

Monthly monitoring report no. 9/2012 of the Czech Telecommunication Office September 2012

Executive summary

On September 11, 2012 the CTU, in the presence of notary public and representatives of parties interested in the tender procedure (Auction) for free frequencies, opened the envelopes containing requests for the award of rights to radio frequencies ensuring public communication network in the bands of 800 MHz, 1,800 MHz and 2,600 MHz, acquired, in particular, by successful transition to digital television broadcasting. Within the stipulated deadline altogether four applicants submitted their requests, and namely, Telefónica Czech Republic, a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s. and PPF Mobile Services a.s. After evaluation of compliance with all stipulated conditions necessary for participation in the Auction, on October 5 all applicants were informed that they can take part in the Auction.

On September 14 the CTU published for consultation draft decisions on price. The first three drafts modify wholesale prices for connection in the market no. 7 – Termination of voice calls (termination) in individual public mobile telephone networks of companies Telefónica, T-Mobile and Vodafone. The fourth draft relates to the change of wholesale prices in public fixed network of the company Telefónica in the market no. 3 – Termination of voice calls (termination) in individual public mobile telephone networks provided in fixed location. All draft decisions concerning prices anticipate conspicuous reduction of the level of regulated prices. It is the intention of the CTU to promulgate decision including new prices before the end of this year (more information can be found in Chapter 2).

On September 12 the CTU started public consultation of [the draft Measure of general nature no. OOP/10/XX.2012-Y](#), which stipulates technical and organisational conditions for the implementation of portability of telephone numbers and the principles for charging of prices among entrepreneurs in connection with portability of telephone numbers. (more information can be found in Chapter 2).

On September 27 the Decision ref. no. CTU-157 150/2012-610/IV. vyř., became effective concerning the amendment of the Decision [ref.no. CTU-130 145/2011-610/VI. vyř.](#) on the change of imposition of duty to provide, within the framework of the universal service the partial service – services of public telephones or other similar technical facilities. (more information can be found in Chapter 4).

On September 5 the CTU's Council discussed and endorsed Final report on the process of transition of terrestrial analogue television broadcasting to the digital one (DVB-T). The Report was preceded by eight partial monitoring reports, which were prepared every six months since 2008. All partial reports including the final one are accompanied by exits from long-term nationwide research ordered by the CTU. They include, for example, the information on the transformation of behaviour of the population in relation to the television broadcasting precisely with respect to new technologies. (more information in [press release](#))

On September 19 the meeting of the CTU Council with representatives of the Association of operators of mobile networks (APMS) was held, on which representatives of the CTU informed about findings of the first part of inspection of general and contractual conditions. In this connection representatives of the CTU disclosed concrete requirements concerning amendments of contractual conditions in the fields regulating, in particular, the issues of sanction provisions (more information can be found in Chapter 8 - Consumer issues).

1. Current situation in the market

Services of fixed networks

Since September 1, 2012 the company **Telefónica** started, within the framework of tariffs VoIP O2 Trend and VoIP O2 Business, to offer services IP Pricestrex – Unlimited line abroad and IP Telephone access line – Unlimited line abroad. Basic monthly price of these services is CZK 336 and includes the price for utilisation of voice service, price for domestic calls in fixed networks in the Czech Republic during peak hours and off-peak hours and 1,000 free minutes to selected countries (neighbouring countries, most of European countries, Australia, USA, Canada).

The company Telefónica prolonged, until the end of September 2012, special offer O2 Internet Bundle. Customers, who, during September 2012, have newly, on the same access line, established the service of digital television O2 TV with the tariff O2 Flexi and took over the commitment to use this service for the period of 12 months and the service O2 Internet connection with the tariff Internet Optimal, may, within the framework of this offer, receive bonuses in the form of price advantage. For the period of 12 months, counted from the date of establishment of the service, they will pay for the use of the tariff O2 TV Flexi (including two compulsory packages) the price of CZK 200 per month and for the period of duration of this commitment they will pay for the rent of the set-top-box the price of CZK 49 per month. Within the framework of the tariff O2 TV Flexi subscriber can, during the privileged period, order only program packages Dokumenty, Sport, Děti, Styl, Hudba, Seriály a Filmy.

Until September 30, 2012 the company **Telefónica** offered its acquisition offer for Internet connection xDSL with the services Internet Optimal and the speed of up to 20 Mbit/s for CZK 500 and Internet Aktiv with the speed of up to 40 Mbit/s for CZK 600 for all its new customers with the commitment for 12 months. Establishment of this service is free of charge. Starting from the 13th month, customers will be charged standard price for relevant tariff (Internet Optimal for CZK 750/month and Internet Aktiv for CZK 850/month) for the utilisation of this service. For an additional charge some bonuses in the form of family calling can also be obtained to the tariff Internet Optimal for a surcharge of CZK 150 (unlimited calls among four mobile numbers in the O2 network included in the flat fee rate) or access to the service O2 IPTV, and/or obtaining tablet.

Starting from the middle of September 2012 the company Telefónica began to send to its subscribers settlement for services in unified form both for mobile and fixed services. The settlement is the same both in paper and electronic version.

The company **UPC** prolonged its special offer, within the framework of which new customers, who, before September 30, 2012, ordered the service UPC Telefon with the tariff Basic with 12- months' commitment, will pay monthly flat-rate at the amount of CZK 1 instead of standard price of CZK 222.

