

Monthly monitoring report no. 10/2012 of the Czech Telecommunication Office October 2012

Executive summary

On October 5 the CTU announced that all companies, which submitted their bids in the tender procedure concerning utilization of radio frequencies for the support of public communication network in the bands of 800 MHz, 1,800 MHz and 2,600 MHz, complied both with formal and other terms necessary for participation in the Auction (more information can be found in Chapter 13). The Auction itself started on Monday, November 12, 2012.

On October 8 the CTU opened public consultation concerning the Draft Measure of General Nature no. OOP/4/XX.2012-Y on the Change of Methodology of the purpose-built structuring of costs and revenues¹. The CTU promulgates the Change of the Measure of General Nature following the implementation of the Recommendation of the Commission on prices of termination² and application of new LRIC models for prices of termination of calls in fixed and mobile networks (more information can be found in Chapter 2).

On October the European Commission launched the Public consultation concerning the update of existing list of relevant wholesale and retail telecommunication markets. On the basis of results of the consultation the Commission will adopt revised Recommendation on relevant markets (more information can be found in Chapter 10).

On November 2, 2012 the CTU published, in the Volume 18/2012 of the Telecommunication Journal, the Measure of General Nature no. OOP/10/10.2012-12³, which stipulates conditions for implementation of portability of telephone numbers (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 Third Quarter of 2012 (more information can be found in Chapter 1).

In the last period the CTU registers increase of the number of complaints against the company DIMOCO Czech, s.r.o. concerning provision of services by means of Premium SMS and Premium MMS (PR SMS/MMS). It is clear from the above complaints that unsolicited SMS messages were sent by means of services of MT PR SMS/MMS, most often from the number 909 66 099 (more information can be found in Chapter 8).

1. Current situation in the market

Telefónica

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- 1 This Measure amends the Measure of General Nature no. OOP/4/03.2006-3, which stipulates the methodology of purpose-built structuring of costs and revenues and their allocation and determines the structure of reported information, as amended by later Measures of General Nature no. OOP/4/02.2008-1 and no. OOP/4/12.2011-19.
 - 2 The Recommendation of the Commission and the European Communities concerning the regulation of rates for termination of calls in fixed and mobile networks in the European Union (2009/396/EC).
 - 3 The Measure of General Nature no. OOP/10/10.2012-12, which stipulates technical and organisational conditions for implementation of portability of telephone numbers and the principles for price charging among entrepreneurs in connection with portability of telephone numbers.

During the whole month of October the company Telefónica offered the acquisition bid to its Internet services, and namely, Internet Optimal and Internet Aktiv. New customers (households and companies), who concluded the contract for the period of twelve months, will pay for the service Internet Optimal CZK 500 for a month (instead of standard price of CZK 750) and CZK 600 monthly for the service Internet Aktiv (instead of standard price of CZK 850). Starting from the thirteenth month the customers will pay standard price. Company provides the service Internet Aktiv depending on technology employed, either with the speed of up to 30–40 Mbit/s (for the VDSL technology) or with the speed of up to 12–16 Mbit/s (for the ADSL technology). Similarly, it provides the service Internet Optimal with the speed of up to 10–20 Mbit/s (VDSL) or up to 3,5–8 Mbit/s (ADSL). During the whole month of October the company Telefónica provided acquisition offer to both mentioned Internet services also for existing customers. Customers, who concluded the contract for the period of twelve months and increased their Internet tariffs to the tariff Internet Optimal, will pay for the period of twelve months CZK 600 monthly (instead of standard price of CZK 750). Similar conditions are used also for the service Internet Aktiv, where customers will pay CZK 750 for a month during contracted period (instead of standard price of CZK 850).

During October the Telefónica offered in some regions⁴ this acquisition bid for a lower price. New customers, who concluded the contract including the commitment to stay for twelve months in selected company shops, received the service Internet Optimal for the price of CZK 400 and the service Internet Aktiv for CZK 550 for a month. Starting from the thirteenth month the customers will pay standard prices.

The company Telefónica prolonged, until the end of October, a special bid called O2 Internet Bundle. Customers, who, within the framework of this offer, have newly established, on the same connecting line, the service of digital television O2 TV with the tariff O2 TV Flexi, and taken over the commitment to employ these services for the period of twelve months and the service O2 Internet connection with the tariff Internet Optimal, received bonuses in the form of price advantage. For the period of twelve months, starting from the day of establishment of services, they will pay for the utilization of the tariff O2 TV Flexi the price of CZK 200 for a month (instead of standard price of CZK 450) and for the period of duration of the commitment they will pay for the lease of set-top-box the price of CZK 49 monthly (instead of standard price of CZK 150). Within the framework of the tariff O2 TV Flexi subscriber can, during the price advantaged period, order only program packages "Documents, Sport, Děti, Styl, Hudba, Seriály and Filmy".

Customers, who use the services of digital television O2 TV with the tariff O2 TV Start, will have, within the framework of prolonged short-term marketing campaign, lasting from October 1 until December 31, 2012, programs NOVA HD, ČT4 HD and ČT HD at their disposal.

The company Telefónica extended its program bid O2 TV with the new nationwide television channel "Pětka", with a focus on Czech entertainment and its own production. Starting from October 15 this channel can be watched by customers, who use O2 TV with the tariff O2 TV Start, O2 TV Flexi and O2 TV Komfort.

Telefónica published the bid of new data tariffs E-mail and Navigace and e-mail, which it offers from November. Tariff Navigace and e-mail costs CZK 75 monthly, and/or CZK 19 weekly for owners of pre-paid cards. The tariff E-mail itself costs CZK 50 monthly (CZK 13 weekly).

Publishing house Ringier Axel Springer CZ concluded with the company Telefónica the contract on the basis of which the customers of the company Telefónica can employ,

⁴ Benešov, Břeclav, Čáslav, Hodonín, Cheb, Jablonec nad Nisou, Jičín, Jindřichův Hradec, Kutná Hora, Kyjov, Nymburk, Nový Jičín, Pardubice, Poděbrady, Olomouc, Plzeň, Praha Východ, Prachatice, Strakonice, Svitavy, Ostrava, Třebíč, Ústí nad Labem, Ústí nad Orlicí, Vlašim, Zlín.

starting from November 7, mobile services under the trademark BLESKmobil. Applicants for these services can buy their pre-paid cards in six thousand newsagents all over the Czech Republic. Under the trademark of BLESKmobil the company Telefónica offers to its customers pre-paid services costing CZK 2.50 per minute of call to all networks in the Czech Republic, SMS for CZK 1.50, Internet for one calendar day CZK 20 (FUP 50 MB) and the Internet for a month: CZK 100 (FUP 100 MB), calls to EU countries CZK 10 per minute, calls from EU countries CZK 8.60 per minute and SMS for CZK 2.60 (O2 Eurotariff). Validity of credit is 90 days. The trademark BLESKmobil will use subscriber numbers with dialling code 702.

