

Monthly monitoring report no. 8/2012 of the Czech Telecommunication Office August 2012

Executive summary

In August the CTU launched administrative proceedings with mobile operators Telefónica, T-Mobile and Vodafone concerning the change of maximum price for termination of call in mobile networks. It also launched administrative proceedings concerning the change of maximum price for termination of call in fixed network with the company Telefónica. (more information can be found in Chapter 2)

On its pages the CTU published the Final report no. 9 concerning the course of transition of terrestrial analogue television broadcasting to digital television. This report brings forward the summary of information obtained during the last almost five years (more information can be found in Chapter 12).

In harmony with the procedure specified in the Promulgation of tender proceedings for the purpose of granting rights for utilization of radio frequencies for public communication networks in the bands of 800 MHz, 1,800 MHz and 2,600 MHz, the CTU published on August 6 answers to questions received from potential candidates for participation in tender proceedings. Questions received and answers to them can be found on the [web pages of the CTU](#). After the deadline determined for submission of tenders, the CTU, on September 11, opened envelopes received, and by means of [press release](#) it informed the public that offers in the tender proceedings were submitted by companies Telefónica, Czech Republic a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s. and PPF Mobile Services a.s.

On August 9, 2012 the CTU organized working meeting with representatives of professional association of the Ministry Industry and Trade, CNPAC s.r.o. and representatives of operators of public mobile and fixed communication networks, concerning discussion over the draft Measure of general nature no. OOP/10/XX.2012-Y, stipulating technical and organizational conditions for implementation of portability of telephone numbers and principles for charging prices among entrepreneurs in connection with portability of telephone numbers (more information can be found in Chapter 2).

On August 13, 2012 the European Commission took the decision in which it asked the CTU to withdraw the analysis of market no. 5 – Wholesale broadband access in networks of electronic communications, which the CTU sent to the Commission for notification. The CTU withdrew the analysis proposed (more information can be found in Chapter 10).

On August 16, 2012 the CTU launched public consultation of the draft decision concerning imposition of duty to provide, within the universal service, a partial service – service of public telephones or other similar technical facilities permitting the access to publicly available telephone service pursuant to § 38 Para. 2 Letter e) of the Act on Electronic Communications (more information can be found in Chapter 4).

On August 31, 2012 the CTU organized working meeting with representatives of associations concerning discussion of the proposal of material definition of relevant market no. 2 – origination of call (origination) in public telephone network in fixed location (more information can be found in Chapter 2).

In the Theme of the month the CTU deals with complaints of subscribers, and/or users of services of electronic communications for the 2nd quarter of 2012 ((more information can be found in Chapter 1).

1. Current situation in the market

Services of fixed networks

Within the framework of special offer O2 Internet Bundle, the company **Telefónica** offered to customers, who have set up the new service of digital television O2 TV on the same connection line with the tariff O2 Flexi, together with the obligation to utilize this service for the period of 12 months and the service O2 Internet connection with the tariff Internet Optimal, the bonuses in the form of price benefits of the service O2 TV. For the period of 12 months, starting from the day of establishment of the service, they will pay for the utilization of the tariff O2TV Flexi (including two compulsory packages) the price of CZK 200/month (instead of standard price of CZK 650) and for the lease of set-top-box they will pay the price of CZK 49/month. Within the framework of the tariff O2 Flexi and for the duration of privileged period a subscriber can conclude only program packages Dokumenty, Sport, Děti, Styl, Hudba, Seriály and Filmy.

Subscribers, who use the service of digital television O2 TV with the company Telefónica, could, within the period from August 15 to September 14, 2012, within the framework of special offer, buy for CZK 189 the Voucher „189hitů=189Kč“. Voucher could be used for ordering of up to 189 films from the category "Film hits". Voucher could be bought by means of choice in the section "Videotéka O2 TV" in sub-section „Film hits“ which was valid for 30 days from the day of purchase.

The company **UPC** offered to its new customers, who have ordered the service UPC Telefon with the tariff Basic and took over the obligation to stay for the period of 12 months, the acquisition price at the amount of CZK 1 instead of standard price of CZK 222.

Customers, who, before the end of August 2012, ordered with the company UPC the on-line service digital cable television Klasik with packages of programs Sport, Relax or Darwin, received for the period of six months discount from monthly price for this service. During the period mentioned they could use the service for the price of CZK 150/month instead of standard price of CZK 250/month. Within the framework of this service they can use more than 30 Czech and Slovak programs including 7 HD programs.

The company UPC offered price benefits also to its new customers who, before August 31, 2012, ordered the on-line service of digital cable television Komfort. Customers received this service for acquisition price of CZK 350/month instead of standard price of CZK 550/month for the period of six months. The offers mentioned are earmarked for new customers who concluded the contract containing the obligation to stay for 12 months. Within the framework of this service they can use more than 80 Czech and Slovak programs including 14 HD programs.

Until the end of August 2012 the company **UPC** offered the acquisition discount of monthly prices of services of access to the Internet. It is discount for the period of 6 months with the services of UPC Fiber Power 30 MBit/s and namely from CZK 499 to CZK 399, with the services of UPC Fiber Power 60 MBit/s from CZK 599 to CZK 499 and UPC Fiber Power 120 MBit/s from CZK 799 to CZK 599.

The company UPC provided acquisition offer also to corporate customers. If the contract was concluded for 12 months it was possible to have the services of Internet Fiber Business 110 for the price of CZK 899, if the contract was concluded for 24 months for the price of CZK 799 instead of standard price of CZK 999. Further the company UPC offered the service Fiber Business 60 with the commitment for 12 months for CZK 499 and with the commitment for 24 months for CZK instead of standard price of CZK 599. The service Fiber

Business 80 was offered with the commitment for 12 months for CZK 699 and with the commitment for 24 months for CZK 599 instead of standard price of CZK 799,- Kč.

The company **Telefónica** created a special offer „Internet Optimal with the commitment for 12 months“. Each existing subscriber of the service O2 Internet connection (natural person registered by birth number and corporate identified on the basis of the Identification corporate number, which has no framework contract on provision of privileged commercial conditions concluded with the O2 concerning consumption of services), which does not utilize the offer in the form of reduced price for the service O2 Internet connection and has not taken over the commitment for utilization of this service, may, within the period from August 15 until September 30, 2012 employ this special offer using toll-free O2 line on the number 800 02 02 02, give its marketing consent to be addressed from the part of the O2 and conclude the new commitment for the utilization of the service O2 Internet connection with the tariff Internet Optimal for the period of 12 months and pay CZK 440 instead of standard price of CZK 750.

During August the company Telefónica provided a special offer „Internet na doma" (Internet at home) and "the Tablet Prestigio PMP3370B". Each existing customer (natural person registered by birth number and corporate customer identified on the basis of the Identification corporate number) could, in the period from August 1 until August 31 2012, employ this offer and conclude the new commitment to the service O2 Internet connection with the tariff Internet Optimal for the period of 12 months or with the tariff Internet Aktiv and commitment for the period of 12 months. Internet Optimal for the price of CZK 650 and Internet Aktiv for the price of CZK 750. Each subscriber, who will conclude the new commitment for the utilization of the service O2 Internet connection with the tariff Internet Optimal or Internet Aktiv, and will have the service established within 2 calendar months of submission of application, has an extra right for a bonus in the form of Tablet Prestigio PMP3370B for the price of CZK 1 with VAT.

Starting from September 3 the company Telefónica has accelerated the O2 „Internet na doma" (Internet at home) from original maximum 25 Mbit/s to 40 Mbit/s in locations where the VDSL technology is accessible and the increase is technically feasible. The speed will increase by up to 60 % and the price will remain the same. With the most widely used tariff Optimal maximum speed will increase from the original 16 Mit/s to 20 Mbit/s. The acceleration of the Internet with existing customers will take place automatically, no activation or restart of modem are necessary.

The company Telefónica provides a special offer „Balíček O2 Internet connection a IP Telephone přípojka" (The package O2 Internet connection and IP Telephone connection). Each subscriber (corporate customer identified on the basis of the Identification corporate number) may, within the period from August 1 until September 30 2012, employ this offer and, simultaneously, open up, on the same connection line, the service O2 Internet connection with the tariff Internet Optimal and the commitment for utilization of the service for the period of 12 months or with the tariff Internet Aktiv and commitment for utilization of the service for the period of 12 months and IP telephone connection in the variant "Neomezená linka" (Unlimited line) or "Neomezená linka zahraničí" (Unlimited line abroad) for privileged prices.

Services of mobile networks

The company **Telefónica** offers to its new customers possibility to establish the combination of the tariff O2 [:kúl:] with supplementary service "Internet v mobilu+" (The Internet in mobile+) under condition to take the commitment of using services for the period of 2 years. Customer will be able for the period of 2 years from the utilization of this offer to employ the bonus in the form of 100 % of extra free units to the tariff O2 [:kúl:] (the standard is 50 free minutes + another 50 minutes).

This advantage may be used also by an existing customer, who, within the time period mentioned, prolongates his/her commitment for the utilization of the services by 24 months on the basis of utilization of combination of the tariff O2 [:kùl:] and supplementary service "Internet v mobilu+". If a subscriber violates his/her commitment for the utilization of the services he/she is bound to pay contractual penalty pursuant to standard conditions of mobile voice tariffs. Existing subscriber may receive the advantages only if he/she, within the framework of O2 Mobile voice services, does not use any advantages nor discounts with the exception of the advantage" (Two months on trial).

Starting from September 1 the company Telefónica offers the new pre-paid tariff "Na!Dlouho" (For a long time), where a calling person pays only for the first two minutes of each call in the network of the company Telefónica. For one hour long call a customer will pay perhaps 12 Crowns only. To change to the tariff O2 Na!Dlouho existing customers may just send SMS in the form of TARIFF NADLOUHO to the number 999 111. New customer will be able to get pre-paid cards with the activated tariff Na!Dlouho during September in all O2 shops and other O2 selling places.

Starting from August 1 the company **T-Mobile** offers the new edition of Twist SIM cards. On top of that, the operator offers to all Twist customers, who charge credit, preferential packages. In the offer "Našim" all Twist customers may use one of three offered options for charging, and namely free calling (into the T-Mobile networks each day from 19:00 to 7:00), 1+1 free SMS (each second SMS is free of charge) or the Internet in mobile for free (with parameters – FUP 100 MB/4 weeks, weekly limit is 25 MB). This advantage can be changed or cancelled any time. If the amount is smaller than CZK 300, the advantage can only be employed in the day of charging and following 7 days. If the amount is bigger than CZK 300, the advantage can be employed in the day of charging and for the following 28 days.

