that they can be applied for BEREC's standpoints promulgated within the framework of Phase II of the Article 7/7 and the Framework Directive 2002/21/EC.

On June 30, 2012 [The Regulation of the European Parliament and the Council \(EU\) no. 531/2012 dated June 13, 2012 on Roaming in public mobile communication networks in the Union](#) was published in the Official Journal. This Regulation introduces common approach for the regulation of prices of services of international roaming during the implementation of calls of reception of calls, sending and reception of SMS and utilization of commutated packet data within the framework of the Union's countries. This Regulation also stipulates the rules allowing the sale of regulated roaming services separated from the sale of domestic mobile communication services and determines conditions for wholesale access to public mobile communication networks for the purposes of provision of regulated roaming services. With effect from July 1, 2012, the retail price of voice eurotariff (without VAT), which a provider of roaming may charge to its roaming customer for the mediation of regulated roaming call may differ with roaming calls, however, it shall not exceed EUR 0.29 per minute for realised calls and EUR 0.08 per minute for received calls. Starting from July 1, 2013 the maximum retail price for realised calls will decrease to EUR 0.24 and from July 1, 2014 to EUR 0.19 and starting from July 1, 2013 the maximum retail price for received calls will decrease to EUR 0.07 and from July 1, 2014 to EUR 0.05. These maximum retail prices within the framework of voice eurotariff will be in force until June 30, 2017.

The Commission will review efficiency of this Regulation and after public consultation it will submit, before June 30, 2016, report to the European Parliament and the Council.

This Regulation becomes effective the first day after its promulgation in the Official Journal of the European Union, i.e. July 1, 2012, and its provisions will apply from the said day, unless concrete Articles stipulate otherwise. Its effectiveness terminates on June 30, 2022.

11. ITU and other international organisations

Study groups of the ITU

On May 22 – June 1, 2012 the Meeting of study groups of the ITU-R WP5A, WP5B and WP5C, which are the part of Study group of the ITU-R SG5 for land, aerial and naval services, was held in the seat of the ITU in Geneva. The meeting of working groups (WP5A,B,C) was the introductory meeting in the new study cycle between conferences and discussed the issues of individual items of the program of the World's Radiocommunication Conference, which will be held in 2015 (WRC-15). The individual items of the program of the WRC-15 will be discussed gradually as they were allocated to the Study group SG5 on the Meeting of CPM-1 (Conference Preparatory Meeting). Working groups will be engaged in the issues of land services in division to the bands below 30 MHz and above 30 MHz, amateur service, naval and aerial services, FWA systems and the issues of short-wave broadcasting (HF) in fixed and land mobile service. Specific tasks will be resolved by the Working group WP5D and the group JTG 4,5,6,7 (Joint Task Group 4,5,6,7) composed of experts from ITU Member States closely collaborating with the Study groups (SG4, SG5, SG6 a SG7) in issues of identification of other bands for IMT and „Digital dividend II“. Within the framework of negotiation of working groups a workshop was organised on May 23, 2012 as common meeting of WP5A, WP5B and WP5C for the preparation of WRC-15. The Workshop was organised in 4 sections and individual presentation were generally dedicated to proposals dealing with solution of issues of individual items of the program of the WRC-15 Conference.

CWG WCIT

On June 20 – 22, 2012 the last meeting of CWG WCIT was held in the seat of the ITU in Geneva, i.e. the Working group of the ITU Council for the preparation of the World's Conference on International Telecommunications WCIT-12, 2012. The Group collected and discussed comments from Member States and their regional groupings, sectoral members and other interested subjects concerning future organisation of the ITRs – International Telecommunication Regulations, i.e. Telecommunication Order. Its existing wording was reviewed for the last time in 1988 and in the meantime international telecommunications underwent significant changes, particularly due to liberalization and technological development. The Working group prepared, in particular, the Report to the WCIT-12 Conference including two annexes – compilation of proposals received with variants of modifications of the ITRs and the draft of future ITRs including variants of individual provisions.

RAG

On June 25 – 26, 2012 this year's Meeting of the Radiocommunication Advisory Group of the Commission of the sector ITU-R (RAG) was held in the seat of the ITU in Geneva. The Meeting dealt with the operational plan of ITU-R for the years 2013–2016, accomplishment of conclusions of the Conference of Government Plenipotentiaries CGP-10 and the Meeting of the Council 2011, results of the World's Radiocommunication Conference WRC-12 and Radiocommunication Assembly RA-12, issues of study groups, conclusions of the group established for the revision of information systems of the sector, extension of electronic working methods, program of conformity with standards and interoperability etc., particularly in connection with this year's Meeting of ITU Council which follows. The group prepared, in particular, the set of standpoints concerning the issues discussed and the Recommendation to the Director of the Office of ITU-R's Sector.