The Telefónica published financial results for the period from January to September 2012. In the third quarter it acquired 56,500 new customers of mobile services. On a year-on-year basis the total number of customers of mobile services increased by 2.9 percent to 5 millions. The number of customers of services of high-speed Internet xDSL increased, on a year-on-year basis, by 5.6 percent to 902,000. Revenues from business activity in the third quarter reached CZK 12,586,000,000 (CZK 37,751,000,000 in the first nine months). Revenues from business activity in the third quarter decreased on a year-on-year basis by 3.8 percent. At the end of September 2012 the share of contractual customers in the total number of customers reached 62.5 percent, what represents a year-on-year increase by 1.2 percentage point. During the third quarter of 2012 the number of customers of pre-paid services increased significantly by 29,700. Net profit reached the level of CZK 5,019,000,000 in the first nine months of 2012 and CZK 1,764,000,000 in the third quarter. OIBDA margin (without the fee for utilization of the brand and the fee for the management) reached the level of 41.9 percent in the third quarter (more than 40.5 percent in the second quarter) and 41.0 percent in the first nine months of 2012.

T-Mobile

Starting from October 21 the company T-Mobile prepared for its subscribers of pre-paid services Twist new data package entitled "Twist na měsíc" for the price of CZK 239 monthly. The data limit of the package is 300 MB and the new data volume can be bought to it for the price of CZK 99 for 100 MB. The package can be activated with each voice tariff of pre-paid service Twist. Subscriber can activate the package Twist for a month also if he/she currently employs the package Internet for a week.

Starting from October 10 until November 30, 2012 the company offers the acquisition bid to its service xDSL "Internet na doma Standard". Customers, having contracted voice flat fee, who concluded the contract for the period of 24 months, will pay for fixed Internet during this period the price of CZK 489 for a month (for contracted voice flat fee under CZK 600 for a month), or at the amount of CZK 399 for a month (for voice flat fee exceeding the amount of CZK 600). Standard price of services of "Internet na doma Standard" is CZK 699 for a month. Speed of services is dependent on available technology either up to 20 Mbit/s (in case of VDSL technology) or up to 8 Mbit/s in case of ADSL technology).

T-Mobile published the data concerning operation during Summer holidays. During this period the biggest rise was registered in services of "Internet v mobilu", consumption of data of clients travelling throughout the Europe increased by 92 percent. During two Summer months the number of packages bought for the Internet abroad "Travel&Surf" increased to 57,000 of which the greatest number was with one-day offer. As compared with the last year, the clients travelling throughout the Europe almost doubled the statistics of calls, in the Zone no. 3 and 4 (Russia, Africa, Asia, Australia, Oceania, America, Carribean) it was by 66 percent. The traffic of outgoing calls in these zones remained the same as in the last year, the number of calls in the Europe increased by 5 percent. As compared with the last Summer, text messages in Zones no. 3 and 4 registered the increase by 6 percent. The operator in the Europe even registered a slight decrease by one percent. This year the number of MMS also decreased, this time they sent approximately 230,000 pictures. Most minutes of calls of roaming spent one client who called 4,373 minutes (almost 73 hours).

Another client beat the record with pre-paid card Twist, who sent 5 320 SMS from his foreign holidays (with tariff customers it was 2 260 SMS). Most pictures during the summer were sent by a client with 210 MMS and the biggest user of data services consumed 17 989 MB.

Christmas offer of T-Mobile started on November 1 and it will last at least to the end of this year for tariff clients and for users of Twist until January 31, 2013 at least. Existing users of tariffs "S námi 390, 590 and 790", will receive three months of calls in the networks of T-Mobile within the framework of monthly flat fee. Everybody, who, for a definitive period of time (24 or 36 months), concludes new contract or prolongates the existing one, will receive for the period of twelve months calls in the networks of T-Mobile within the framework of monthly flat fee. If users conclude new contracts or prolongate the existing ones for a definitive period of time (24 or 36 months) with the tariffs "S námi 990, 1,490 and 3,290" (where calling in own network is a part of flat fee), they will pay by 30 percent lower monthly flat fee for the whole period.

New customers of pre-paid card Twist will, within the framework of special Christmas Twist edition, call to all networks for CZK 2.50 per minute. Existing customers may, within the framework of program "Naším za dobití" receive calls to all networks for CZK 2.50 per minute until January 31, 2013. He/she, who recharges CZK 300 and more, will be able to make phone calls for more advantageous rates for four weeks. Rise of credit by smaller amount means call for 2.50 for the period of one week. Calls will be charged with the rate of CZK 2.50 per minute until January 31, 2013, and then the price will be CZK 3.50 per minute.

Starting from November 1 until December 31 "Internet na cesty" can be acquired with the discount of 25 percent for the whole term of contract. Privileged price includes all data tariffs if the contract has been concluded for two years: Internet na cesty Standard, Internet na cesty Premium, packages 2v1 and Internet Komplet. For example, a client will pay for Internet na cesty Standard in the package 2v1 CZK 187 monthly with the VAT. If an entrepreneur chooses the tariff Grand in the network or Grand to all networks, operator will reduce monthly flat fee by 30 percent for the whole term of contract. Tradesmen can use 25-percent discount for data flat fee Internet na cesty (including packages 2v1) and Internet Komplet.

Vodafone

Vodafone prepares itself for the coming of the LTE and extends its backbone network with 4,500 kilometers of optic fibres. Thanks to that, the length of optical network used by clients of Vodafone will increase to the total of 6,000 kilometers. Together with recent launching of the HSPA+ DC technology in 44 towns it is a further step towards the increase of capacity and speed of existing and future data transfers. During 2013 the new optical network will interconnect more than 70 towns of the Czech Republic.

UPC

The company UPC prolonged until October 31 the acquisition offer for its new clients. They will pay monthly flat fee at the amount of CZK 1 instead of standard price of CZK 222 if they order on-line services UPC Telefon with the tariff Basic under condition that they will take over the commitment to use these services for twelve months.

The company also prolonged the campaign earmarked for new customers, who, before October 31, ordered on-line service of digital cable television Klasik with program packages Sport, Relax or Darwin. Instead of standard CZK 250 customers will pay for the period of six months CZK 150. Within the framework of services Klasik more than 30 Czech and Slovak programs including 7 HD programs can be used.