The company T-Mobile has strengthened its network in the vicinity of super highways and expressways. Adaptations of more than 100 transmitters will help customers to deal with decrease of strength of signal in automobiles. Car bodies are massive and manufacturers, on top of that, employ special heated metalized thermo glasses or foils serving to thermal isolation of conditioned cars. Their construction influences negatively the quality of road surface. Adjustment of networks is changed continually during operation primarily in the form of adaptation of antenna parameters of transmitters, by increase of their output, in some cases also by adding new antennas.

Starting from August 27, 2012 the company **Vodafone** offers new rate of tariffs. The offer of old rate on tariffs activated earlier will remain functional; however, they cannot be activated with the advent of new tariffs. The company **Vodafone** offers new, so-called „Fair“ tariffs, in six variants which are charged by seconds, what replaces existing system where the whole first minute is charged, then seconds are charged (60+1). New „fair“ tariffs also bring about unlimited SMS to all networks. Only in the lowest package with 50 minutes (3,000 seconds) unlimited SMS can be used in own network only. Besides free minutes (seconds) and "unlimited" SMS the tariffs contain also free data. Price for a minute exceeding the framework of flat rate is CZK 4,99 with "fair“ tariffs.

Ceny platné v ČR	Hlasové balíčky								
	0 minut	50 minut Fér	100 minut Fér	200 minut Fér	300 minut Fér	450 minut Fér**	600 minut Fér	900 minut Fér**	Neomezené volání Fér
Měsíční paušál (včetně a bez DPH)	0 Kč 0,00 Kč	300 Kč 250,00 Kč	500 Kč 416,67 Kč	750 Kč 625,00 Kč	900 Kč 750,00 Kč	1250 Kč 1041,67 Kč	1400 Kč 1166,67 Kč	1900 Kč 1583,33 Kč	3200 Kč 2666,67 Kč
Cena za minutu nad rámec paušálu	6,50 Kč 5,42 Kč	4,99 Kč 4,16 Kč	4,99 Kč 4,16 Kč	4,99 Kč 4,16 Kč	4,99 Kč / 2,99 Kč* 4,16 Kč / 2,49 Kč	2,99 Kč 2,49 Kč	4,99 Kč / 2,99 Kč* 4,16 Kč / 2,49 Kč	2,99 Kč 2,49 Kč	0,00 Kč 0,00 Kč

Poznámka: Účtování po vteřinách kromě tarifu 0 minut, u kterého se účtuje první minuta celá a potom po vteřinách.

* Snížená sazba 2.99 za minutu nad rámec paušálu platí pro firemní zákazníky.

** Firemní tarify v prodeji od 20. září, 2012

Tabulka : Hlasové balíčky

Translation

Table : Voice packages

ceny platné v ČR = prices valid in the Czech Republic

neomezené volání = unlimited calls

měsíční paušál (včetně a bez DPH) = monthly flat rate (incl. and without VAT)

cena za minutu nad rámec paušálu = price per minute exceeding the framework of flat rate

Translation of the note under the table:

Note : charging per minutes with the exception of the tariff 0 minute, where the first minute is charged as a whole, then per seconds

+ Reduced rate 2.99 per minute minute exceeding the framework of flat rate is determined for corporate customers

++ corporate tariffs in sale from September 20, 2012

Tariff customers, corporate customers without contract and customers with pre-paid cards may use free minutes also for calls abroad to mobiles and fixed lines. Another minutes surpassing the framework of free minutes for calls abroad will be charged the price of CZK 11.40/min. while maintaining seconds' tariffication. Fair tariffs surpassing the framework of free minutes for free calls to countries like Slovakia, Russia, Ukraine, China and Vietnam prices were increased from original CZK 7.20 to CZK 11.40/min.

Besides classic tariffs the company Vodafone offers also „fair edition“ for companies. Price per minute surpassing the framework of flat rate is set with some tariffs conspicuously lower than with the tariffs for non-corporate customers, and namely to CZK 2.99. Also corporate tariffs contain tariffication per seconds and unlimited SMS. All new tariffs are without any obligation. Simultaneously, the operator introduces increased subventions in

mobiles with commitment for 24 months. Commitments for six months have terminated and will no longer be offered.

Operators

By means of its subsidiary company Bonerix Czech Republic s.r.o., the company **Telefónica Czech Republic, a.s.** has concluded the contract on the basis of which it has bought five components of enterprises from the group Global Care (Global Care, s.r.o., TMT Czech, a.s., Hermod, a.s., Česká servisní a správní, a.s., LAKENSIS, a.s.). The value of the transaction exceeds the amount of CZK 300,000,000. Thanks to this acquisition the company Telefónica will be able to provide, within the framework of employees' programs, high-quality care also to other corporate customers, what will extend the offer of services which they can order within the framework of their programs. For approximately 70,000 customers, who have concluded contracts with companies from the group Global Care concerning provision of telecommunication services, conditions of these contracts remain unchanged.

In its press release the company **T-Mobile** announced that neither the second quarter of this year has brought about significant change of trends influencing Czech telecommunication market. Consumption of telecommunication services has grown particularly in the field of mobile data, where the volume of the data transferred doubled on a year-on-year basis to approximately 1,452 terabytes. In contrast to that the prices together with incomes of operators decreased. At the end of the first half-year of 2012 the company T-Mobile registered almost 5,400,000 customers of mobile services, whereas almost 55 % (2,900,000) were tariff users. 2,400,000 customers used pre-paid card Twist at the end of the first quarter. Monthly churn (i.e. the number of customers who ceased to use services of operator) further decreased to 1.2 %. The number of accesses using fixed connection (voice and data) increased by 18 % to 105,000. Financial indicators, as compared to the first six months of the last year, decreased. In the first half-year of 2012 the company reported total sales for fixed and mobile services at the amount of CZK 12,900,000,000, whereas the sales for mobile services reached almost CZK 11,700,000,000. Customers spent on average CZK 363 monthly for mobile services, what is by 4.7 % less than in the last year. The growth of data utilization was reflected in share of non-voice services in sales of mobile services, which increased on a year-on-year basis by three percent to record share of 27 %.

In its press release the company **Telefónica** announced its non-audited consolidated financial results for January - June 2012. Also results of the company Telefónica Slovakia, Telefónica O2 Business Solutions, Internethome and other smaller subsidiaries are included. The company Telefónica has reached the increase of the number of customers of contractual mobile services (on a year-on-year basis by 5.3 %, share of customers with smart telephones increased to 23 % (+7.3 p. p. on a year-on-year basis), the number of customers of services of high-speed xDSL Internet increased on a year-on-year basis by 6.3 % to 894,000. The number of customers employing VDSL technology (23 % from the total number of customers of high-speed Internet) helps to reduce the rate of decrease of average income per one customer and slow down the speed of their withdrawal. The rate of decrease of number of fixed lines continues (their total number decreased on a year-on-year basis by 4.4 %, what is by 45.2 % less than in the same period in 2011). Consolidated turnover of business activities decreased on a year-on-year basis by 2.4 % to CZK 12,715,000 in the second quarter. OIBDA margin modified for the purposes of estimate reached the level of 40.5 % in the second quarter as well as in the first quarter.

New technologies and services

Starting from September 1 the company **T-Mobile** expanded the coverage of its 3.5G DC-HSPA+ network to the city of Brno with connection speed of 42 Mbit/s and 191 transmitters. So far this network has covered Liberec, České Budějovice, Mladá Boleslav, Zlín, Otrokovice and Praha (districts 4, 11 and 12), what represents 12 % of Czech

population. HSPA is offered also by the company Vodafone, which, with its maximum speed of 42 Mbit/s, covers Beroun, Karlovy Vary and in another towns offers half of that speed. On the contrary, the company Telefónica does not consider introduction of this technology in its network. Average speed in its network 3G is around 2 Mbit/s.

The Theme of the month – Information on complaints of subscribers, and/or users of services of electronic communications for the 2nd quarter of 2012

CTU, within the framework of its competency, resolves complaints and queries of subscribers and/or users of services of electronic communications the nature of which is evident from the Table no. 2.

CTU monitors, registers and/or evaluates complaints of subscribers of services of electronic communications since 2007, whereas in the middle of 2007 more detailed division of registration of these complaints was introduced, focused at monitoring of complaints concerning provision of partial services within the framework of the universal service, which were imposed on entrepreneurs by decision of the CTU as their obligation.

Another change of division of registration of complaints took place from January 1, 2012, and namely in connection with the endorsement of the Act no. 468/2011 Coll, which amends the Act no. 127/2005 Coll, on Electronic Communications and some other Acts (i.a. the Act no. 634/1992 Coll., on the Protection of Consumer), and by which the CTU, in accordance with provisions of § 23 Para. 15 of the Act no. 634/1992 Coll., on Protection of Consumer, was entrusted with surveillance over protection of consumer in the field of services of electronic communications, specifically, to control observance of honesty of services provided, solution of unfair commercial practices, aggressive commercial practices, observance of prohibition of discrimination of consumer, inspection of observance of information and other obligations in providing services of electronic communications. On the basis of this authorization also consumer issues and their queries were included in the survey of complaints.

Complaints can be divided into groups according to several aspects. The first one is the method of settlement, according to which complaints can be divided in the following three categories :

- the CTU resolves complaint within the framework of its competencies specified by the Act no. 127/2005 Coll., on Electronic Communications and the Act no. 634/1992 Coll., on the Protection of Consumer. The CTU informs complaining subscriber/user how to proceed towards provider of service pursuant to the Act on Electronic Communications (for example about the right to apply reclamation with provider of the service), or that the complaint will be used as an incentive for further investigation pursuant to the Act no. 127/2005 Coll., on Electronic Communications or the Act on the Protection of Consumer, and/or the complaint will be used as an incentive for performance of State control or for the promulgation of call pursuant to § 114 of the Act no. 127/2005 Coll., on Electronic Communications requesting removal of deficiencies discovered.