The company UPC further prolonged its special offer in the month of September earmarked for new customers, who, before September 30, 2012, ordered on-line service of digital cable television Klasik with program packages Sport, Relax or Darwin. Thus new customers will receive for the period of six months discount from monthly price for this service. They will be able to use this service during the period in question for the price of CZK 150/month instead of standard price of CZK 250/month. Within the framework of the service Klasik more than 30 Czech and Slovak programs can be used including 7 HD programs.

The company UPC prolonged its offer for new customers, who, before September 30, 2012, ordered the service of digital television Komfort, to receive price advantage for the period of six months. Customers, who ordered this service by means of on-line order and concluded the contract with the commitment for 12 months, could get this service for special price of CZK 350/month instead of standard price of CZK 550/month. Within the framework of service of digital television Komfort more than 80 programs including 14 HD programs can be employed.

Until September 30, 2012 the company **UPC** continued its acquisition offer of quick connection to the Internet in variants Fiber Power 30 Mbit/s for the price of CZK 399/month, Fiber Power 60 Mbit/s for the price of CZK 499/month and Fiber Power 120 Mbit/s for the price of CZK 599 /month for the period of six months. The above mentioned price tariffs do not include provision of modem. After expiry of this time standard monthly tariff of CZK 499 is applied for Fiber Power 30 Mbit/s, CZK 599 for Fiber Power 60 Mbit/s and CZK 799 for Fiber Power 120 Mbit/s.

Until September 30, 2012 the company **T-Mobile** offered, in the package 2v1 (calls and fixed Internet xDSL), the service Internet na doma (Internet at home) STANDARD (speed of up to 20 Mbit/s for data downloading and 2 Mbit/s for sending data) for CZK 399 monthly for the period of 2 years with any voice flat-rate. In the variant PREMIUM for more demanding customers (speed of up to 40 Mbit/s for data downloading and 2 Mbit/s for sending data) a customer will pay for fixed Internet with voice tariff exceeding CZK 600 the amount of CZK 499, with voice tariff of up to CZK 600 the price of CZK 599. A part of the package 2v1 is also the modem for CZK 1.

Services of mobile networks

From September 1, 2012 until October 31, 2012 the company **Telefónica** offers the option to buy privileged combination of tariffs O2 Mobile voice services with tariffs of additional service Internet in mobile+. This offer is earmarked for customers from among households and also for corporate customers, who have not concluded the framework contract on provision of privileged commercial terms with the company concerning employment of services. Customers, who take over two-years' commitment, will pay, during the period of its existence, privileged monthly price for the combination of services mentioned below. After the privileged period is over, or if the tariff of additional service Internet in mobile+ is cancelled, subscriber will pay standard price for the tariff O2 Mobile voice services and for the tariff of additional service Internet in mobile+.

The offer can be used also by existing customers, who will undertake to use ordered services for the period of 24 months.

Clever tariff		privileged price combination in CZK with VAT	Standard price combination in CZK with VAT
O2 NEON XL	Internet in mobile+ M	1 300	2 350
O2 NEON XXL	Internet in mobile+ M	2 250	4 250
O2 Podnikání XL	Internet in mobile+ M	1 560	2 150
O2 Podnikání XXL	Internet in mobile+ L	1 950	3 450

Each customer of the company Telefónica, who, within the period from September 1, 2012 to October 31, 2012, newly establishes O2 Mobile voice service with the tariff O2 Neon S in O2 shop and undertakes to use this tariff for the period of two years, and simultaneously fills in the form allowing employment of subscriber's e-mail for marketing communication, will receive 30 % discount from monthly flat-rate of selected tariff for the time of 2 years.

From September 1, 2012 until December 31, 2012 the company **Telefónica** has launched the campaign entitled „O2 Internet in mobile Start/Internet in mobile+ S for 100 and O2 Internet in mobile/Internet in mobile+ M for 200 to the tariff O2 [:kùl:]/O2 Pohoda“. The offer is earmarked for non-corporate customers at the age from 6 to 26 years of age, who, within the period in question and in the brand shop or by means of O2 eShop, will newly establish the tariff O2 [:kùl:] or O2 Pohoda or who will prolongate the commitment for utilisation of O2 Mobile voice services with the tariff O2 [:kùl:] or O2 Pohoda by 24 months and simultaneously will employ the tariff O2 Internet in mobile Start, Internet in mobile+ S, O2 Internet in mobile or Internet in mobile+ M. Each subscriber meeting these conditions will, for the period of 24 months from the day of utilisation of this offer, pay for monthly flat-rate of the tariff O2 Internet in mobile Start or Internet in mobile+ S the price of CZK 100 (instead of standard prices CZK 150/month, and/or CZK 200/month) and for the O2 Internet in mobile or the Internet in mobile+ M the price of CZK 200 (instead of standard prices CZK 300/month, and/or CZK 350/month). After the privileged period is over the subscriber will pay for the service in question the standard price.

Within the period from September 1, 2012 to December 31, 2012, the company Telefónica also offers the campaign entitled „Mobile Internet Start with the tariff O2 [:kùl:]/O2 Pohoda or Chytrý [:kùl:]/ Chytrá Pohoda“. Non-corporate customers at the age from 6 to 26 years of age, who use mobile voice services with the tariff O2 [:kùl:]/Chytrý [:kùl:] or O2 Pohoda/Chytrá Pohoda, and, who will newly establish, within the period mentioned, in other data SIM service, O2 Mobile Internet connection with the tariff O2 Mobile Internet Start in the variant UMTS, will receive the bonus in the form of discount from monthly flat-rate. For the tariff O2 Mobile Internet Start the subscriber will pay, for the period of 24 months, the monthly flat-rate at the amount of CZK 200, and then the standard price of CZK 300/month.