The company offered similar bid also to its new customers of the service digital television Komfort. Customers, who, before October 31, ordered on-line service Komfort with

the commitment to stay for twelve months, acquired discount. Instead of standard price of CZK 550 they will, for the period of six months, pay CZK 350. Within the framework of services Komfort more than 80 programs including 14 HD programs can be used.

New customers, who, before October 31, ordered through on-line the service of digital television Mini and concluded the contract for twelve months, will pay for this service preferential price of CZK 150 per month instead of standard price of CZK 210.76 and will be able to watch, within the framework of this service, 20 Czech programs including 6 HD programs.

Until October 31 continued the acquisition offer for quick connection to the Internet in variants Fiber Power 30 Mbit/s for the price of CZK 399 monthly, Fiber Power 60 Mbit/s for the price of CZK 499 monthly and Fiber Power 120 Mbit/s for the price of CZK 599 monthly for the period of six months. The above mentioned price tariffs are offered without provision of modem. After this period expires, standard monthly tariffs of CZK 499 for Fiber Power 30 Mbit/s, CZK 599 for Fiber Power 60 Mbit/s and CZK 799 for Fiber Power 120 Mbit/s are applied.

The company provided the acquisition also to its corporate customers. If contract has been concluded for twelve months, it was possible to have the service Internet Fiber Business 120 for the price of CZK 899, if contract has been concluded for twenty four months it was possible to have this service for the price of CZK 799 instead of standard price of CZK 999. The company also offered the service Fiber Business with the commitment for twelve months for CZK 499 and with the commitment for twenty four months for CZK 419 instead of standard price of CZK 599. The service Fiber Business 80 was offered with the commitment for twelve for CZK 699 and with the commitment for twenty four months for CZK 599 instead of standard price of CZK 799. Acquisition offer is valid until the end of 2012.

The company launched its bonus program for its clients. Residential clients, who are with the UPC at least three months, and want to continue to use these services and have no arrears, can receive with selected dealers of goods and services discounts from 10 percent up to 55 percent. Part of this program Dolce Vita will also be privileged offers of UPC products.

New technologies

Operators in South Korea and USA launched the first commercial services of voice calling in the LTE network (VoLTE) in the world, where the company Ericsson provides support of products and services. In South Korea the service is provided by companies SK Telecom and LG U+, therefore the biggest and the third biggest telecommunication operator in the country, in the USA the operator MetroPCS. These services are used by traditional number of mobile telephone (MSISDN – Mobile Subscriber Integrated Services Digital Number), calling in the LTE network will therefore allow to enjoy traditional telecommunication services in mobile high-speed data network – worldwide interoperability, QoS functions, roaming and smooth mobility among arbitrary facilities with all types of access technologies. When calling to the LTE network it is possible to use simultaneously LTE voice and data services in smartphones. In comparison to calling in the 2G and 3G networks, transmission spectrum is used more effectively in the LTE network what permits to use better radio sources in introduction of mobile high-speed networks.

The Theme of the month – Information on complaints of subscribers, and/or users of services of electronic communications for the 3rd quarter of 2012

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

The 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 Coll⁵, 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, the Office controls 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 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 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 3rd quarter of 2012 the CTU registered altogether 1331 complaints of subscribers/users. Out of this number 1191 complaints were resolved by the CTU with the help of procedure stipulated by the Act on Electronic Communications, (i.e. 89.5% of the total number), the CTU was incompetent to take decision in 45 complaints and advanced them to a competent authority (i.e. 3.4 % of the total number) and 95 complaints were unjustified (i.e. 7.1 % of the total number).

As compared with total number of complaints for the 2nd quarter of 2012, the number of complaints in the 3rd quarter of 2012 increased by 725 complaints (i.e. by 119.6 %). If we compare the 3rd quarter of 2011 to the 3rd quarter of 2012, the total number of complaints increased by 894 complaints (i.e. by 204.6 %). This significant increase of number of complaints in the monitored period can be attributed to the high number of complaints on provider of services of satellite television Skylink and CS Link, the company M77 Group S.A. Altogether 775 complaints and queries were addressed to this provider of services in the 3rd quarter solely. In the 3rd quarter also increased the number of complaints, concerning

disagreement with settlement of price of provided services concerning the company UPC, and namely in connection with increase of price for the 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. The CTU already promulgated decision in given case in which it imposed on this company the penalty at the amount of CZK 1,000,000. This decision has not yet become effective.

Another aspect for division of complaints into groups is material object of a complaint. Concerning services of electronic communications in general, most complaints belong to settlement of price for services. There are 193 complaints, what is 14.5 % out of the total number. These complaints are settled with the help of provision of legal advice to complainer or are decided in administrative proceedings pursuant to § 129 of the Act on Electronic Communications (subscriber disputes) as objections against settlement of reclamation concerning the price of service provided. In comparison to the 2nd quarter of 2012 the total number of complaints on the services of electronic communications slightly decreased in the 3rd quarter of 2012 by 14 complaints (i.e. by 3.4 %).

Another field to which majority of complaints were directed in the 3rd quarter were subscriber contracts – altogether 133 complaints. As compared to the previous period, increase by 18 percent was registered here and in comparison with the same period of 2011 the increase reached 118 percent. Most complaints were aimed at subscriber contracts of companies T-Mobile and Telefónica.

As far as the issues of telephone number portability are concerned, during the period monitored, as compared to the 2nd quarter, a slight increase of number of complaints on service of number portability in mobile network took place, and namely to 44 complaints (i.e. increase by 10 %). In this quarter the company Vodafone was particularly responsible for this increase and also its technical problems with system of orders and communication within the framework of common solution which, at the end of preceding period, caused the increase of number of complaints, mainly at the beginning of the 3rd quarter. The company Vodafone informed the CTU about its technical problems and in the joint meeting it declared that reclamations of subscribers concerning portability of numbers will be settled with respect to authorized demands of subscribers.

In the consumer agenda the CTU registered already mentioned remarkable increase of the number of complaints on operators of services of satellite television Skylink and CS Link, company M77 Group S.A. The number of complaints in the sphere of protection of consumer itself increased during the last period by 709, thus more than twenty-fold. The CTU informed the public about its policy towards this company in its press release from August 17, 2012, the full wording of which has been published on <http://www.ctu.cz/aktuality/tiskove-zpravy.html?action=detail&ArticleId=9484>. Contrary to information brought forward in the press release, the administrative decision will be promulgated in the next few days concerning failure to notify doing business in the field of electronic communications and thus perpetration of administrative offense pursuant to § 118 Para. 1 Letter c) of the Act on Electronic Communications and also decision concerning suspicion of perpetration of administrative offense of deceitful commercial practices pursuant to § 24 Para. 1 Letter a) of the Act on Protection of consumer.