- The CTU cannot deal with a given complaint because it is incompetent to take decision in the case in question within the framework of its competencies. In this case it informs complainant, who is competent to deal with the complaint in question, and/or that it advances the complaint to competent authority (for example, cases of deceitful advertisement, unsolicited commercial communications, non-ethical procurement of customers, protection of personal data etc.).
- The CTU finds the complaint unfounded and informs complainer that the complaint is unjustified because no violation of commitment, stipulated by the Act on Electronic Communications, the Act on the Protection of Consumer, implementing regulations of these Acts, and/or, decision of the CTU, occurred.

During the 2nd quarter of 2012 the CTU registered altogether 606 complaints of subscribers/users. Out of this number 418 complaints were resolved by the CTU with the help of procedure stipulated by the Act on Electronic Communications, (i.e. 69 % of the total number), the CTU was incompetent to take decision in 34 complaints and advanced them to a competent authority (i.e. 5.6 % of the total number) and 154 complaints were unjustified (i.e. 25.4 % of the total number).

As compared with total number of complaints for the 1st quarter of 2012, it can be stated that in the 2nd quarter of 2012 the number of complaints increased by 31 complaints (i.e. by 5.1 %). If we compare the 2nd quarter of 2011 to the 2nd quarter of 2012, the total number of complaints increased by 208 complaints (i.e. by 34.3 %). This increase of number of complaints can be attributed, similarly as in the previous quarter, to the enlargement of monitored agenda by the consumer issues, on the one hand, and to permanent trend of increasing number of complaints, particularly concerning services of electronic communications, on the other hand. As far as complaints, concerning disagreement with settlement of price of provided services, which are for a longer time regularly represented, are concerned, the CTU registered a number of complaints concerning the company UPC Česká republika s.r.o., and namely in connection with charging of lease of terminal facilities (modems and set-top boxes), the fact in question became also object of inquiry of the CTU and on the basis of facts discovered administrative proceedings were commenced with the company UPC Česká republika s.r.o. concerning suspicion of perpetration of administrative offense of non-performance of the commitment pursuant to § 63 Para. 6 of the Act on Electronic Communications. Similarly as in the preceding quarter the CTU again received increased number of complaints concerning the process of conclusion of subscriber contracts, in the 2nd quarter problematic were particularly the practices of peddlers, offering services of electronic communications especially to seniors, who are not always capable to fully assess all conditions of contracts offered.

Another aspect for division of complaints into groups is material object of a complaint. From object of a complaint it is evident that most complaints belong to settlement of price for services. There are 207 complaints, what is 34.2 % out of the total number. These cases are decided in administrative proceedings pursuant to § 129 of the Act on Electronic Communications (subscriber disputes). In comparison to the 1st quarter of 2012 the total number of complaints on the services of electronic communications increased in the 2nd quarter 2012 by 2 complaints (i.e. by 0.5 %).

As far as the issues of telephone number portability concerned, during the period monitored a significant increase of number of complaints on service number portability in mobile network took place, and namely to 40 complaints (i.e. increase by 110.5 %) as compared to the 1st quarter of 2012, when only 19 complaints were filed. Such a palpable increase of the number of complaints in this area was caused, in particular, by technical problems of the company Vodafone Czech Republic a.s. and its customer system and the impossibility to settle requirements of subscribers on portability of numbers, and namely in cases when the company in question was both abandoning and receiving operator. The company informed the CTU about its technical problems and the whole case is currently under investigation. Within the framework of this investigation the company Vodafone Czech Republic a.s. is asked for information on how reclamations of subscribers concerning portability of delayed portability of number are settled.

The CTU registered number of complaints in newly monitored consumer agenda, particularly concerning deceitful commercial practices of providers of services of electronic communications. In the monitored period consumers most often complain on already mentioned practices of peddlers, in particular because they are given incomplete, and/or misleading information concerning prices and conditions of contracts offered. In this period first subscribers of services Skylink and CSlink started to appeal to the CTU concerning introduction of service fee with services of satellite television offered on the territory of the Czech Republic. Negotiations were held with the ČOI focused on these issues and press release was promulgated. Further proposal of unified procedure in this matter was prepared.

The number of complaints on services provided within the framework of the universal service is minimal in the long term, during the 2nd quarter of 2012 the CTU did not register, similarly to the preceding quarter, any complaint on services provided within the framework of the universal service

The last viewpoint, according to which complaints are divided, is provider of the service, against procedure of whom the complaint is applied. In the following table only complaints filed against procedure of biggest providers of services of electronic communications are registered with regard to their prevailing share both in the number of subscribers/users of services and in the number of complaints. The survey of number of complaints against procedure of selected providers of services is given in the Table no. 1. Compared to preceding quarter also queries of subscribers concerning individual providers are given in the Table no. 1.

Table no. 1

	Company	Number of complaints and queries	Relation of number of complaints to the number of subscribers/users of a given company ¹⁾ (‰)	Relation of number complaints to the total number of complaints (%)
1.	LIVE TELECOM	40	1,454	5,7
2.	MobilKom	16	0,130	2,3
3.	Vodafone CZ	129	0,020	18,4
4.	T-Mobile CZ	193	0,018	27,5
5.	Telefónica CZ	271	0,021	38,7
6.	UPC CZ	52	0,048	7,4

¹⁾ Number of all subscribers/users as per 31. 12. 2011.

The number of complaints expressed to the number of subscribers/customers of individual companies is more or less stable, conspicuous increase of the number of complaints was registered only with company LIVE TELECOM a.s., particularly in connection with the above mentioned practices of peddlers who offer services of this company.

The CTU started to register queries concerning services of electronic communications from January 1, 2012. These queries are thematically divided similarly as complaints (see the Table no. 2). Therefore, in the 2nd quarter of 2012 1386 queries were registered altogether, what is by 289 more than in the previous quarter and by 986 more than the number of complaints received during the same period. Besides queries, which were aimed at the issues of conditions for doing business in electronic communications and promulgation of certification pursuant to the provisions of § 26 of the Act on Electronic Communications, prevailing part of these queries was formed by consumer questions. Most often these questions related to provision of services of electronic communications, and similarly as complaints they were, for the most part, represented by queries concerning settlement of price of provided services and conclusion of subscriber contracts. Consumers also raised questions related to the reception of TV signal and number of queries related to the so-called services of third parties (premium SMS and audiotext services). During this period queries related to services of third parties were most often related to the issues of mediation of work and non-banking credits, where subscribers were mostly interested in possibility to reclaim these services.

The survey of the total number of complaints for the 2nd quarter 2012 is in the Table no. 2 and illustrated in the Graph no. 1. Development of the number of complaints, concerning services of electronic communications on a year-on-year basis for the period from the 2nd quarter of 2011 to the 2nd quarter of 2012, is brought about in the Graph no. 2. In comparison with similar periods of preceding years the number of complaints is illustrated in the Graph no. 3. The Graph no. 4 illustrates relation of number of complaints to the number of subscribers of companies in question (v ‰) from 2nd quarter of 2011 to 2nd quarter of 2012.

Tabulka č. 2

Český telekomunikační úřad

Stížnosti a dotazy účastníků / uživatelů¹⁾ za II. čtvrtletí 2012

Předmět	Dotazy	Stížnosti				Stížností celkem ¹⁰⁾	Vyřizeno ve prospěch účastníka / uživatele ¹⁾	Celkem ¹²⁾
		Způsob vyřízení						
		Poskytnutí informací						
		Postup podle zákona ⁸⁾	Nedostatek k porušení zákona ⁹⁾	Nepříslušnost Úřadu				
a	b	c	d	e	f	g	h	
1. 1 Služby elektronických komunikací	312	299	124	6	429	617	741	
2 nezřízení služby elektronických komunikací	4	4	0	0	4	8	8	
3 kvalita služby elektronických komunikací	72	23	45	0	68	95	140	
4 účastnické smlouvy	93	71	41	1	113	165	206	
5 nesposkytování služby elektronických komunikací v souladu se smlouvou	12	21	5	0	26	33	38	
6 aktivace nevyžádané služby elektronických komunikací	11	10	1	0	11	21	22	
7 nesouhlas s vyúčtováním	120	170	32	5	207	295	327	
2. 8 Radiokomunikační služby	7	0	0	0	0	7	7	
3. 9 Přenositelnost telefonního čísla v mobilní síti	18	38	2	0	40	56	58	
4. 10 Přenositelnost telefonního čísla v pevné síti	1	0	0	0	0	1	1	
5. 11 Nezřízení nebo přeložení telefonní stanice	1	1	0	0	1	2	2	
6. 12 Služba zákaznické podpory poskytovatele služeb elektronických komunikací	1	0	2	0	2	1	3	
7. 13 Způsob získávání zákazníků ze strany poskytovatelů a dealerů	5	1	1	1	3	7	8	
8. 14 Příjem TV signálu v souvislosti s digitalizací vysílání	41	14	0	0	14	55	55	
9. 15 Klamavá reklama	5	1	3	1	5	7	10	
10. 16 Ochrana spotřebitele²⁾	10	26	5	0	31	36	41	
17 dodržování poctivosti poskytování služeb (§ 3 ZOS)	0	0	2	0	2	0	2	
18 nekalé obchodní praktiky ³⁾ (§ 4 ZOS)	4	7	0	0	7	11	11	
19 klamavé obchodní praktiky (§ 5 ZOS)	4	13	1	0	14	17	18	
20 agresivní obchodní praktiky (§ 5a ZOS)	0	4	1	0	5	4	5	
21 zákaz diskriminace spotřebitele (§ 6 ZOS)	1	1	1	0	2	2	3	
22 informační povinnosti (§ 9 až 10 a § 11 až 13 ZOS)	0	0	0	0	0	0	0	
23 další povinnosti při poskytování služeb elektronických komunikací (§ 15 až 16 a § 19 ZOS)	1	1	0	0	1	2	2	
11. 24 Univerzální služba	0	0	0	0	0	0	0	
25 přístup zdravotně postižených osob k veřejně dostupné telefonní službě ⁴⁾	0	0	0	0	0	0	0	
26 veřejné telefonní automaty ⁵⁾	0	0	0	0	0	0	0	
27 přístup a možnost využívání služeb osobami s nízkými příjmy ⁶⁾	0	0	0	0	0	0	0	
12. 28 Ostatní⁷⁾	985	38	17	26	81	1049	1066	
29 telefonní seznamy	8	0	0	0	0	8	8	
30 informační služba o telefonních číslech účastníků	1	0	0	0	0	1	1	
31 postupné splácení ceny za zřízení připojení k veřejné telefonní síti	0	0	0	0	0	0	0	
32 bezplatné selektivní zamezení odchozích volání pro účastníka	0	0	0	0	0	0	0	
33 bezplatné položkové vyúčtování ceny pro spotřebitele	0	0	0	0	0	0	0	
34 služby třetích stran ⁸⁾	27	5	3	18	26	50	53	
35 obtěžující a nevyžádaná volání	18	8	2	1	11	27	29	
36 marketingová volání	9	6	5	0	11	15	20	
37 komunikační sítě, ochranná pásma a využívání cizích nemovitostí	55	3	2	1	6	59	61	
38 podnikání v elektronických komunikacích	596	2	1	0	3	598	599	
39 zkouška odborné způsobilosti (§ 26 ZEK)	249	0	0	0	0	249	249	
40 různé	22	14	4	6	24	42	46	
CELKEM	1386	418	154	34	606	1838	1992	