Each subscriber, who newly establishes the service O2 Mobile Internet connection with the tariff O2 Mobile Internet Standard or who increases the tariff from the tariff O2 Mobile Internet Start to O2 Mobile Internet Standard, will, for the period of three months from the day of establishment of the tariff, pay the monthly flat-rate of CZK 300 if he/she uses the service independently (instead of standard price of CZK 500/month) or CZK 200 if he/she uses the service together with the service xDSL or digital television O2 TV (instead of standard price of CZK 300/month). After three months are over, the subscribers will pay the standard price. This campaign starts on September 1, 2012.

Each subscriber, who newly establishes the additional service Internet in mobile with the tariff Internet in mobile+ L or who will increase the tariff from the tariff Internet in mobile+ M to Internet in mobile+ L, will pay, for the period of three months from the day of establishment of the tariff, the monthly flat-rate of CZK 300 (instead of standard price of CZK 550 Kč/month). Each subscriber, who newly establishes the service O2 Mobile Internet connection with the tariff O2 Mobile Internet Pro or who will increase the tariff from the tariff O2 Mobile Internet Standard or O2 Mobile Internet Start to O2 Mobile Internet Pro, will pay, for the period of three months from the day of establishment of the tariff, the monthly flat-rate of CZK 500 if he/she uses the service independently (instead of standard price of CZK 750 /month), or CZK 300 with the VAT if he/she uses the service together with the service xDSL or digital television O2TV (instead of standard price of CZK 550/month). Each subscriber, who newly establishes the service Internet in mobile with the tariff Internet in mobile+ XL, or who will increase the tariff from the tariff Internet in mobile+ L to the Internet in mobile+ XL, will pay, for the period of three months from the day of establishment of the tariff, the monthly flat-rate of CZK 500 (instead of standard price of CZK 800/month). After three months are over, the subscribers will pay the standard price.

The company **T-Mobile** offers to its new and existing customers 30% discount from the amount of monthly flat-rate with the tariffs Grand in the network, Grand to all networks and tariffs S námi (with us). The offer is earmarked for new customers, who, within the period from September 1, 2012 to October 31, 2012, will conclude subscriber contract for a definite

period of time (24/36 months) to the above mentioned tariffs, and, simultaneously, for existing customers, who, within the same period, will come over to some of the above mentioned tariffs from the pre-paid service Twist, or who will prolongate existing subscriber contracts to the tariffs Grand or the tariffs S námi.

If a customer of the pre-paid service Twist of the company T-Mobile recharges its Twist credit by means of payment service (recharging channel Mobito) within the period from September 19, 2012 to November 19, 2012, he/she will automatically receive the extra credit at the amount of 50 % of the amount recharged (bonus credit). This offer can be employed repeatedly up to the amount of the maximum level of bonus credit, which is altogether CZK 25,000 to one subscriber number.

2. Regulatory measures

Analyses of markets

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

On September 14, 2012 the CTU released for public consultation draft decisions on price for three mobile operators ([Telefónica](#), [T-Mobile](#) and [Vodafone](#)), in which it proposed to reduce maximum prices for termination of calls in mobile networks from current price of CZK 0,55/min to CZK 0,27/min from January 1, 2013. More information concerning draft decisions – see [Monthly monitoring report for August 2012](#).

Market no. 3 – termination of calls (termination) in individual public telephone networks provided in fixed location

The CTU also released for public consultation draft decision concerning the change of maximum prices for termination of calls in fixed network of the company [Telefónica](#). The draft decision on price assumes decrease of prices for the service of termination of calls in public telephone network of the company Telefónica provided in fixed location in local exchange from 30 hellers to 7 hellers during peak hours of operation and from 15 hellers to 4 hellers during off-peak hours of operation. In the first transit exchange the CTU has proposed the reduction of prices from 34 hellers to 8 hellers during peak hours of operation and from 17 hellers to 4 hellers during off-peak hours of operation. CTU expects that after the decision is promulgated, the principle of symmetric prices will continue to be applied in harmony with conclusions of the analysis of relevant market no. 3 ([A/3/10.2009-13](#)) and in harmony with [Recommendation of the Commission from May 7, 2009 on the Regulation of rates for termination of calls in fixed and mobile networks in the EU](#) (2009/396/EC), so that new prices will be applied also for the termination of calls in networks of alternative operators.

For determination of maximum prices for termination the CTU employed new models of long-term incremental costs of „pure“ BU-LRIC in harmony with the Recommendation. Comments to draft decisions can be submitted within 1 month of the day of the beginning of public consultation.

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

On September 12, 2012 the CTU started public consultation of [the Draft Measure of general nature no. OOP/10/XX.2012-Y](#), which stipulates technical and organizational

conditions for the implementation of portability of telephone numbers and principles for charging prices among entrepreneurs in connection with portability of telephone numbers.¹

The most important amendment of the Measure beside existing situation consists in curtailment of the deadline for portation of telephone number to 4 business days. This deadline starts to run on the business day following delivery of the application of subscriber for the change of provider of service to the receiving provider of the service. Another important change is that subscriber can ask for a change of provider of service until the end of duration of existing contractual relation, therefore during potential notice period. The CTU prepared the draft measure emphasizing protection of subscribers employing publicly available service of electronic communications.