The number of complaints concerning services provided within the framework of the Universal service is minimal on a long-term basis, during the 3rd quarter the CTU registered only one complaint on services provided within the framework of the Universal service.

The last aspect, according to which complaints are divided, is provider of services against practices of which a complaint is applied. The following table registers only complaints against of biggest providers of services of electronic communications with regard

to their prevailing share both in the number of subscribers/users of services and with regard to the number of complaints. The survey of the number of complaints against practices of selected providers of services is brought forward in the Table no. 1. Contrary to preceding quarter the Table no. 1 takes into consideration queries of subscribers concerning individual providers. On the contrary, submissions against the company M77 Group S.A. were not taken into account, because, to this present time, this company has not been notified as an entrepreneur providing publicly available services of electronic communications, whereas the number complaints and queries concerning this company constitutes more than one third of all submissions received by the CTU in the 3rd quarter.

Table no. 1

	Company	Number of complaints and queries	Proportion of the number of complaints and queries to the number of subscribers/users of listed company ¹ (%)	Proportion of the number of complaints and queries to the total number of complaints and queries (%)
1.	LIVE TELECOM	17	0,514	1,3
2.	MobilKom	5	0,005	0,4
3.	Vodafone CZ	126	0,037	9,5
4.	T-Mobile CZ	184	0,034	13,8
5.	Telefónica CZ	266	0,035	20
6.	UPC CZ	128	0,113	9,6

¹ The number of all subscribers/users as per 30. 6. 2012.

The CTU started to register the queries concerning services of electronic communications from January 1, 2012. These queries are thematically classified similarly to complaints (see the Table no. 2). During the 3rd quarter of 2012 the CTU registered altogether 1155 queries what is by 231 less than in the preceding quarter. Apart from queries concerning the issues of conditions of doing business in electronic communications and promulgation of certifications pursuant to the provisions of § 26 of the Act on Electronic communications (44.6 percent), prevailing part of these queries were constituted by consumer issues. These queries most often related again to the services of satellite television Skylink and CS Link (i.e. 7.5 percent). Similarly to complaints, important part of these queries related to the issues of settlement of price for services (11.6 percent), to subscriber contract and quality of services (10.5 percent) and to the issues of services of third parties – Premium Rate Services and audiotext services (4 percent), Though in this last case there are not the services of electronic communications but services providing contents, the CTU in this case verifies, if communication activities were safeguarded and, if no violation of the Act is discovered, the CTU hands over these complaints to competent bodies of State administration.

The survey of total number of complaints and queries for the 3rd quarter 2012 is brought forward in the Table no. 2 and illustrated in the Graph no. 1. Development of the number of complaints on services of electronic communications on a year-on-year basis from the period from the 3rd quarter of 2011 to the 3rd quarter of 2012 are brought forward in the Graph no. 2. The number of complaints, as compared to identical periods of last years, is illustrated in the Graph no. 3. The Graph no. 4 illustrates the proportion of the total number of complaints to the number of subscribers of listed companies (in %) from the 3rd quarter of 2011 to the 3rd quarter of 2012.

Table no. 2

Český telekomunikační úřad

Stížnosti a dotazy účastníků / uživatelů¹⁾ za III.Q 2012

Předmět		Dotazy	Stížnosti				Stížnosti celkem ¹⁰⁾	Vyřizeno ve prospěch účastníka / uživatele ¹¹⁾	Celkem ¹²⁾
			Způsob vyřízení						
			Poskytnutí informací						
			Postup podle zákona ⁸⁾	Nedošlo k porušení zákona ⁹⁾	Nepříslušnost Úřadu				
a	b	c	d	e	f	g	h		
1.	1	Služby elektronických komunikací	279	354	46	13	413	646	692
	2	nezřízení služby elektronických komunikací	3	6	1	4	11	13	14
	3	kvalita služby elektronických komunikací	41	34	8	2	44	77	85
	4	účastnické smlouvy	79	119	13	1	133	199	212
	5	nes poskytování služby elektronických komunikací v souladu se smlouvou	14	16	7	0	23	30	37
	6	aktivace nevyžádané služby elektronických komunikací	8	4	5	0	9	12	17
	7	nesouhlas s vyúčtováním	134	175	12	6	193	315	327
2.	8	Radiokomunikační služby	2	0	0	0	0	2	2
3.	9	Přenositelnost telefonního čísla v mobilní síti	28	37	7	0	44	65	72
4.	10	Přenositelnost telefonního čísla v pevné síti	7	6	0	0	6	13	13
5.	11	Nezřízení nebo přeložení telefonní stanice	1	0	0	0	0	1	1
6.	12	Služba zákaznické podpory poskytovatele služeb elektronických komunikací	2	1	0	1	2	4	4
7.	13	Způsob získávání zákazníků ze strany poskytovatelů a dealerů	7	0	0	2	2	9	9
8.	14	Příjem TV signálu v souvislosti s digitalizací vysílání	72	1	1	2	4	75	76
9.	15	Klamavá reklama	2	0	0	4	4	6	6
10.	16	Ochrana spotřebitele²⁾	87	732	5	3	740	822	827
	17	dodržování poctivosti poskytování služeb (§ 3 ZOS)	0	3	0	1	4	4	4
	18	nekalé obchodní praktiky ³⁾ (§ 4 ZOS)	0	1	0	0	1	1	1
	19	klamavé obchodní praktiky (§ 5 ZOS)	85	722	4	1	727	808	812
	20	agresivní obchodní praktiky (§ 5a ZOS)	1	2	0	1	3	4	4
	21	zákaz diskriminace spotřebitele (§ 6 ZOS)	1	1	0	0	1	2	2
	22	informační povinnosti (§ 9 až 10 a § 11 až 13 ZOS)	0	3	1	0	4	3	4
	23	další povinnosti při poskytování služeb elektronických komunikací (§ 15 až 16 a § 19 ZOS)	0	0	0	0	0	0	0
11.	24	Univerzální služba	3	1	0	0	1	4	4
	25	přístup zdravotně postižených osob k veřejně dostupné telefonní službě ⁴⁾	3	0	0	0	0	3	3
	26	veřejné telefonní automaty ⁵⁾	0	1	0	0	1	1	1
	27	přístup a možnost využívání služeb osobami s nízkými příjmy ⁶⁾	0	0	0	0	0	0	0
12.	28	Ostatní⁷⁾	665	59	36	20	115	744	780
	29	telefonní seznamy	0	0	0	0	0	0	0
	30	informační služba o telefonních číslech účastníků	2	1	0	0	1	3	3
	31	služby třetích stran - premium SMS	21	6	3	2	11	29	32
	32	služby třetích stran - audiotextové služby	23	4	2	8	14	35	37
	33	obtěžující a nevyžádaná volání	17	12	5	0	17	29	34
	34	nabízení marketingové reklamy v rozporu s § 96 ZEK	9	7	0	3	10	19	19
	35	komunikační sítě, ochranná pásma a využívání cizích nemovitostí	46	1	6	0	7	47	53
	36	podnikání v elektronických komunikacích	285	0	2	0	2	285	287
	37	zkouška odborné způsobilosti (§ 26 ZEK)	220	0	0	0	0	220	220
	38	pokrytí signálem TV a GSM	11	3	2	0	5	14	16
	39	ochrana osobních údajů	7	1	0	0	1	8	8
	40	různé	24	24	16	7	47	55	71
		CELKEM	1155	1191	95	45	1331	2391	2486