Překlad Tabulky č. 2 :

Table no. 2

The Czech Telecommunication Office

Complaints and queries of subscribers/users¹ for the Second Quarter of 2012

Předmět = subject stížnosti = complaints dotazy = queries
způsob vyřízení = method of settlement
poskytnutí informací = provision of information
postup podle zákona = procedure pursuant to the Law
nedošlo k porušení zákona = the Law not violated
nepříslušnost Úřadu = non-competency of the Office
stížnosti celkem = complaints in total
vyřízeno ve prospěch účastníka/uživatele = settled in favour of subscriber/user
celkem = in total

1. Services of electronic communications

non-delivery of service of electronic communications
quality of service of electronic communications
subscriber contracts
non-delivery of service of electronic communications in harmony with the contract
activation of non-solicited service of electronic communications
disagreement with the contract

2. Radiocommunication services

3. Portability of telephone number in mobile network

4. Portability of telephone number in fixed network

5. Non-establishment or transfer of telephone station

6. Service of customer support of provider of services of electronic communications

7. The way of acquisition of customers from the part of providers and dealers

8. The reception of TV signal in connection with digitalisation

9. Misleading advertisement

10. Protection of consumer

Observance of honesty in provision of services (§ 3 of the AEC)
unfair commercial practices (§ 4 of the AEC)
misleading commercial practices (§ 5 of the AEC)
aggressive commercial practices (§ 5a of the AEC)
ban on discrimination of consumer (§ 6 of the AEC)
obligations of information (§ 9-10 and § 11-13 of the AEC)
another obligations in provision of services of electronic communications (§ 15-16 and § 19 of the AEC)

11. Universal service

the access of handicapped persons to publicly available telephone service
publicly available telephones
access and possibility to use services for persons with low incomes

12. Others

telephone directories
information service on telephone numbers of subscribers
gradual repayment of the price for establishment of connection to public telephone network
free of charge selective prevention of outgoing calls for the subscriber
free of charge itemized price charging for the consumer
services of third parties
harrasing and non-solicited calls
marketing calls
communication networks, protection bands and utilization of other subjects' real estates
entrepreneurship in electronic communications
test of professional qualification (§ 26 of the AEC)

IN TOTAL

TABLE NARRATIVE :

- 1) They are not the complaints pursuant to § 175 of the Act no. 500/2004 Coll., the Administrative Order, as amended by the Act no. 413/2005 Coll. They are not the objections against the settlement of warranty claim concerning publicly available service of electronic communications, nor any other subscribers's disputes resolved in the administrative proceedings. Complaints and queries are registered in the phase of settlement.
- 2) Pursuant to the Act no. 634/1992 Coll., on the Protection of Consumer, as later amended.
- 3) There are commercial practices in harmony with provisions of § 4 of the Act on the Protection of Consumer, according to which commercial practice is unfair if actions of entrepreneur towards consumer are in contradiction to requirements of professional care and is capable to influence his/her decisions so that he/she may take a decision which he/she would never made. Unfair commercial practices are, in particular, misleading and aggressive commercial practices.
- 4) The decision no. 44 813/2009-610/IVII. vyř. dated June 23, 2009, on Imposition of the obligation to provide, within the framework of the Universal service, the partial service – the access of handicapped persons to publicly available telephone service, which is equivalent to the access employed by other end users, particularly by means of specially equipped telecommunication end devices, pursuant to § 38 Para. 2 Letter f) of the Act of Electronic communications.
- 5) The decision no. 466/2006-610/II.. vyř. dated March 13, 2006, as amended by the decision no. 20 583/2008-610/IX., vyř. ref.no. 63 465/2009-610/IX. and ref.no. 100 041/2010-610/VI. vyř., by which the obligation was imposed to provide, within the framework of the Universal service, the partial service – services of public telephones.
- 6) The decision ref.no. ČTÚ-43 632/2011-610/VI. vyř., dated June 7, concerning the imposition of the obligation within the framework of the Universal service, to allow persons having special social needs, pursuant to § 38 Para. 4 of the Act of Electronic communications and in harmony with § 44 and § 45 of this Act, the choice of prices or price plans different from price plans provided under normal commercial conditions, so that these persons have the access and could utilise partial services and publicly available telephone service.
- 7) It is a different type of complaint mentioned, cannot be included into points 1 to 10.
- 8) It is a provider of services of electronic communications.
- 9) It is the Act on Electronic communications and in case a complaint or query deals with protection of consumer then it is the Act on Protection of Consumer.
- 10) It includes complaints – procedure pursuant to the Act on Electronic communications (column c) – complaints - the Act on Electronic communications was not violated (column d) and complaints - non-competency of the Office (column e).
- 11) It includes complaints (column b) – procedure pursuant to the Act on Electronic Communications (column c) and complaints - non-competency of the Office (column e).

12) It includes queries (column b), complaints – procedure pursuant to the Act on Electronic Communications (column c), complaints - the Act on Electronic communications was not violated (column d) and complaints - non-competency of the Office (column e).

ZEK – the Act no. 127/2005 Coll., on Electronic communications and amendments of some related Laws (the Act on Electronic communications), as amended by subsequent Laws.

ZOS - the Act no. 634/1992 Coll., on the Protection of Consumer, as later amended.

The Graph no. 1 Complaints for the second quarter of 2012

1. Services of electronic communications
2. Radio communication services
3. Portability of telephone number in the mobile network
4. Portability of telephone number in the fixed network
5. Non-establishment or displacement of telephone station
6. The service of customer's support of the provider of services of electronic communications
7. The way of acquisition of customers from the part of providers and dealers
8. The reception of TV signal in connection with digitalisation of broadcasting
9. Deceitful advertisement
10. Protection of consumer
11. Universal service
12. Others

The Graph no. 2 Complaints on services of electronic communications from the second quarter of 2011 until the second quarter of 2012

Non-establishment of service of electronic communications
Quality of service of electronic communications
Subscriber contracts
non-delivery of service of electronic communications in harmony with the contract
activation of non-solicited service of electronic communications
disagreement with the contract

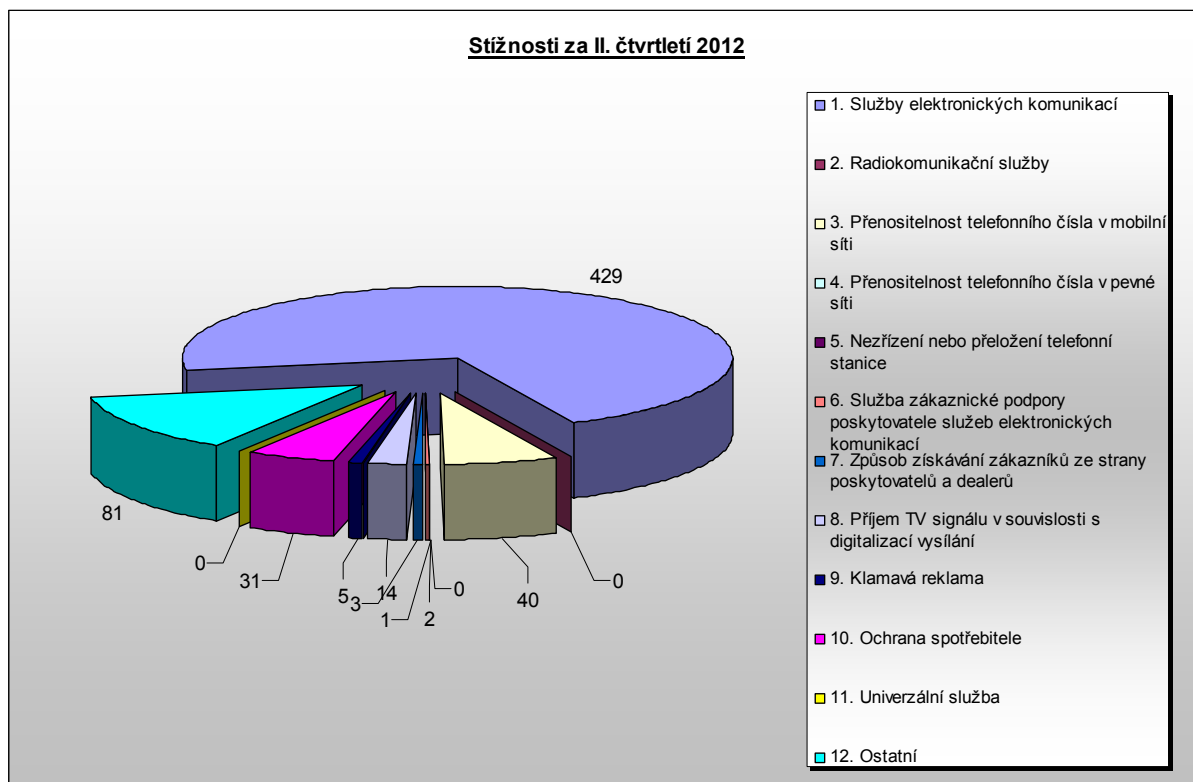
The Graph no. 3 Complaints for the second quarters of 2009, 2010, 2011, 2012

- 1) Services of electronic communications
- 2) Radio communication services
- 3) Portability of telephone number in the mobile network
- 4) Portability of telephone number in the fixed network
- 5) Non-establishment or displacement of telephone station
- 6) The service of customer's support of the provider of services of electronic communications
- 7) The way of acquisition of customers from the part of providers and dealers
- 8) The reception of TV signal in connection with digitalisation of broadcasting
- 9) Deceitful advertisement
- 10) Protection of consumer
- 11) Universal service
- 12) Others