Comments concerning the consulted draft measure of general nature can be applied within 1 month of the day of publication.

¹ The preparation of the draft by the CTU was based on the Amendment of the Act on Electronic Communications no. 468/2011 Coll., through which the transposition of reviewed wording of the European regulatory framework for networks and services of electronic communications was implemented in the Czech legal order. More specifically, it is the Directive of the European Parliament and the Council 2009/136/EC on the Universal service and rights of users concerning networks and services of electronic communications, Directive 2002/58/ES on Elaboration of personal data and protection of privacy in the branch of electronic communications and Regulation (EC) no. 2006/2004 on Collaboration among domestic bodies competent for enforcement of observance of laws protecting interests of consumer, and also the Directive of the European Parliament and the Council 2009/140/EC, amending related Regulation accepted earlier. The draft measure also implements relevant new terminology employed in the European directives.

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

Proceedings commenced in September 2012

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

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

File number	Plaintiff	Defendant	Case
CTU-49 928/2011-606	EBD s.r.o.	Czech Digital Group, a.s.	Dispute concerning regionalization of broadcasting network 3 and conclusion of contract for distribution of program TV7 in regionalized broadcasting network. The proposal of plaintiff was rejected by the decision in re.
CTU-3 258/2012-606 CTU-155 867/2012-603	RTA VÝCHODNÍ ČECHY, s.r.o.	České Radiokomunikace, a.s.	The dispute concerning conclusion of contract pursuant to § 72a et all. of the Act on Electronic Communications and the draft preliminary measure pursuant to § 61 of the Administrative Order. In the remonstrance proceedings the administrative body of the 2 nd degree confirmed the decision of the administrative body of the 1 st degree.

4. Universal service (US)

Provision of services within the framework of the US

On September 16, the CTU terminated public consultation according to [the Call](#) for application of comments concerning draft decision on the change of imposition of obligation to provide, within the framework of the universal service, the partial service – services of public telephones or other similar technical facilities permitting access to publicly available telephone service pursuant to § 38 Para. 2 Letter e) of the Act on Electronic Communications, published on the Internet pages of the CTU for the application of comments. After the settlement of one comment raised by the Union of towns and municipalities of the Czech Republic, which was not accepted by the CTU, the CTU Council approved the final text of the decision.

On September 27 the Decision ref.no. CTU-157 150/2012-610/IV.vyř. became effective. Integral part of this decision is also the 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 respected the criteria specified in the Decision ref.no. CTU-130 145/2011-610/VI. vyř.

Financing of the US

The CTU has finished the last administrative proceedings concerning determination of contributions at the account of the universal service pursuant to the Act no. 151/2000 Coll. on Telecommunications involving the year 2006. After the decision stipulating the obligation of individual companies to pay contributions at the account of the universal service became effective, the CTU sent a call to payers demanding settlement of the payment within 14 days of the delivery of the call. Integral part of the call are also arrears of contributions for preceding years. After it receives payments at the account of the universal service the CTU will transfer the funds to the provider of the universal service - the company Telefónica. On behalf of companies which became extinct and were deleted from the Business register the contributions are reimbursed by the CTU from the funds of the State budget.

The CTU continues in verifying request of the company Telefónica asking for reimbursement of net costs for provision of partial services of the universal service for the year 2011 and it also checks the amount of submitted loss incurred from provision of special prices of publicly available telephone service to handicapped persons. The subject of verification is also the loss incurred from provision of special prices to handicapped persons for the year 2011 submitted by the company Vodafone. After final decisions are promulgated, verified net costs and losses will be reimbursed by the State budget by means of the CTU.

5. Inspection activities

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

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

- **The inspection of observation of conditions for promulgation of free of charge individual authorization** for utilization of radio frequencies of operators of airplane stations for the purposes of recreational and sporting flying - altogether 35 planned controls were performed and one deficiency was discovered resting in the fact that the owner of the aircraft rented it and did not use it for the purpose given. The CTU again prescribed the fee which the entrepreneur did not have to pay earlier on the basis of his affidavit.
- **The inspection of utilization of numbers and observance of conditions of the decision concerning the authorization for utilization of numbers.** Within the framework of continuous co-operation with the ČOI and on the basis of its request, the CTU employed its testing workplace for further investigation of numbers with marked price in providing financial services to consumers. Results of investigation were passed over to the ČOI for further proceedings.
- **Inspection of observance of conditions of general authorizations** for the utilization of radio frequencies and operation of instruments :
 - a) **Inspection of frequency band of 5 GHz** from the viewpoint of observance of conditions for the utilization of frequencies pursuant to general authorization no. VO-R/12/09.2010-12 for the utilization of radio frequencies and operation of equipment for broadband transmission of data in the bands from 2.4 GHz to 66 GHz. The CTU performed 50 inspections during which altogether 37 deficiencies were discovered resting in utilization of indoor frequencies outside the building. The CTU promulgated calls demanding elimination of deficiencies discovered addressed to operators concerned,

b) inspection of observance of conditions of general authorization no. VO-R/2/01.2010-1 for the operation of BMIS. The CTU performed 16 inspections and did not discover any defects.