Translation to Table no. 2:

Table no. 2

The Czech Telecommunication Office

Complaints and queries of subscribers/users¹ for the Third 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

harrassing 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 and provider of contents specified in the remark .
- 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 third quarter of 2012

1. Services of electronic communications
2. Radiocommunication 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 customers'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 third quarter of 2011 until the third 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 settlement

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

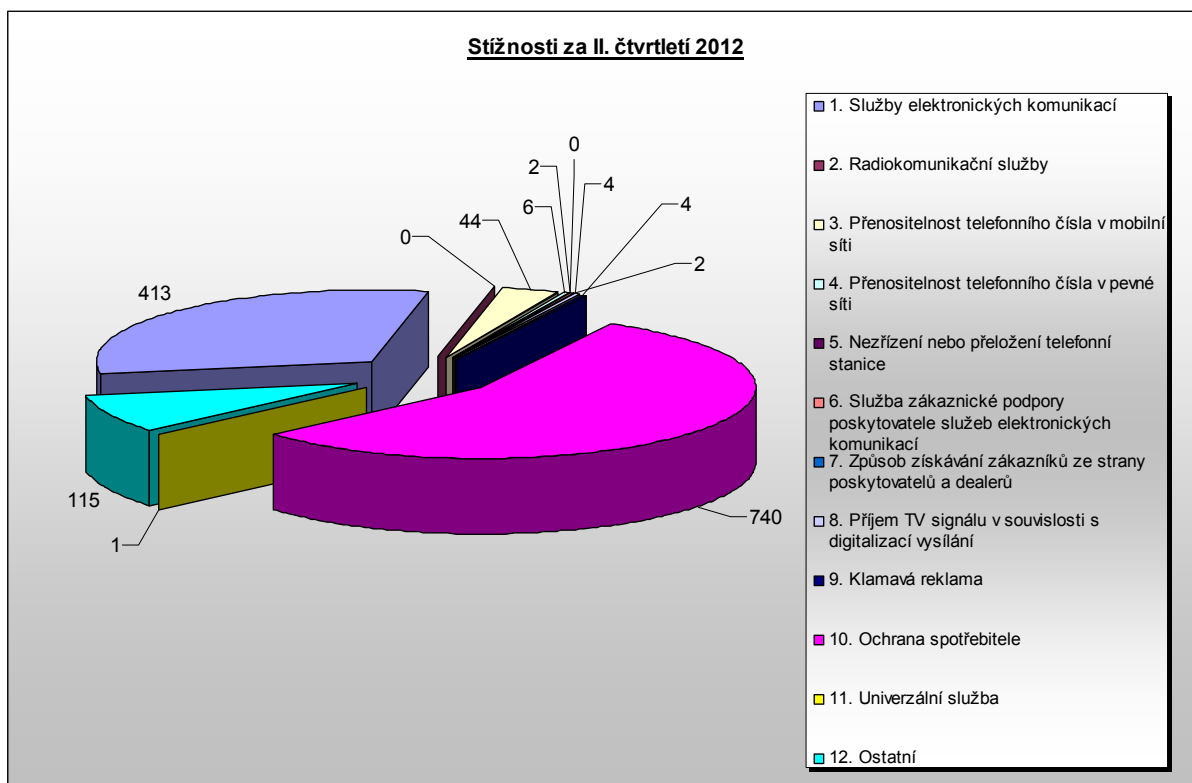
- 1) Services of electronic communications
- 2) Radiocommunication services
- 3) Portability of telephone number in the mobile network
- 4) Portability of telephone number in the fixed network
- 5) Non-establishment or displacement of telephone station

- 6) The service of customers'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