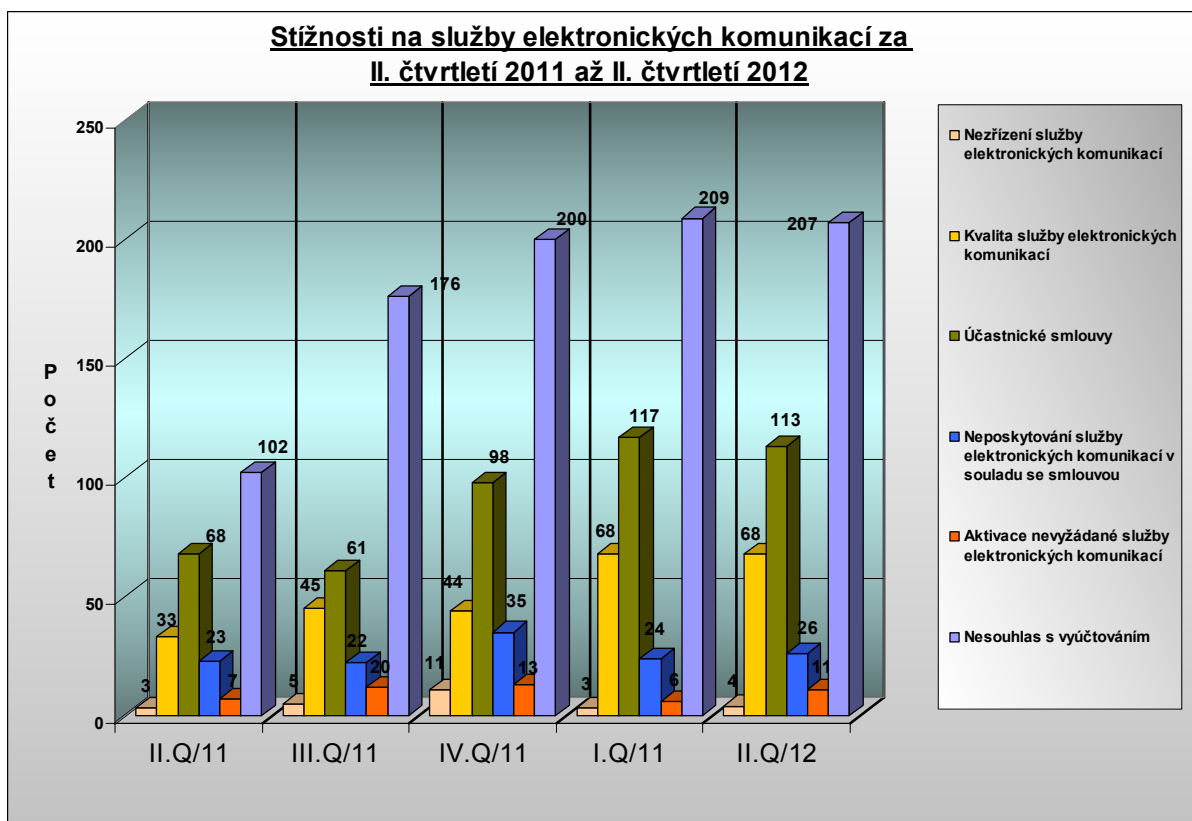
The Graph no.4

The representation of the number of complaints in relation to the number of subscribers of given companies (in %) from the first quarter of 2011 until the first quarter of 2012

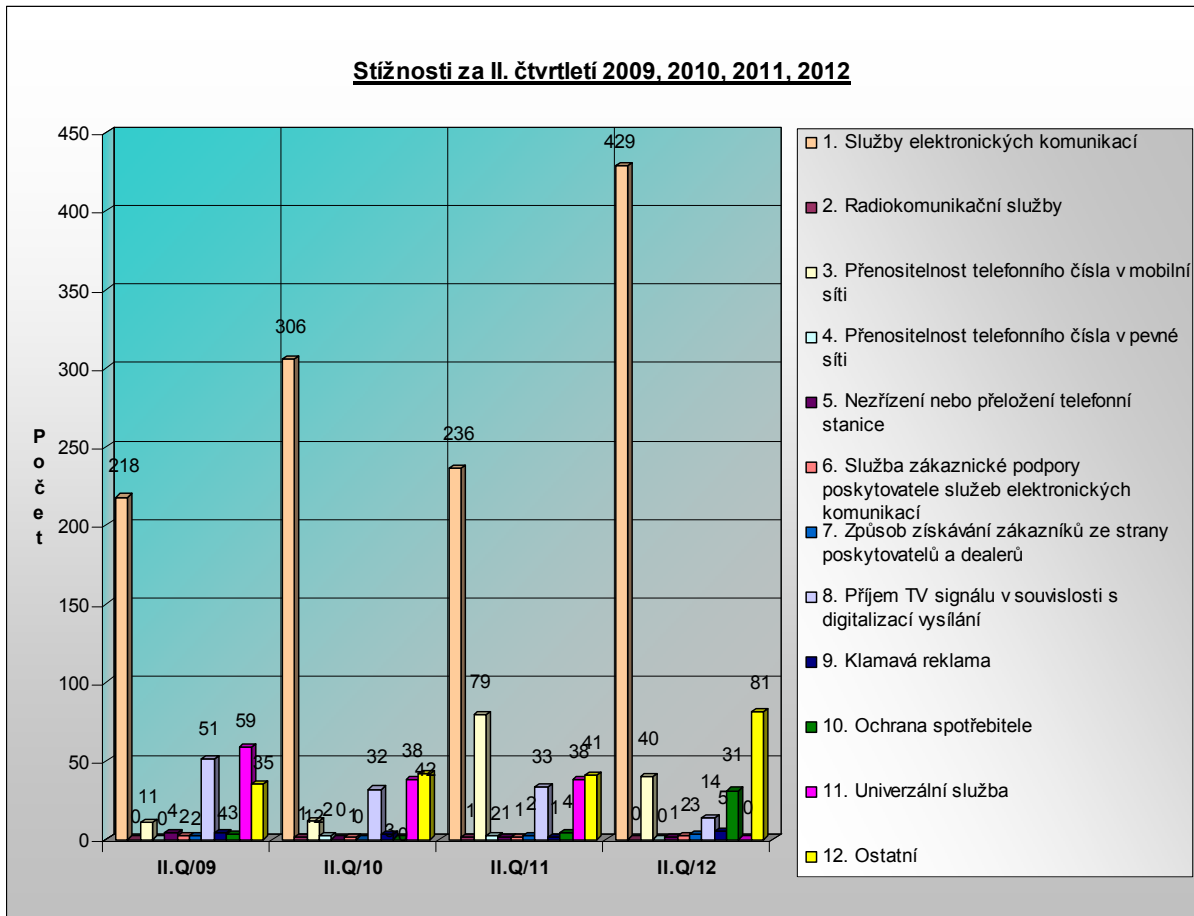
Graf č. 1



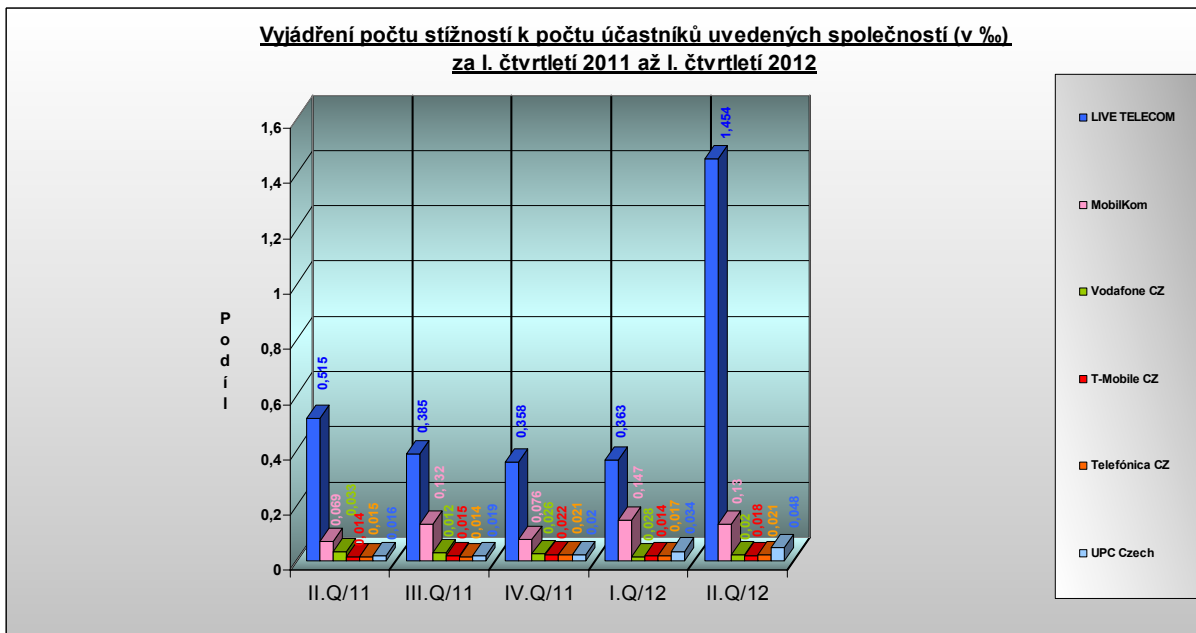
Graf č. 2



Graf č. 3



Graf č. 4



13. Regulatory measures

Analyses of markets

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

More information can be found in Chapter 10.

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

In August the CTU started administrative proceedings with three mobile operators (Telefónica, T-Mobile and Vodafone) concerning the change of maximum price for termination of call in mobile networks. It also started administrative proceedings concerning change of maximum prices for termination of calls in fixed network with the company Telefónica. For determination of maximum prices for termination the CTU used new models of long-term incremental costs „pure“ BU-LRIC in harmony with Recommendation of the European Commission on the regulation of rates for termination of calls in fixed and mobile networks of the EU (2009/396/ES). In harmony with requirement of the Recommendation, the price for termination of calls in fixed and mobile networks on the basis of the model „pure“ BU-LRIC will be implemented before the end of 2012. Administrative proceedings will bring about further decrease of prices for termination both in fixed and mobile networks. During September 2012 public consultation will be started focused on draft decisions on the price.