- 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 CTU and the ČOI discovered the sale of wireless doorbells working in the band of 233 - 319 MHz, reserved for the Ministry of Defense of the Czech Republic. Further the sale of wireless headphones working in the band of 85 MHz was discovered. These radio facilities cannot be operated in the Czech Republic without individual authorization for the utilization of radio frequencies. Deficiencies discovered are resolved by the Czech Trade Inspection within the framework of its competencies

Přehled kontrolní činnosti při výkonu státní kontroly elektronických komunikací za měsíc září 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)	13								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	35								
3. Výkon komunikační činnosti bez osvědčení	0			2	3			3	21000
4. Dodržování podmínek všeobecných oprávnění	67		33	5	3			3	18500
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		1	0	0	0			0	0
b) k poskytování služeb elektronických komunikací		1	0	2	1			1	12000
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		65	33	3	2			2	6500
5. Kontrola rádiových kmitočtů	206		16	2	13			11	175000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		7		2	10			8	100000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		94	3	0	3			3	75000
c) Zjišťování zdrojů rušení provozu elektronických komunikačních zařízení a sítí, poskytování služeb elektronických komunikací nebo provozování radiokomunikačních služeb	105	0	13	0	0			0	0
6. Kontrola čísel pro účely správy čísel (počet kontrolních volání)	38		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			27544	5313	265	3599		
a) o námitce proti vyřízení reklamace na poskytnutou službu		0		3	6	1	3		
b) o námitce proti vyřízení reklamace vyúčtování cen za služby		0		20	27	13	4		
ba) přístupu ke službám s vyjádřenou cenou (datové i hlasové)		0		0	2	2	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		27516	5275	249	3690		
d) ostatní		0		5	5	2	2		
8. Neposkytnutí informací podle § 115 ZEK				0	0			0	0
9. Ostatní	24		10	28	37			35	211000
CELKEM	335		59	27581	5369	265	3599	52	425500

*) 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 activities při výkonu státní kontroly electronic communications za měsíc září 2012

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

Druh activities = 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.

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

Within the framework of the CTU's activity in the field of review of decisions promulgated in the 1st degree of administrative proceedings, the result of one of remonstrance proceedings performed is the final decision, by which the CTU imposed the penalty at the amount of CZK 190,000 for administrative offence pursuant to § 118 Para. 1 Letter a) of the Act on Electronic communications, in the wording effective until June 6, 2010, perpetrated by juristic person (business company) by doing business in the field of electronic communications contrary to § 8 of the same Act, because it performed communication activities, which are the subject of business in electronic communications, without notification of business meeting requirements of § 13 of the same Act.

Experimental verification of the impact of operation of the LTE networks in the band of 800 MHz on the reception of digital television

On September 18, 2012 the CTU announced that the deadline of experimental verification of the impact of operation of the LTE networks in the band of 800 MHz on the reception of digital television, which originally should have been performed from September 17, 2012 to January 31, 2013, will be postponed (more information in [press release](#)).

6. Other regulators, inspection authorities, courts

Digital Česko 2.0 – Ministry of Industry and Trade

In the interdepartmental commentary proceedings the Ministry of Industry and Trade submitted the document [„Digital Česko v. 2.0, Road to k digital economy“](#), which updates original policy of the State in the field of electronic communications endorsed by the Government on January 19, 2011. Among the principal targets of the Government to be completed before the year 2020, stipulated by Digital Česko v. 2.0, belong strengthening of digital economy with the help of different regulatory approach with emphasis on self-regulatory mechanisms, support of development of high-speed access networks to the Internet, effective utilisation of radio spectrum for the benefit of end users, increase of availability of information and communication technologies, support of lifelong education in order to strengthen digital literacy, free access to the Internet, access of citizens by means of the Internet to information generated by public sector, support of legal offer of audiovisual services and the guarantee that inhabitants can freely receive programs of media of public service by means of terrestrial broadcasting. Principal targets of Digital Česko v. 2.0 will be implemented with the help of twenty measures. Individual departments can submit their comments to the document „Digital Česko v. 2.0, Road to digital economy“ until October 10, 2012. After comments are settled, the document will be submitted to the meeting of the Government.

Register of passive infrastructure – The Ministry of Industry and Trade

The Ministry of Industry and Trade opened public [consultation](#) dedicated to the extent and responsibility of the Register of passive infrastructure. Comments and proposals can be sent until October 15, 2012. It is the draft solution of the issues of the Register of passive infrastructure (RPI), one of pillars supporting development of high-speed access to the Internet enshrined in the State policy of electronic communications – Digital Česko. The goal of this public consultation is to define operational demands on the RPI and the data available to individual subjects in the RPI.

Regulation in the market no. 5 in Poland

The European Commission accepted recommendation for Polish regulator UKE, concerning its draft analysis of the market for wholesale access (WBA) in the third round (market 5/2007), recommending it to either impose the obligation of cost orientation for WBA with the help of optical fibre (to already imposed obligation for copper lines) or to ensure replicability by imposing the obligation of transparency of the WBA for optical fibre (including publication of KPI), by tightening the obligation of non-discrimination for optical fibre and imposing the obligation of separated records of income and expenses for WBA for optical fibre. Although this recommendation is not compulsory for the UKE, Polish regulator decided to withdraw its proposal.

Regulation in the market no. 7 in France

The Commission agrees with reviewed asymmetric price for termination in mobile networks (MTR) for new participants in the market. The European Commission agreed with the new proposal of French regulator ARCEP to shorten the period for which new operators entering the mobile market – Free Mobile, LycaMobile and Oméa Télécom can charge higher regulated MTR than three established operators of mobile networks. Symmetric price on the basis of pure LRIC will also cover any full MVNO, which will enter the market after July 2013.