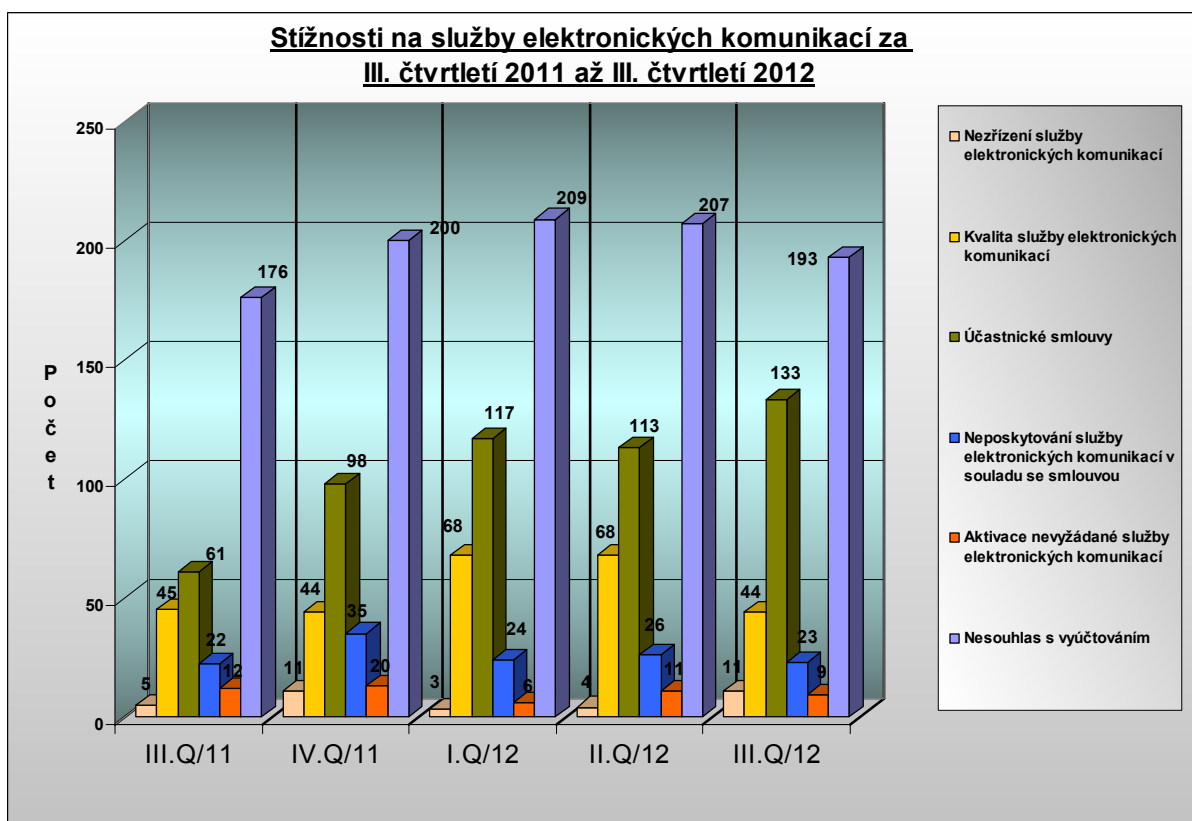
The Graph no.4

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

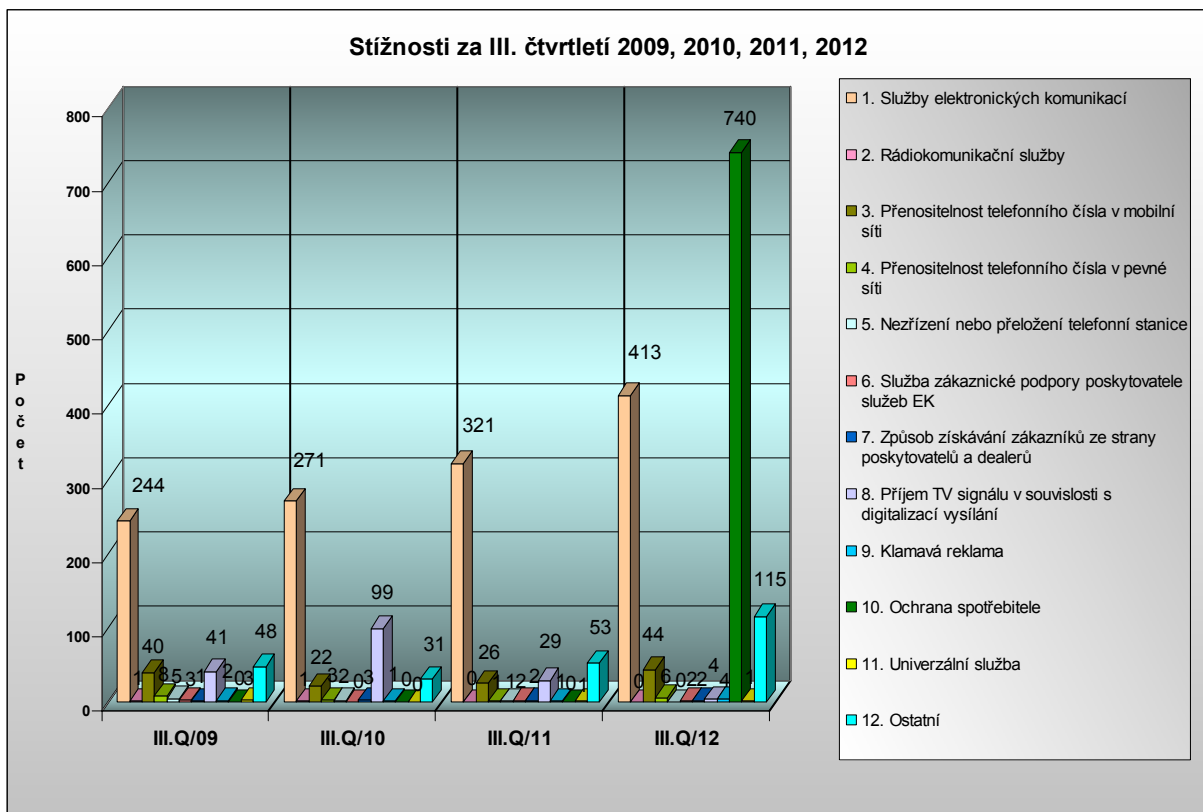
Graf č. 1



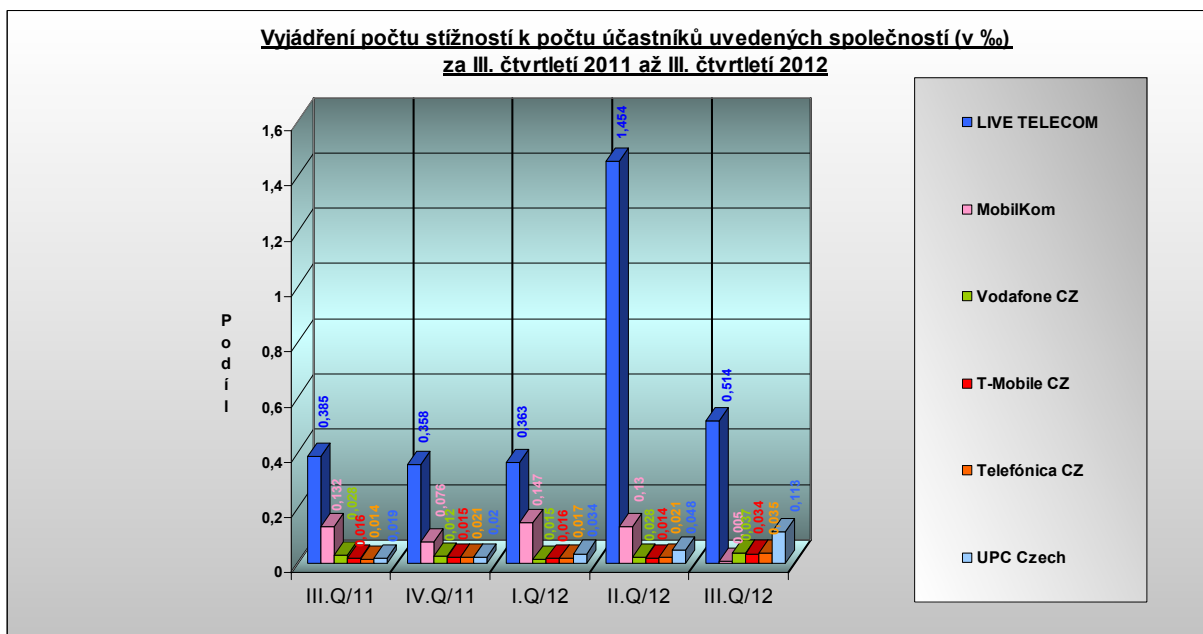
Graf č. 2



Graf č. 3



Graf č. 4



3. Regulatory measures

Promulgation of the Measure of General Nature no. OOP/10/10.2012-12, stipulating conditions for implementation of portability of telephone numbers