Market no. 2 – Origination of call (origination) in public telephone network in fixed location

On August 31, 2012 the CTU organized working meeting with representatives of associations concerning discussion of material definition of relevant market no. 2 – Origination of call (origination) in public telephone network in fixed location. The CTU acquainted operators with the procedure of elaboration of material definition and invited participants of the workshop to send potential comments before September 14, 2012. The CTU will then finish final text of the analysis.

Prices for roaming pursuant to the Regulation of the European Parliament and the Council (EU) no. 531/2012

During September 2012 the CTU will launch administrative proceedings with the company Telefónica for violation of the Regulation of the European Parliament and the Council (EU) no. 531/2012 on Roaming in public communication networks in the Union, because, in the period from July 1, 2012 to August 25, 2012 (i.e. until the promulgation of new price-list of mobile services), it did not apply the euro tariff data using the principle of each individual kilobyte (KB) commenced but of each 100 KB commenced. By non-observance of the Regulation the company committed administrative offence pursuant to § 118 Para. 8 Letter m) of the Act on Electronic Communications. In its press release the Telefónica stated that the fault involves only these users who, in the period in question, utilized the data connection in some EU country and did not use any of data packages. The Telefónica will fully compensate the amounts charged incorrectly.

The Draft Measure of General nature no. OOP/10/XX.2012-Y, which stipulated conditions for implementation of portability of telephone numbers

On August 9, 2012 the CTU organized working meeting (workshop) with representatives of professional associations (The Association of operators of mobile networks, the Association

of operators of public telecommunication networks, the Association of operators of digital telephony, ICT Unie o.s.), the Ministry of Industry and Trade, CNPAC s.r.o., and representatives of operators of public mobile and fixed communication networks, concerning discussion of the draft Measure of General nature no. OOP/10/XX.2012-Y, which stipulates technical and organisational conditions for implementation of portability of telephone numbers and principles for price charging among entrepreneurs in connection with portability of telephone numbers.

On the basis of the proposal of this draft Measure, which was in advance sent to individual participants, the discussion was held in which, after explanation of principal intention of prepared Measure from the part of the CTU, sufficient time space was left for comments of individual participants of the meeting.

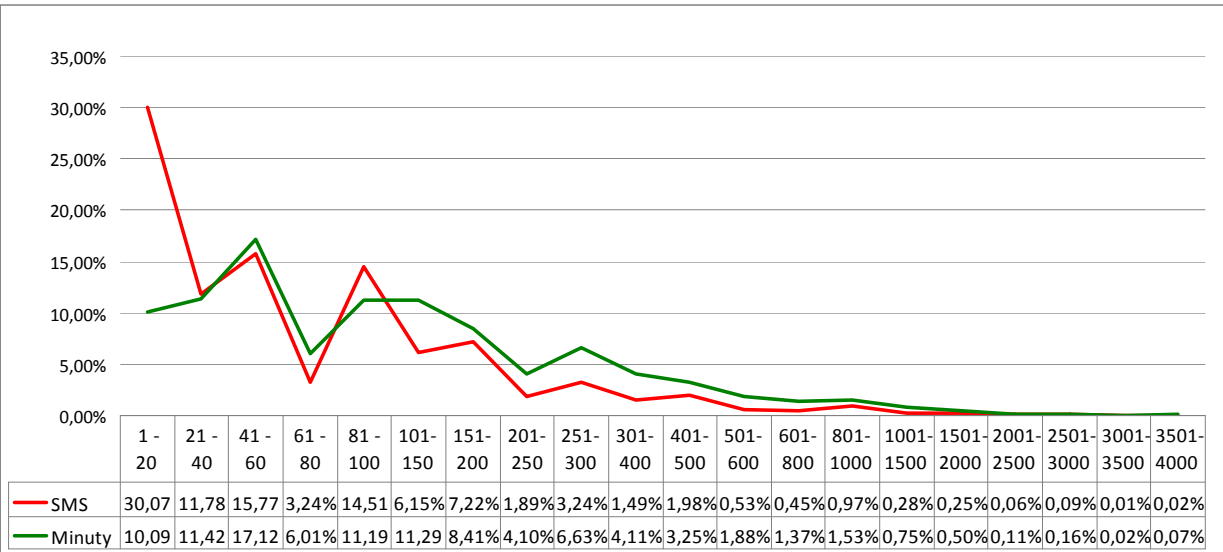
CTU responded to comments brought forward by individual participants of the working meeting and, directly in the discussion, answered concrete queries concerning the issues of telephone numbers portability within the meaning of the draft Measure. Taking into consideration ambitiousness of themes discussed the CTU, at the end of discussion, asked all participants for sending potential comments concerning discussed draft Measure in written form before August 17, 2012.

After the comments raised at the workshop and sent after it were elaborated, proposed draft Measure was submitted to the CTU Council for approval and subsequently posted for public consultation in the place of discussion.

Price calculators

In order to assist users in selection of the most suitable service, thereby increasing their protection, the CTU, in the middle of March 2012, accredited the first price calculator to the tariff services of mobile calls, after all criteria were accomplished, stipulated in the document [Accreditation of price calculators](#), published on the pages of CTU at the end of January 2012. The first accreditation [obtained the company Tariffomat](#). After almost half a year of award of accreditation to the operator of the calculator the company Tariffomat the CTU makes public some statistical information.

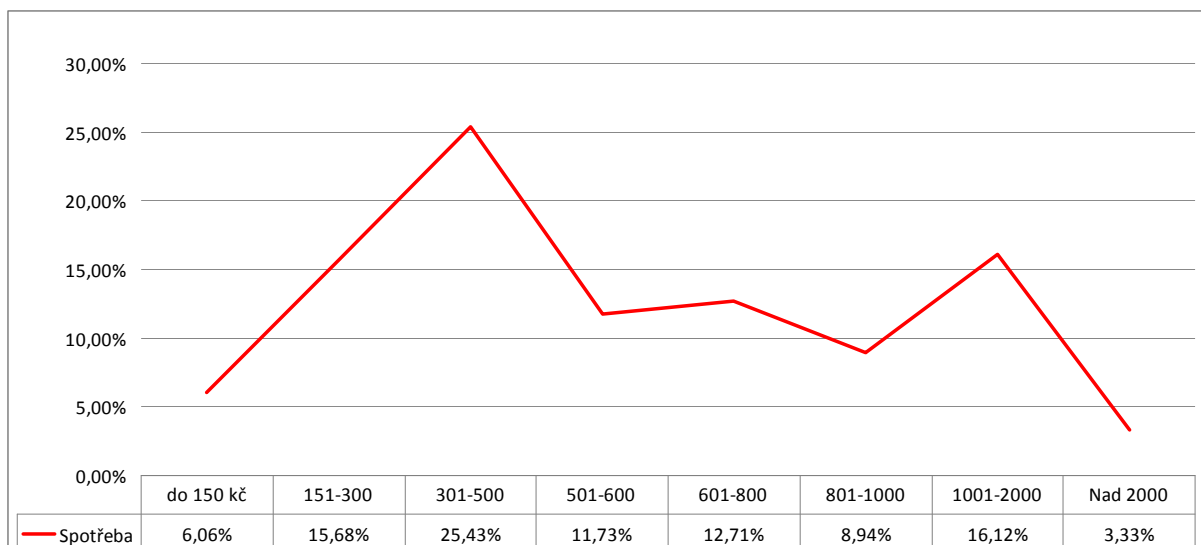
The following graph illustrates the structure of demand according to the consumption of minutes and SMS given by consumers in searching for the most suitable service in the prices calculator.



As it is obvious from the graph, the users in 56 % of searches entered the value of up to 100 minutes as their monthly consumption of calls. In almost 35 % of searches users

entered the consumption within the interval from 101 to 400 minutes, and only in less than 10 % of searches consumers searched for the most suitable offer for consumption over 400 minutes. Similar statistics for SMS services reveals that the consumption of up to 100 SMS/month was entered in more than in 75 % of all searches. In more than 15 % of cases monthly consumption was entered between 101 and 250 SMS and only less than 10 % of searches were for monthly consumption of more than 250 SMS. Statistics were performed at the end of June 2012 using almost 200 000 searches.

The following graph shows distribution using total monthly consumption entered. It is obvious from the graph that more than 47 % of searches had the consumption of up to CZK 500. More than 33 % of searches had the consumption in the interval between CZK 501 and 1 000 and less than 20 % had the consumption over CZK 1 000.



Only approximately 23 % of users wished to take into account the influence of the tariffication. 75 % of searches were held within the framework of standard offers, 25 % in special categories of users (student, senior and handicapped persons).

The calculations performed by the company Tariffomat arrived at the average price of one minute of call (customer who used services of price calculator) at the amount of approximately CZK 1.85 and the average price for 1 SMS sent at the amount of CZK 1.27. If a minute price is concerned, it is even smaller amount than the CTU brings forward for the whole market (for the year 2011 approximately CZK 2.45 for real minute of call).

Authorization for utilization of numbers 116 000 and 116 123

The CTU promulgated [Authorization for utilization of numbers 116 000 and 116 123](#) to the Civic association Ztracené dítě o. s. (Lost child). The number of the service is 116 000 „Hot line for cases of missing children“ will receive calls reporting missing child and will pass them over to the Police. It will also offer helping hand to persons responsible for missing child and will be instrumental in investigation. The service will be available in the whole territory of the Czech Republic 24 hours daily, 7 days a week. The number of the service 116 123 of „The Confidential line, providing emotional support“, permits a caller to speak to listening person without condemnation.

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

Proceedings commenced in August 2012

File number	Plaintiff	Defendant	Case
CTU-135 007/2012-606	TRAVEL TELEKOMUNIKATION s.r.o.	Telefónica Czech Republic, a.s.	The proposal to take decision concerning the dispute pursuant to § 80 of the Act on Electronic Communications

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

File number	Plaintiff	Defendant	Case
CTU-49 928/2011-606	EBD s.r.o.	Czech Digital Group, a.s.	Dispute concerning support of regionalization of broadcasting network 3 and conclusion of contracts for distribution of television program TV7 in regionalized broadcasting network. The decision in re, where proposal of plaintiff was rejected, became effective on July 31, 2012.

4. Universal service (US)

Provision of services within the framework of the US

On August 16, 2012 the CTU commenced with the public consultation of [the draft Decision](#) concerning amendment of the Decision [čj. CTU-130 145/2011-610/VI. vyř.](#) dated March 8, 2012 on Imposition of commitment to provide, within the framework of the universal service a partial service – service of public telephones or similar technical facilities permitting access to publicly available telephone service pursuant to § 38 Para. 2 Letter e) of the Act on Electronic communications.