In May 2012 the Commission expressed its opinion that the ARCEP insufficiently justified its proposal allowing new entrants on the mobile market higher asymmetric MTR and began the second phase of procedure pursuant to Article 7a of the Framework Directive. ARCEP informed that higher MTR reflects increased costs incurred by new providers by purchase of wholesale access from established operator.

Broadband strategy in France

The Minister for small and medium-sized enterprises, innovations and digital economy Fleur Pellerin informed that full coverage of French population by ultra high-speed access should be reached already in 2022 and not in 2025 as originally planned. France wants to reach this target by combined use of several technologies – besides FTTH also VDSL2 networks and 4G mobile network will be employed, for example. For the time being VDSL2 is not used in France, they count with it in 2013.

7. Associations

Within the framework of self-regulation and on the basis of initiative of the CTU, the Association of operators of mobile networks (APMS), associating three biggest domestic operators, and the Association for information technologies and telecommunications (ICTU), informed that they will introduce the obligation to indicate the price of calls to selected paid lines informing caller about the price of a given call. APMS stated that, in view of the fact that protection of consumers is for it one of priorities, they succeeded in acceleration of introduction of obligatory voice messages so that consumers will hear them when they call audiotext lines already from October 1, 2012.

8. Consumer issues

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

During the month of September the CTU commenced 27,544 administrative proceedings concerning subscriber disputes between a person performing communication activities, on the one hand, and a participant, on the other hand, dealing with financial performance and proposals for commencement of procedure concerning objections against the settlement of complaint against price settlement or provision of publicly available service of electronic communications, which the CTU decides pursuant to § 129 of the Act on Electronic Communications. 5,313 decisions in re were promulgated, of which 5,275 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

In the month of September the CTU registered significant decrease of complaints concerning the introduction of the service fee with the services of satellite television Skylink and CS link by their provider, the company M77 Group S.A. In this matter administrative proceedings continue in procedural acts pursuant to relevant provisions of the Administrative Order commenced by the CTU in months of July and August for suspicion of perpetration of administrative offences according to the Act no. 634/1992 Coll. on the Protection of Consumer and the Act no. 127/2005 Coll. on Electronic Communications.²

² Administrative offence of deceitful commercial practice within the meaning of § 24 Para. 1 of the Act on the Protection of Consumer... (continuation on the next page)

By its decision from September 7, 2012 the CTU imposed on the company UPC Česká republika s.r.o. the fine at the amount of CZK 1,000,000 for the perpetration of administrative offence within the meaning of § 118 Para. 14 Letter u) of the Act on Electronic Communications, perpetrated by this company because it, in connection with the change of its contractual terms resting in charging the rent of end facilities (modems, set-top boxes), did not inform subscribers about their right to terminate the contract without any sanction pursuant to provisions of § 63 Para. 6 of the Act on Electronic Communications.

Following the letter of the Chairman of the CTU's Council from April 23, 2012, in which, on the basis of evaluation of most frequent complaints of subscribers, 10 fields in contractual conditions of mobile operators were defined, which he considers most problematic and invited the operators to rectify them, the CTU currently prepares detailed analysis of contractual conditions of mobile operators. The first exit from this analysis, which was focused on provisions of contractual conditions concerning contractual fines and other sanctions, was already approved by the CTU's Council. On September 19 it was also discussed by the CTU with the Association of operators of mobile networks. The existing results of the analysis lead to general conclusions that contractual conditions of operators are considerably vast, confusing, containing plenty of vague references, what makes them ultimately unintelligible and hard to understand. It is the target of the CTU to redress deficiencies in question. In this connection the CTU informed the APMS, that if, within the framework of self-regulation, the conditions are not modified, it will use all legal means to reach desirable adjustments of contractual conditions.

In the month of September the CTU, besides the above mentioned issues, received another complaints and queries in the field of services of electronic communications which, by their quantity and contents, did not surpass long-term framework. Most often they related to disagreement with settlement of services, the process of conclusion of subscriber contracts, and/or suspicion of deceitful commercial practices.

9. Legislative changes

During the month of September 2012 no legal regulations were published in the Collection of Laws having principal impact on the fields of electronic communications and postal services.

10. European Union

On September 3, 2012 the European Commission published [the Communication of the Commission to the European Parliament, Council, European Economic and Social Committee and the Committee of Regions – Support of shared employment of sources of radio spectrum on the internal market](#). It is estimated that the global volume of mobile data transmissions will increase annually by 26% until the year 2015. The European Commission introduced the Plan for solution of increase of data operation in mobile and wireless networks, in which it presupposes that it will enable wireless technologies, including broadband ones, to share radio spectrum. Coordinated policy of the EU States concerning share of radio spectrum will ensure greater capacity of mobile networks, cheaper broadband

Administrative offence of deceitful commercial practice within the meaning of § 118 Para. 1 Letter c) of the Act on Electronic Communications, perpetrated by entrepreneur by doing business in the field of electronic communications without proper notification.

Administrative offence resting in the fact that the company M77 Group S.A. did not inform its customers about the change of general conditions of utilization of services in harmony with § 63 Para. 6 of the Act on Electronic Communications.

connection and will create new markets, as, for instance, negotiable rights to certain allocated spectrum. Within the framework of [New European program of radio spectrum policy](#) the Commission :

- encourage regulators to monitor, and/or expand the so-called unlicensed zones on harmonized internal market and support innovation of wireless technologies with the help of suitable measures in harmony with [the Decision on radio spectrum 676/2002/EC](#);
- requests consistent regulatory measures across the EU supporting shared user rights of available spectrum which will guarantee incentives and legal security for all existing and new users.