On November 2, 2012 the CTU published in [the Volume 18/2012 of the Telecommunication Journal](#) the Measure of General Nature [no. OOP/10/10.2012-12](#), stipulating conditions for implementation of portability of telephone numbers³ (hereinafter „Measure“). In creating the Measure the CTU was guided by the Amendment of the Act on Electronic communications no. 468/2011 Coll., transposing revised wording of the European regulatory framework for networks and services of electronic communications into Czech legal order. The Measure also implements relevant new terminology employed in European directives.

The most important change included in the Measure, as compared to the current situation, is the shortening of the deadline for telephone number portability to four business days, identically in both fixed and mobile networks. This deadline starts to run on the business day following the day on which request of a subscriber for a change of provider of service is delivered to a new provider of service, and the period for which the operation of service of ported telephone number is interrupted must not exceed six hours. The next important modification is the possibility of a subscriber to ask for a change of provider of service until the end of duration of existing contractual relation, therefore during potential notice period as well. The CTU prepared the Measure emphasizing protection of subscribers employing publicly available service of electronic communications.

The Measure becomes effective on September 1, 2013. At the same time, the CTU took into consideration proposals of time schedules submitted by potential suppliers of implementation of IT solution of portability of telephone numbers for mobile operators and considered, in particular, existing situation of portability of numbers in mobile networks.

The CTU published the draft Measure for public consultation on September 12, 2012 and comments concerning its text were raised in total by [six subjects concerned](#). After the settlement of these comments the CTU Council endorsed on October 30, 2012 the final wording of the Measure. Afterwards the CTU published on its Internet pages [the wording of the Measure](#) and also [the Table of settlement of comments](#).

The Draft Measure of General Nature no. OOP/4/XX.2012-Y, stipulating the methodology of purpose-oriented classification of costs and revenues

On October 8, 2012 the CTU launched public consultation of [the Draft Measure of General Nature no. OOP/4/XX.2012-Y](#)¹. The CTU promulgates this change of the Measure of General Nature following the implementation of the Recommendation of the Commission on termination prices² and application of new LRIC models for the price for termination of call in fixed and mobile networks. In order to secure needful inputs in these cost models it is necessary that determined enterprise on relevant market classifies costs in its cost accounting system and registers relevant operational and technical data in the form brought forward in the new Annex no. 1 and 5 of this Draft Measure. Comments concerning the Draft Measure consulted can be applied within one month of the date of publication.

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

Proceedings initiated in October 2012

File number	Plaintiff	Defendant	Case
CTU- 221 441/2012- 606	KP-NETWORK, spol. s r.o.	QASAR s.r.o.	Dispute concerning settlement of amount owed (settlement of invoices) with accessories

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

File number	Plaintiff	Defendant	Case
CTU- 135 007/2012- 606	Travel Telekommunikation s.r.o.	Telefónica Czech Republic. a.s.	Dispute pursuant to § 80 Para. 4 the Act of Electronic communications. Administrative body of the 1 st Degree promulgated resolution on discontinuance of proceedings due to outstanding administrative fee. The resolution became effective on October 10, 2012.

4. Universal service (US)

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5. Inspection activities

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

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

- Inspection of performance of obligation of entrepreneurs to report change of data specified in the notification of communication activities which is considered as undertaking in the field of electronic communications, and/or obligation to report termination of performance of communication activities. Deficiencies discovered in the preceding period in Prague and in Malá Skála in Jablonec district were resolved by the CTU with the help of administrative decision of imposition of fine in total amount of CZK 15,000.
- Inspection of observance of conditions of general authorization no. VO-R/12/09.2010-12 for the utilization of radio frequencies and operation of facilities for broadband transmission of data in the bands from 2.4 GHz to 66 GHz. The CTU performed 62 inspections. In 40 cases controlled persons perpetrated violation of determined conditions for utilization of indoor frequencies outside buildings. During these inspections the Office discovered that indoor frequencies are used by 85 facilities in total. Deficiencies discovered will be resolved by the call requesting elimination of

deficiency and will be dealt with in proceedings of violation of the Act on Electronic communications.

- Inspection of utilization of radio frequencies without authorization. Inspections of the CTU were focused at entrepreneurs whose validity of individual authorizations ended – in three cases during seven inspections the CTU discovered unauthorized utilization of frequencies – and on the utilization of frequencies in the band of 4,900–6,100 MHz, not intended for the operation of wifi equipment. With two entrepreneurs the Office found operation of 40 facilities without individual authorization for the utilization of frequencies, some of which even caused jamming of permitted connections of fixed services. The Office further found unauthorized operation of wifi equipment and RFID tags in the band of GSM 900 and DECT telephone according to the standard valid in the USA, which caused jamming in the bands of GSM and UMTS. The Office already has launched or will launch administrative proceedings with all operators of these facilities discovered.
- Inspection of observance of conditions of individual authorizations for the utilization of radio frequencies of aerial mobile service – the CTU performed 29 inspections. In Liberec it discovered operation of broadcasting radio equipment different from the equipment specified in the authorization. Deficiency discovered will be resolved by the call demanding elimination of deficiency within the framework of proceedings concerning imposition of fine.
- Investigation of jamming of radio reception. Apart from the investigation of jamming of television and radio reception, the CTU investigated twelve complaints of operator concerning jamming of public communication networks GSM, UMTS and CDMA and six complaints of the ČHMÚ concerning jamming of meteorological radars. Source of jamming discovered were: three inexpertly installed GSM repeaters, radiating television antennas, HID lighting, and, in the case of jamming of meteorological radars it was operation of wifi equipment in the band of radars 5,630–5,645 MHz and in their vicinity. Operators of jamming facilities were addressed calls demanding elimination of jamming.
- Collaboration of the CTU with Česká obchodní inspekce in checking the sellers of telecommunication terminal and radio equipment. Within the framework of this inspection activity the Office and the ČOI discovered the sale of radio controlled models of cars working in the bands of 32, 33 and 49 MHz. These radio facilities cannot be operated in the Czech Republic without individual authorization for the utilization of radio frequencies. Both institutions further discovered the sale of wireless doorbells working in the band of 306 - 348 MHz, reserved in the Czech Republic for the Ministry of Defence of the Czech Republic. 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 říjen 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)	11								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	22								
3. Výkon komunikační činnosti bez osvědčení	0			4	2			2	15000
4. Dodržování podmínek všeobecných oprávnění	51		16	9	9			9	57000
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		0	0	0	0			0	0
b) k poskytování služeb elektronických komunikací		5	0	0	0			0	0
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		46	16	9	9			9	57000
5. Kontrola rádiových kmitočtů	150		10	1	11			4	17000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		13		1	10			4	17000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		50	3	0	1			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)	6		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			15952	7344	349	4980		
a) o námitce proti vyřízení reklamace na poskytnutou službu		0		3	3	0	0		
b) o námitce proti vyřízení reklamace vyúčtování cen za služby		0		23	31	15	9		
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 (peněžité plnění)		0		15918	7304	334	4970		
d) ostatní		0		8	6	0	1		
8. Neposkytnutí informací podle § 115 ZEK				4	1			1	10000
9. Ostatní	24		10	27	22			21	107000
CELKEM	231		36	15997	7389	349	4980	37	206000