Integral part of this draft decision is also new [Annex](#) containing the list of public telephones included in the universal service for the years 2013 and 2014. In selecting public telephones included in the Annex the CTU proceeded according to the criteria specified in the Decision ref.no. CTU-130 145/2011-610/VI. vyř.

Comments concerning draft decision can be applied not later than one month of the commencement of public consultation.

5. Inspection activities

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

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

- **Inspection of observance of conditions of general authorization no. VO-R/2/01.2010-1** for the utilization of radio frequencies and operation of stations of

wireless local information systems (BMIS) in frequency band 70 MHz was performed in 15 municipalities. No deficiencies were discovered.

- **Inspection of radio frequencies – monitoring of radio spectrum for the purposes of radio spectrum management.** Planned controls of observation of conditions for promulgation of free of charge individual authorization for utilization of radio frequency of airplane station for the purposes of recreational and sporting flying continued. Altogether 26 individual authorizations were controlled and no deficiencies were discovered.
- **Performance of communication activity without certification.** Beginning of State inspection of the company TradeTec, a.s., having its seat at Ostrava, original provider of the service of satellite television Skylink, was announced, concerning observance of the Act on Electronic Communications, specifically notification of communication activity and provision of information for the CTU pursuant to § 115 of the Act on Electronic Communications. The inspection was planned for August 21, 2012. On August 20, 2012 the Notification of communication activity was delivered accompanied by the information that the company reports termination of communication activity as per August 1, 2012. Simultaneously, the company was erased from the Commercial register as per August 11, 2012. The successor company is the company M77 Group S.A. with the seat in Luxembourg. Administrative proceedings were started with the company M77 concerning non-observance of commitment pursuant to § 13 of the Act on Electronic Communications.
- **Inspection of frequency band of 5 GHz** from the viewpoint of observance of conditions of utilisation of frequencies pursuant to General authorization no. VO-R/12/09.2010-12 for the utilisation of radio frequencies and operation of broadband transmission of data in the bands from 2.4 GHz to 66 GHz. Altogether 102 inspections were performed in August 2012 of wifi facilities where deficiencies were discovered which in 52 cases consisted in utilization of frequencies in the band from 5,150 MHz to 5,350 MHz outside buildings. Facilities in this band can however be operated only inside buildings. Deficiencies discovered will be resolved with the help of the call demanding elimination of deficiencies and will be dealt with in the proceedings related to the violation of the Act on Electronic Communications. In 50 cases no deficiencies were discovered of which 11 controls related to removal of deficiencies on the basis of calls promulgated in the past.
- **inspection of observance of conditions of general authorization no. VO-R/24/11.2008-16** concerning operation of facilities of infrastructure for distribution of radio signals inside tunnels and internal space of buildings. Operation of repeaters of networks of mobile telephony GSM without written consent of networks operators, whose signal is covered by repeaters, was discovered in Liberec and in Prague. Moreover, the radio facility in question caused jamming of networks of mobile telephony in the band of 900 MHz. In subsequently started proceedings the fine at the amount of CZK 5,000 was imposed, the second proceeding is running.
- **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 wireless doorbells working in the band of 305 - 312 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
- **Jamming of meteoradars of ČHM.** On the basis of complaints of the Český hydrometeorologický ústav, concerning jamming of meteorological radars situated on sites Praha and Skalky, monitoring and location of sources of jamming broadcasting

was performed on frequency 5,640. In August 2012 tracing of 5 sources of jamming was performed. Calls demanding elimination of jamming were promulgated to operators of wifi facilities.

Přehled kontrolní činnosti při výkonu státní kontroly elektronických komunikací za měsíc srpen 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)	18								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	46								
3. Výkon komunikační činnosti bez osvědčení	3			3	1			1	10000
4. Dodržování podmínek všeobecných oprávnění	92		48	5	5			5	33000
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		1	0	1	1			1	5000
b) k poskytování služeb elektronických komunikací		2	0	0	0			0	0
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		89	48	4	4			4	28000
5. Kontrola rádiových kmitočtů	153		7	2	6			5	56000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		9		2	6			5	56000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		57	0	0	0			0	0
c) Zjišťování zdrojů rušení provozu elektronických komunikačních zařízení a sítí, poskytování služeb elektronických komunikací nebo provozování radiokomunikačních služeb	87	0	7	0	0			0	0
6. Kontrola čísel pro účely správy čísel (počet kontrolních volání)	1		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			40932	6032	253	4077		
a) o námitce proti vyřízení reklamace na poskytnutou službu		0		3	1	0	1		
b) o námitce proti vyřízení reklamace vyúčtování cen za služby		0		24	19	6	8		
ba) přístupu ke službám s vyjádřenou cenou (datové i hlasové)		0		0	2	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		40904	6009	244	4068		
d) ostatní		0		1	3	3	0		
8. Neposkytnutí informací podle § 115 ZEK				17	17			16	130000
9. Ostatní	36		6	46	43			38	141200
CELKEM	282		61	41005	6104	253	4077	65	370200

*) 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 srpen 2012

The Survey of inspection activities in performance of State control of electronic communications for the month of August 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.

6. Other regulators, inspection authorities, courts

Regulation in the markets no. 4 and 5 in Finland

BEREC agrees with serious doubts of the European Commission concerning proposals of Finish regulator (Ficora) not to impose price ceiling for optical networks in the market of wholesale (physical) access to network's infrastructure (including shared or full local loop unbundling) in fixed location (market 4/2007) and not to impose remedial measures in the market of wholesale broadband access in networks of electronic communications (market 5/2007) for services with speeds lower than 8 Mbit/s and not to introduce any price regulation for another services provided in the market no. 5 by means of optical and metallic networks. In the market no. 4 Ficora also proposes to cancel the obligation of cost-oriented prices for the unbundling of metallic local loop (LLU) for 19 smaller operators with significant market power. According to the Ficora's opinion this step will not have any impact on business activities among Member States, and therefore regulator did not notify this proposal pursuant to Article 7 of the Framework Directive. BEREC did not promulgate its standpoint in this issue and pointed out that it should not be investigated in connection with the question if the regulator observed notification obligation pursuant to Framework Directive.

Regulation in the market no. 5 in Poland

On August 31 the European Commission promulgated the Recommendation for Polish regulator (UKE) concerning its draft analysis of the market of wholesale broadband access (WBA) in the third round (market 5/2007). The Commission proposes either to impose cost-oriented price for the WBA for optical fibre (with the exception of copper) or to strengthen proposed commitments of transparency and non-discrimination to attain effective equality of entry and to impose simultaneously commitment to keep separated records of revenues and costs for optical fibre. This Recommendation is non-binding and the Commission cannot use its veto right in case of its disagreement with the measure of regulator. UKE can change, cancel or preserve its proposal. If UKE will insist on its decision, it will have to send the Commission justification explaining why it did not respect the Recommendation of the Commission. UKE informed that, according to its standpoint, too strict regulation could discourage the dominant provider Telekomunikacja Polska (TP) from investments in optical networks. UKE informed that within one year it will perform market review.

Termination prices in fixed network in Latvia

On August 13 the Commission launched the 2nd phase of investigation concerning proposal of Latvian regulator (SPRK) to determine termination price in fixed network in a manner which is not in line with the Recommendation of the Commission on termination prices. The Commission does not agree both with high termination prices and with the methodology of calculation. Therefore the SPRK withdrew its proposal.

Amalgamation of regulatory bodies for media and electronic communications in France

French Government considers merger of Audiovisual Commission and Telecommunication Commission in one regulatory authority. According to French Premier it is reaction to steadily increasing number of broadcasting platforms. The target is to bring lower degree of regulation in the market and equilibration of control over all of broadcasting platforms instead of stricter supervision over most widely used terrestrial broadcasting.

7. Asociations

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8. Consumer issues

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

During the month of August the CTU commenced 40,932 administrative proceedings concerning subscriber disputes between a person performing communication activities, on the one hand, and a participant, on the other hand, concerning 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 on Electronic Communications. 6,032 decisions in re were promulgated, of which 6,009 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

Also in the month of August, the CTU received considerable amount of complaints on provider of services of satellite television offered under the trade names of Skylink and CSlink, the company M77 Group S.A. having its seat in Luxemburg, and namely in the order of hundreds.

In the month monitored the CTU sent to the company M77 Group S.A. notification about commencement of another two administrative proceedings, concerning operation of satellite television services Skylink and CSlink, for suspected commitment of administrative offence pursuant to the provisions of § 118 Para. 14 Letter u) of the Act on Electronic Communications, perpetrated by an entrepreneur by non-observance of information commitment stipulated by § 63 Para. 6 of this Act and also for suspected commitment of administrative offence pursuant to the provisions of § 118 Para. 1 Letter c) of the Act on Electronic Communications, the substance of which is making business in the field of electronic communications without proper notification. The CTU also submitted incentive to the General Financial Directorate in order to verify if, from the part of the company M77 Group S.A., taxation regulations are not violated. The CTU already initiated one administrative proceedings with the company M77 Group S.A. for suspected commitment of administrative offence of deceitful commercial practices within the meaning of relevant provisions of the Act on the Protection of consumer. In the case in question the CTU also collaborates with the Police of the Czech Republic in order to verify if, from the part of the company M77 Group S.A., any criminal act has been perpetrated, because the company M77 Group S.A. is not registered in the Business Register in Czech Republic, although it is doing business on the territory of Czech Republic.

From the viewpoint of composition of complaints concerning the company M77 Group S.A. according to their contents, still prevail those complaints raising objections to the introduction of service fee as deceitful commercial practice, however, considerable part of complaints relates to potential devaluation of investment in hardware equipment acquired, then charging for the exchange of decoder card by the amount of CZK 600. At the end of the period the CTU has registered complaints concerning unavailable client line of services of Skylink and CSlink and unreliability, and/or failure rate of exchanged decoder cards.

Besides the complaint agenda described above connected to the company M77 Group S.A. the CTU naturally receives another complaints and queries in the field of services of electronic communications. In the month of August these complaints were very diverse, they concerned, for example, the process of conclusion of subscriber contracts, form of settlement of services, disagreement with settlement of services, and/or suspicion of deceitful commercial practices.