In order to have a lot of advantages brought about by methods of sharing the spectrum, regulatory barriers must be removed and incentives provided at the EU level. In particular, it is necessary that new regulatory measures guarantee different users, including existing holders of licences, rights to use jointly certain bands and corresponding protection against undesirable interferences. The existing control of the spectrum ensuing from the program of radio spectrum policy will bring about relevant information about utilization of frequency bands and will help to determine possibilities of suitable sharing of both license and unlicensed spectrum within the framework of united market. As soon as these possibilities are determined, they may be included as standard methods of utilisation for another geographic fields or frequency bands in the survey which will be prepared on the basis of inventorying.

On September 6, 2012 the activities of the Agency for European GNSS (Global Navigation Satellite System) in the Czech Republic was officially inaugurated. The GSA Office (European GNSS Agency) was established as the Agency of European Communities on July 12, 2004 [by the Regulation of the Council 1321/2004 on the Establishment of managing structures for European satellite navigation programs](#). The Decision concerning placement of the Agency in Prague was approved by the Council for competitiveness in December 2010. Navigation system Galileo should be equivalent of American system Navstar GPS and Russian system GLONASS. Member States recognized importance of navigation systems in the current society and agreed that Europe must be independent of other providers of these services. Signal should be available faster, should be more accurate and able to locate position of users with the accuracy of one meter. Galileo will transmit five kinds of signals :

- public one, available free of charge (to be used particularly as navigation by drivers),
- coded, for commercial purposes (for example for land surveying by surveyors or toll systems),
- certified signal for aerial navigation,
- encrypted, for specific users (for example for State authorities) and
- signal for search and rescue operations.

Its construction is ensured by the European Union represented by the European Commission and the European Space Agency. Originally, GNSS Galileo should have been in operation since 2010, according to new plans the year 2014 is considered as the proximate year of launching.

On September 27, 2012 the European Commission introduced new measures for unlocking of potential of Cloud computing in Europe. Before the year 2020 this measure should guarantee net increment of working places and annual increase of GNP in the EU by 160 billions of EUR (appr. 1 %). To its principal measures belong :

- solution of confusing situation in the field of technical standards in order to provide users of cloud computing interoperability, portability and reversibility; necessary standards should be determined before the end of 2013;

- support for the systems of certification of trusted providers of cloud computing valid for the whole EU;
- elaboration of model safe and just contractual conditions for contracts in the field of cloud computing and
- European partnership for cloud computing with Member States and the industry the purpose of which is to employ purchase power of public sector (20 % of all expenditures for IT) in order to create European market with products and services of cloud computing.

These new measures follow on [Draft update of rules for the protection of data](#), which was published by the European Commission in January 2012. These measures are the part of wider effort to create dynamic and trusted environment in Europe. Many users are discouraged from acceptance of cloud computing by non-existence of common standards and clear contracts ensuring safety of their own data or data of their customers or interoperability of applications.

On September 26 and 27, 2012 the meeting of the General Assembly of the IRG (IRG General Assembly) and the Association of European Regulatory Bodies in the field of electronic communications (BEREC) was held in Limasol. Among the issues most frequently discussed belonged draft reports comparing mobile broadband prices and termination prices as per July 2012, current situation of the Working plan 2012 of the BEREC. Intense discussion took place over the draft Working plan BEREC 2013, in which three main strategic priorities were determined in harmony with the Digital agenda of the European Commission. They are focused at the infrastructure (support of deployment of NGN), customer (rights and protection) and service (support of united market). It is a multiannual plan into which some tasks pass over from 2012 and where some tasks will be finished as late as in 2014. Standpoint of BEREC concerning the proposal of „EU Guidelines“ was consulted, the document of the European Commission, in which differences in imposition of corrective measures after market analyses are clarified together with related price principles and the role proper of national regulatory bodies. The report was submitted concerning methods used for price regulation and for keeping separate records of costs and revenues according to individual markets. This report has been prepared annually since 2005. Also the budget of the IRG for the year 2013 was discussed.

11. ITU and other international organisations

From September 17 – 21, 2012 the 41st Meeting of project team CEPT ECC PT1 was held in Kristiansand, Norway, focused on the issues of the IMT, and introductory meeting of the team CPG PTD responsible for the preparation of points 1.1 and 1.2 of the agenda WRC-15, which are closely related to the issues of IMT. The host of the meeting was Norwegian telecommunication regulator NPT and representatives of national administrations, operators of telecommunication networks and industry participated on it. The team PT1 prepared definitive version of the Decision ECC (06)01 concerning liberalization of utilisation of paired sections in the band of 2 GHz by networks MFCN (Mobile-fixed networks) for approval of the ECC Committee. Because this task was elaborated on the basis of the EC mandate, the Radio spectrum committee (RSC) will be informed about the finalization of the document. Subsequent promulgation of the EC decision concerning paired sections 2 GHz can thus be expected in 2013. Ongoing information about preparation of the CEPT Report concerning bands of 3.4–3.6 GHz, elaborated also on the basis of the EC mandate will be handed over to the Commission after its approval by the ECC Committee. The team also reviewed existing practical experience with implementation of LRTC conditions, i.e. the least restrictive technical conditions applied in liberalized bands (the so-called technological neutrality).