CEPT ECC

On May 29 – June 1, 2012 the 31st Plenary Meeting of the Committee for Electronic Communications (ECC) was held in Tallin, Estonia. The subject of the Meeting were, in particular, the issues connected to the endorsement of new and updated harmonization document – ECC Decisions, preparation of reports of the CEPT elaborated on the basis of mandates of the European Commission, co-ordination of activities of working groups, collaboration with other organizations and regional groupings. Among the most important results belongs acceptance of the Decision ECC/DEC/(12)01 on "Exemption from individual licensing and free circulation and use of terrestrial and satellite mobile terminals operating under the control of networks", modification of the Decision ECC/DEC/(06)01 on "Harmonised utilisation of spectrum of the bands 1920–1980 MHz and 2110–2170 MHz for mobile fixed communications networks (MFCN) including terrestrial IMT systems", modification of the Decision ERC/DEC/(98)25 on "Harmonised frequency band to be designated for analogue PMR 446", Decisions ECC/DEC/(12)02 on Cancellation of the Decision ERC/DEC/(98)10 „on the interconnection of PMR and PAMR systems to a Public Telecommunication Network“, modification of the Decision ERC/DEC/(98)25 on "Frequency bands to be designated for the temporary introduction of Automotive Short Range Radars (SRR)" and the acceptance of the Report CEPT no. 43 to the mandate of the review of the Decision of the Commission 2005/928/EC (i.e. to the band of 169 MHz).

OECD

On June 11 – 12, 2012 the 47th Meeting of the Working Party of the OECD on Communication Infrastructures and Services Policy (WP CISP) was held in the OECD seat in Paris. Among main items of the program belonged the issues of smart networks, linkages of contracts on international mobile roaming, development in the field of broadband networks and open access and the preparation of prestigious publication "OECD Communication

Outlook 2013". Proposal of broadband wireless price baskets was presented and final wording of this document was approved. Participants were informed about the contents of the seminar concerning metrics for broadband access (Broadband Metrics Technical Workshop), which was held on June 14 and 15, 2012 under the auspices of British regulator OFCOM in London. Further information on actions expected in the near future, which are the seminar on the Internet operation (organised by the OECD and BEREC), OECD Technology Foresight Forum 2012, the Conference ITU WTSA-12 (World Telecommunication Standardization Assembly) and WCIT-12 (World Conference on International Telecommunications), were submitted and discussed. Priorities of working program WP CISP and senior committee ICCP were specified in detail.

CEPT FMWG/PT49

On June 13 – 15, 2012 the 4th Working Meeting of the design team ECC/WGFM/PT49 PPDR (Public Protection and Disaster Relief) took place in Berlin dedicated to the issues of safety communications and communications during natural disasters. The task of the Meeting PT 49 was identification of bands suitable for harmonization of security broadband communication. Special group (LEWP – Law Enforcement Working Party), composed of specialists of police corps of the EU States, prepared proposal of operational requirements (PPDR Matrix). These requirements were elaborated on the 2nd Meeting of the PT49 and their final shape was discussed during negotiations concerning „PPDR Matrix“ on June 13, 2012. Final draft of operational requirements is the basic precondition for transformation of operational requirements into frequency requirements and for commencement of works on identification of potential frequency bands. During the working meeting were also defined competencies of working team PT49 in relation to the working team for the preparation of the European region (CEPT) for the World's Radiocommunication Conference (WRC-15), where the issues of update of the ITU Resolution ITU 646 to broadband PPDR applications will be one of items of the program.

12. Digitalisation of RTV

On June 21 the. CTU promulgated individual authorization for the utilization of radio frequencies for additional 11 DVB-T transmitters of broadcasting network 4. This broadcasting network is conceived for possibility of distribution of independent regional programs up to the level of individual regions of the Czech Republic. Individual authorizations were promulgated for locations České Budějovice – Kleť 25, Hradec Králové – Chlum 45, Jablonec n. Nisou – Ces 25, Jihlava – Jeníkov 42, Karlovy Vary – Všebořovice 45, Olomouc – Slavonín 44, Plzeň – vodárna 56, Ústí n. L. – Krušnohorská 30, Velké Popovice – Bartošky 44, 64 and Zlín 5 42. According to the information received from the holder of authorization, the operation of these DVB-T transmitters should start on June 25, 2012.

13. Radio spectrum management

Change of conditions of utilization of radio frequencies

On June 22 the CTU promulgated the General authorization no. [VO-R/14/06.2012-8](#) concerning utilization of radio frequencies and the operation of facilities in the band of 10 GHz. The reason for promulgation of this General authorization, which replaced existing General authorization no. [VO-R/14/12.2006-38](#), is specification of existing conditions for utilization of frequency band on the basis of stimuli based on the worry from potential increase of number of cases of harmful interference of existing fixed connections of the FDD system after previously announced deployment of technologies of TDD system in the future. Changes relate, in particular, to specification of maximum possible output supplied in antenna feeder, specification of kind of polarization of electric component of electromagnetic field, more detailed presentation of procedure in case harmful interference appears among

stations operators, update of valid harmonized standard and some other small modifications. The General authorization became effective on July 10, 2012.