9. Legislative changes

On August 22, 2012 the Act no. 273/2012 Coll., amending the Act no. 127/2005 Coll., on Electronic Communications and on Amendments of some other related Acts (the Act on Electronic Communications), as amended by later regulations and some other Acts, was published in the Volume 94 of the Collection of Laws.

This Act responds to the Finding of the Constitutional Court Pl. ÚS 24/10 dated March 22, 2011, promulgated under the ref. no. 94/2011 Coll., which abolished provisions of § 97 Para. 3 and 4 of the Act on Electronic Communications and the Decree no. 485/2005 Coll., on the Extent of operational and localization data, period of their storage and form and method of their transfer to authorities competent for their utilization. The Act further reacts to the Finding of the Constitutional Court Pl. ÚS 42/11 dated December 20, 2011, promulgated under the serial number 43/2012 Coll., which abolishes provisions of § 88a of the Criminal Procedure by virtue of expiration on September 30, 2012.

By abolishment of provisions of § 97 Para. 3 and 4 of the Act on Electronic Communications, some provisions of the Directive of the European Parliament and the Council 2006/24/EC dated March 15, 2006 were implemented in the Czech legal order concerning storage of the data created or elaborated in connection with provision of publicly available services of electronic communications or public communication networks and the Amendment of the Directive 2002/58/EC, the so-called Directive on Data retention. Pursuant to the new legal modification of § 97 of the Act on Electronic Communications, which brings about the Act no. 273/2012 Coll., juristic or natural person providing public communication network or providing publicly available service of electronic communications are obliged, inter alia, to keep, for the period of 6 months, operational and localization data which are created or elaborated in supporting their public communication networks and in providing their publicly available services of electronic communications. This person is then obliged to submit, without delay, on request, relevant data to the following authorized bodies :

1. authorities acting in the criminal proceedings for the purposes stipulated by conditions of special legal regulation,
2. Police of the Czech Republic for the purposes of launched search for a specific wanted or missing person, establishment of identity of person of unknown identity or identity of corps found, prevention or revealing of specific threats in the field of terrorism or screening of protected person, if conditions stipulated by special legal regulation are met,
3. Security information service for the purposes stipulated by conditions of special legal regulation,

4. Military intelligence for the purposes stipulated by conditions of special legal regulation,
5. Czech National Bank for the purposes stipulated by conditions of special legal regulation,
6. This Act becomes effective on October 1, 2012.

On August 22, 2012 the Act no. 274/2012 Coll., which amends the Act no. 634/2004 Coll., on Administrative fees, as amended by later regulations, was published in the Volume 94 of the Collection of Laws. The relevant legal modification changed the Item 3 Letter a) of the Tariff by reduction of the fee for the release of a duplicate, copy, photostatic copy or extract from official documents and other records on technical data carrier, so that the new fee must be paid at the amount of CZK 15 for the first page and CZK 5 for each even started next page. At the same time administrative body may, for reasons worthy of special consideration, and at the request, decrease the fee or waive payment of the fee according to the Item 3 Letter a) of the Tariff of administrative fees.

This Act becomes effective on September 1, 2012

During August 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 August 13, 2012 the European Commission has taken decision by which it asked the CTU to withdraw the analysis of relevant market no. 5 – Wholesale broadband access in networks of electronic communications. By this decision the Commission expressed its definitive disagreement with proposed definition of the market, which includes broadband services based on cable and Wi-Fi connections in the definition of product market with wholesale broadband access. However, the Commission has not excluded possibility to impose geographically differentiated corrective measures which would reflect different conditions of economic competition on the Czech market. Now the CTU must submit adapted analysis based on the new definition of product and geographic market.

11. ITU and other international organisations

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12. Digitalisation of RTV

In continuation to promulgated individual authorization, transmitter Benešov – Kozmice 44 was put into operation in the broadcasting network 4. Thanks to this transmitter the extent of the coverage by the signal of the broadcasting network 4 will increase in Central Bohemia.

The CTU published on its pages [Final report no. 9](#) concerning the course of the transition of terrestrial analogue television broadcasting to digital broadcasting. In this report the summary of information gathered during the last almost five years is given.

It can be stated that completed process of transition to digital television broadcasting went on fully in harmony with the time-schedule stipulated in the TPP, and in its final conclusion the process was successfully shortened by four months. In the course of the process no serious technical problems arrived which would influence negatively the whole

process. Therefore, the majority of problems arising during the transition was caused by the lack of necessary radio frequencies, because, particularly at the beginning of the transition, the Czech Republic distinctly overtook neighbouring states. As a consequence, limited local problems arrived solution of which demanded utilization of the so-called transitional radio frequencies etc. Expected partial problems, caused by lack of radio frequencies were resolved in advance. Frequency issues were operatively dealt with in territorial regions of Plzeň, Ostrava and Jeseník.

Complete termination of terrestrial analogue television broadcasting on the whole territory of the Czech Republic occurred on June 30, 2012. By the end of July 2012 all individual authorizations for analogue television broadcasting were also withdrawn.

For the implementation of adaptations of broadcasting networks supporting regional television in broadcasting networks 2 and 3 altogether CZK 23,767,704 were reimbursed during the years 2011–2012 to the operators of broadcasting networks from the radiocommunication account, and at the present time, the request for reimbursement of costs connected to regionalization of television broadcasting in the broadcasting network 4 is still registered. The second essential item of drawings from the radiocommunication account was reimbursement of justified costs necessary for removal of jamming of analogue television broadcasting arising from the beginning of digital television broadcasting in the Czech Republic and abroad and costs connected to support of primary signals for follow-up radio broadcasting of small output (TVP). For these purposes altogether CZK 15,550,447 were reimbursed from the radiocommunication account during the transition.

Currently, as the consequence of "the fight" for very precious frequencies in the bands under 1 GHz, there are considerations dealing with potential liberation of another part of frequencies used now for digital television broadcasting for new mobile services based on high-speed access to the Internet. The CTU therefore actively works on conceptional and coordination preparation of necessary and indispensable steps to be able to co-ordinate its steps with similar steps in neighbouring states and to be prepared for the World's Radiocommunication Conference WRC 2015, where adoption of relevant decision can be expected.

13. Radio spectrum management

Plan for the utilization of radio spectrum

On August 30, 2012 the CTU promulgated the Measure of general nature – the part of the Plan for the utilization of radio spectrum no. [PV-P/10/08.2012-11](#) for the frequency band 470–960 MHz. In the new edition of the part of the Plan, particularly conditions for utilization of frequencies in connection with completion of the process of digitalization and preparation for the creation of conditions for future migration to television broadcasting in more advanced standard than DVB-T are regulated, and the preparation for the next enlargement of the bands allocated preferentially to mobile service in the bands of the so-called digital dividend II, defined by frequencies 694–790 MHz, about which the CTU informed in detail in [Monthly monitoring report CTU no. 2/2012](#) in February 2012. Because in these bands enlargement of allocation to the radiocommunication mobile service in ITU-R Region I will take place in preferential category, in the UHF bands, which are currently preferentially allocated to the radio service only, equal conditions will be set for the utilization of spectrum by radiocommunication radio and mobile services. This part of the Plan for utilization of radio spectrum becomes effective on September 15, 2012.

Change of conditions for utilization of radio frequencies

On August 2 two calls were published to submit comments to the intention of promulgation of the decision concerning change of allocation of radio frequencies

(hereinafter „allocation“) for support of public mobile networks of electronic communications in the GSM standard of the company Vodafone Czech Republic a.s. The reason for the change of allocation is the fact that holder of allocations demands their change which would allow technological neutrality of utilization of allocated frequencies. [The first call](#) relates to the allocation ref.no. 26 824/2005-613/II. vyř. for sectors of radio frequencies 890.1–894.3/935.1–939.3 MHz, 912.9–914.9/957.9–959.9 MHz and 1,762.9–1,780.9/1,857.9–1,875.9 MHz; [the second call](#) relates to the allocation ref.no. 50 854/2009-613 for sectors of radio frequencies 881.9–885.5/926.9–930.5 MHz.

On August 15 [the call was published to submit comments](#) to the intention of the CTU to allocate radio frequencies in frequency segment of 451.3–455.74/461.3–465.74 MHz pursuant to § 20 Para. 5 of the Act on Electronic Communications. The CTU examined whether the reasons of limitation of the number of rights for the utilization of radio frequencies in this frequency segment still persist. On the basis of [conclusions of examination](#) it is necessary to preserve limitation of the number of rights for the utilization of radio frequencies in question. After the consultation pursuant to § 130 of the Act on Electronic Communications, which will include results of examination and evaluation of allocation, is performed, the Office intends to invite the holder of existing allocation in this frequency band to submit request for the new allocation for the period of seven years from termination of validity of existing allocation, i.e. until February 7, 2018, with the proviso that the price of allocation will be determined in harmony with evaluation.

14. Postal services

On July 13, 2012 draft decrees were submitted in interdepartmental commentary proceedings implementing § 34b Para. 7 and § 32b Para. 2 of the Act no. 29/2000 Coll., on Postal services and on amendments of some other Acts (the Act on Postal services), as amended by the Act no. 221/2012 Coll. These decrees determine procedure of calculation of net costs necessary for the performance of commitment to provide basic services and also determine method of keeping of registration of revenues and incomes of operators of postal services and foreign postal services. The deadline for the submission of comments was set at August 3, 2012. 85 subjects were invited, including external commentary places. Concerning the Decree implementing § 34b Para. 7 the CTU received comments from 9 subjects. Concerning the Decree implementing § 32b Para. 2 the CTU received comments from 8 commentary places. The meeting held for the purposes of dealing with comments took place on August 27, 2012. Meeting with subjects, which raised principal comments where no consent was reached concerning settlement, will follow. Subsequently draft decrees will be submitted to the Legislative Council of the Government.

On July 31, 2012 also interdepartmental commentary proceedings commenced concerning draft legal regulations for implementation of § 3 Para. 3, § 18 Para. 1 and § 33 Para. 4 Letter e) of the Act on Postal services. These decrees relate to determination of specification of individual basic services and basic qualitative requirements for their provision, determination of template of the form of notification of business activities in the field of postal services and determination of contents, form and method of publication of information on results of provision of basic services and evaluation of fulfilment of quality parameters. The deadline for submission of comments to draft decrees expired on August 21, 2012. At the present time the meeting is prepared for the settlement of individual comments, the deadline for their discussion with commentary places was set at September 11, 2012.

Discussed in the CTU Council on September 12, 2012