CPG PTD discussed the documents concerning the issues of requirements for the IMT spectrum, suitable frequency bands, specification of lower limit of the band of the so-called digital dividend II (DDII) and prepared basic elements of the CEPT brief. Proposals concerning channel arrangement in the DDII bands respect global harmonization (viewpoint of interoperability), neighbouring utilisation (for example, expansion of utilization of the band DDI or protection of radionavigation service), asymmetric operation and related convergence of services (downlink bands may cling to the bands used by radio service from below), technical-economic aspects (smaller duplex gap leads to higher utilisation of the band, however, assuming higher demands on filtration) and others. Specification will bring results of studies of mutual coexistence of services prepared at the level of another teams (particularly ITU R WP5D, ITU-R WP6A and ITU-R JTG 4-5-6-7).

12. Digitalisation of RTV

Following the approval of the update of the part of the plan of utilisation of radio spectrum no. PV-P/10/08.2012-11 for frequency band of 470–960 MHz the CTU promulgated individual authorization for utilisation of radio frequencies supporting regional broadcasting network in the territory of the capital of Prague. Radio channel 46 will be used for broadcasting and transmitters are situated on the stands Praha – Ládví, Praha – Zelený pruh and Praha – Strahov.

During September 2012 broadcasting of DVB-T transmitter Brno – Barvičova on final radio channel 46 started in the broadcasting network 4. Existing utilization of radio channel 64 will be closed after expiry of time necessary for retuning of public reception facilities. In the broadcasting network 4 transmitters Benešov – Kozmice 44 was put into operation, what significantly extends possibility of receiving digital signal of this broadcasting network in Central Bohemia region.

13. Radio spectrum management

Public consultation of the draft conditions of prepared Auction of frequencies

On September 11 opening of the envelopes, containing requests for the award of rights to radio frequencies, ensuring public communication network in the bands of 800 MHz, 1,800 MHz and 2,600 MHz, was held in the CTU in the presence of notary public and representatives of applicants. On September 17 the CTU published [The List of applicants](#), the requests of which satisfy requirements of the Chapter 6.7 "Promulgation of tender proceedings". These applicants are (in the order of receipt of requests) : Telefónica Czech Republic, a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s. and PPF Mobile Services a.s. Subsequently, the CTU performed the evaluation of these requests if they comply with stipulated conditions necessary for participation in the Auction according to the Chapter 6.1. The Office stated compliance with conditions of all applicants and therefore handed over to them the confirmation concerning the entry into the Auction (Auction part of tender proceedings). Simultaneously it published the List of all applicants advancing to Auction phase.

Change of conditions for utilization of radio frequencies

On September 12 the CTU published [The Call for application of comments](#) concerning the draft measure of general nature, by which General authorization no. [VO-R/14/XX.2012-Y](#) for utilization of radio frequencies and operation of radio frequencies in the band of 10 GHz is promulgated. The reason for the promulgation of this General

authorization, which will replace existing General authorization no. [VO-R/ 14/06.2012-8](#), is supplement of the provision that station must be adjusted to fixed frequency and the function of automatic search of free channel must not be used. In the band of 10 GHz big number of stations is already in operation, which are not equipped with the function of automatic search of free channel; during automatic search of free channel, working with the help of facilities equipped with such function, utilization of radio frequencies by existing stations may be jammed. Amendment of conditions allowing polarization of antenna is also proposed.

On September 26 the CTU published [The Call for application of comments](#) concerning draft measure of general nature, by which the General authorization no. [VO-R/1/XX.2012-Y](#) for the operation of user terminals of radio networks of electronic communications is promulgated. The reason for the promulgation of this General authorization, which will replace 10 existing General authorizations stipulating conditions for operation of terminals in networks where radio frequencies were allocated to their operators by individual authorization (or which are, in case of satellite networks authorized by operators of these networks and run by satellite system), is the need to allow operation of terminals in prepared networks in the band of 800 MHz and in existing bands (900/1 800/2,000 MHz) and to allow operation of terminals in networks according to new technologies, on the one hand, and to increase clarity of promulgated general authorizations and to update principles for operation of terminals in harmony with principles of technological neutrality, determined by the Act, on the other hand.

14. Postal services

During the month of September two decisions became effective concerning imposition of fine on the Česká pošta, against which the Česká pošta filed remonstrance. The first fine was imposed for delayed delivery of document of postal order of type C. The second fine concerned registered consignment to be delivered into own hands of addressee which the Česká pošta put in the mailbox of addressee without confirmation of receipt of the same.

In the middle of September employees of the CTU took part in two days' International conference in Pardubice focused on the issues of postal services and e-communications [IPoCC 2012](#) (International Postal and e-Communications Conference), which is held in two years' cycle by Transportation faculty of Jan Perner and is alternation of International conference POSTPOINT, organized by Žilina University. The theme of the conference were „Opportunities of development of postal services and electronic communications“, the purpose of which is to acquaint scientific and professional public with new trends of scientific knowledge in the field of postal services and electronic communications and possibilities of their application in practical life. During the conference representative of the CTU presented his contributions entitled „The Role of the CTU as the regulator within the framework of fully liberalized market of postal services in the Czech Republic“ and „Operation of fully liberalized market of electronic communications in the Czech Republic respecting the possibility of utilisation of experience from regulatory practise in the field of postal services“. The main theme discussed was opening of postal market by January 1, 2013.

Discussed in the CTU Council on October 10, 2012