On June 21, 2012 the CTU Council discussed the draft of the new edition of part of the Plan for radio spectrum utilization [no. PV-P/10/XX.2012-Y](#) for frequency band 470–960 MHz. The reason for submission of this draft plan for the band in question is, in particular, modification of conditions for utilization of frequencies in connection with completion of the process of digitalization, creation of conditions for future television broadcasting in more advanced standard than is the case of DVB-T and preparation for future extension of bands allocated preferentially to mobile service. The deadline for sending comments to conditions concerning proposal of the Measure of general nature concerned terminates on July 26, 2012.

On June 26, 2012 the CTU Council discussed and endorsed the Measure of general nature – part of the Plan for radio spectrum utilization no. [PV-P/24/06.2012-9](#) for frequency band 4200–5925 MHz. In the new edition of this part of the Plan are, in particular, updated references to valid harmonization documents, measures of general nature, provisions of Radiocommunication Order of the International Telecommunication Union and projection of conclusions of the World's Radiocommunication Conference WRC-12, which, in this band, relate particularly to new allocations to aerial services. This part of the Plan for radio spectrum utilization becomes effective on August 1, 2012.

14. Postal services

Pursuant to § 37 Para. 3 Letter b) of the Act no. 29/2000 Coll., on Postal Services and Amendment of some Acts (Postal Services Act), as amended by the Act no. 95/2005 Coll., the CTU published on its Internet pages on June 11, 2012 [The Report on performance of obligations of Česká pošta, s.p. in the field of basic services for the year 2011](#).

The Report is based on results of supervision over the performance of obligations of the Česká pošta for the 2011. Findings stated in the Report were acquired during the implementation of State inspection, in connection with settlement of stimuli of customers of the Česká pošta, and/or other methods in harmony with provisions of § 37 Para. 2 of the Act on Postal Services.

During the year 2011 the CTU verified if some deficiencies, which were discovered in preceding periods, were redressed. These subsequent inspections and supervision were focused particularly at shortcomings, where incorrect procedure or unsatisfactory situation appear systematically. Results of inspections proved that demanded redress on the part of Česká pošta did not take place. Among very serious and long persisting deficiencies belong deposition of postal consignments without obligatory attempt was made before their delivery in addressee's home, non-delivery of calls, violation of postal secrecy, discontentment of customer with short office hours of post offices and awareness of customers.

In connection with the change of legislation on April 1, 2011 (The Amendment of the Act on VAT and reduction of the limit of import duty with imports from countries outside the EU), many customers, who were not satisfied with services provided by the Česká pošta, turned to the CTU. In majority of cases the reason was non-awareness of customers about the change and also personal, technological and technical insufficiencies with the Česká pošta. After almost half a year spent in overcoming problems of different character, ensuing from lack of experience, the situation stabilized at last.

Besides the inspections thus targeted, the CTU was engaged in intense negotiations concerning envisaged projects, which the Česká pošta decided to introduce as a result of preparation to full market opening on January 1, 2013. In these discussions the Office concentrated itself how, "in introducing postal agencies, advising of postal consignments through SMS message or E-mail and delivery of parcels in the afternoon, to ensure the best

availability and reliability of services, and the last but not the least, also sufficient and complete awareness.

As far as the speed of delivery is concerned, the Česká pošta failed to comply with the standard of 94 % stipulated by the CTU for 2011, it has reached only 92,15 %. Therefore, within the framework of its competencies, the CTU commenced with administrative procedure concerning imposition of fine so that the quality of services provided by the Česká pošta attains requested level.

In 2011 a conspicuous increase of number of legitimate complaints, which customers addressed to the CTU, took place, out of 124 in 2010 to 216 legitimate complaints (what represents increase of 74 %).

For violation of legal obligations during the year 2011 the Česká pošta was lawfully imposed 20 fines at the total amount of CZK 169,000. During 2011 and preceding years another 12 administrative procedures on imposing fine were commenced, however, these procedures were not lawfully terminated before the end of 2011.

At the end it can be stated that neither in 2011 the Česká pošta succeeded in elimination of some serious deficiencies in provision of basic postal services, despite imposition of fine in proven cases of misconduct.

In the field of price regulation of postal services the Office has terminated administrative procedure with the Česká pošta concerning observance of officially stipulated maximum prices. The Česká pošta committed administrative offense by violating price regulations pursuant to § 16 Para. 1 Letter b) of the Act no. 526/1990 Coll., on Prices, as later amended, by selling additional service „Dodání do vlastních rukou adresáta" (Delivery in addressee's own hands) abroad for higher price of CZK 6 instead of maximum stipulated price of CZK 4. The Česká pošta filed remonstrance against the first decision on fine from May 31, 2012 and the authority of appeal of the second degree returned the case to new hearing. In new hearing the Office imposed on the Česká pošta the fine for violation of price regulations at the amount of CZK 696,468. The Česká pošta paid the fine in determined deadline after the decision has become effective on June 13, 2012.

Discussed in the CTU Council on July 12, 2012