*) 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.

Translation of Table: Přehled kontrolní činnosti při výkonu státní kontroly elektronických communications za měsíc říjen 2012

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

On October 26 the European Commission promulgated its Recommendation for the Finish regulator Ficora to change proposed remedial measures concerning markets of wholesale (physical) access to the infrastructure of networks (including shared or full local

loop unbundling) in fixed location (market 4/2007) and wholesale broadband access in the networks of electronic communications (market 5/2007) performed in the fourth round.

The Commission recommended price regulation in the market 4/2007 (LLU) for copper local loop in the form of cost oriented price ceilings (price caps) for all operators having significant market power. Taking into consideration the fact that at the present time Ficora, owing to judicial review of methodology, has no corresponding cost model, the Commission recommended to determine correct price level in later phase on the basis of new cost model. Existing unregulated price on the LLU market for optical fibre is sixteen times higher than for a copper local loop, and, therefore, the Commission stated that operators having significant market power could charge unreasonable prices. The obligation of cost orientation itself may not be sufficient for optical local loop. Ficora should determine the obligation of cost orientation for optical fibre if it proves that the retail market creates sufficient pressure on deepening of competition caused by the presence of well-developed alternative infrastructures having comparable extent and/or cost oriented and non-discriminatory approach towards wholesale products provided by means of copper local loop.

On the market 5/2007 (WBA) Ficora has proposed not to impose any corrective measures for services having speeds lower than 8 Mbit/s because of indirect influence of mobile retail services (3G/4G) and radio broadband services (Flash-OFDM, WLAN, WiMAX). According to Ficora, WBA services under and above 8 Mbit/s fall into one definition of the market. According to the Commission each differentiation of corrective measures, within the framework of one market, in which the conditions of economic competition are usually the same or similar, should therefore be thoroughly justified. Proposal of Ficora would distort competition on the market discriminating among operators demanding access with lower and higher speeds. If competition conditions of services under and above 8 Mbit/s are different, Ficora should, according to the Commission, resolve these differences in the phase of market analysis and determination of significant market power. Price regulation for the WBA was never determined on the market and, according to Ficora, the analysis did not prove the need to toughen the regulation. According to the Recommendation of the Commission concerning the NGA, regulator should always, when it determines an enterprise with significant market power, impose the obligation of cost orientated prices. Even if prices in the market 4/2007 are still high, without the price regulation in the market 5/2007, the operator with significant market power may be motivated to charge inadequate prices for WBA or to apply the margin squeeze.

BEREC agreed with serious doubts of the European Commission concerning proposals not to impose price ceiling for optical networks on the market 4/2007 and not to impose remedial measures in the market 5/2007 for services having speed lower than 8 Mbit/s and not to introduce any price regulation for another services provided in the market 5/2007 by means of optical and metallic networks. This Recommendation of the Commission is not binding. Ficora in its press release stated that it will change the draft decision.

7. Associations

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8. Consumer issues

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

During the month of October the CTU initiated 15,952 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. 7,344 decisions in re were promulgated, of which 7,304 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

In the last period the CTU registers increase of complaints against the company DIMOCO Czech, s.r.o. These complaints relate to provision of services by means of Premium SMS and Premium MMS (PR SMS/MMS). The nature of the matter of these complaints shows that unsolicited SMS were sent by means of services MT PR SMS/MMS, most often from the number 909 66 099. It is further clear from statements of claimants that they continue to receive chargeable SMS without making a conscious order of services. In view of the fact that in this case the issue does not lie in the provision of services of electronic communications but in the provision of services of contents, and the CTU has no competences in this field ensuing from the Act, the CTU has made some steps which it considers necessary from the viewpoint of protection of consumer against this fraudulent behaviour. The CTU has addressed the Association of operators of mobile networks (APMS), which has the administration of codes for the above mentioned SMS services within its responsibility. The APMS was informed about well-founded suspicion that the activities of the company DIMOCO Czech, s.r.o. violate General rules for provision of services provided by means of Premium SMS and Premium MMS (the so-called [Codex](#)). At the same time the CTU initiated criminal legal action against the company DIMOCO Czech s.r.o. for suspicion of fraudulent behaviour from the part of the company above mentioned. In this matter the CTU published also [press release](#).

The CTU further continues in administrative proceedings with the company M77 Group S.A., which, since June 15, 2012, offers the service Skylink in the Czech Republic. There are administrative proceedings in the case of administrative offence of deceitful commercial practices and the offence making business in electronic communications in the Czech Republic without proper notification. The CTU expects that, considering ongoing acts in relevant proceedings, it will promulgate decision against the company M77 Group S.A. in the nearest future.

More detailed information concerning numbers and character of subscriber and consumer complaints is given in the part called the Theme of the month – Information on complaints of subscribers, and/or users of services of electronic communications for the 3rd Quarter 2012, which is a part of this monitoring report.

9. Legislative changes

On October 29, 2012 the Government Regulation no. 354/2012 Coll., which amends the Government Regulation no. 109/2008 Coll., on Conditions of provision of special prices

of publicly available telephone services, was published in the Volume no. 133 of the Collection of Laws. This Government Regulation regulates the extent of documents, which handicapped persons submit when they claim the right for special price, so that they reflect regulations stipulating provision of social benefits to handicapped persons, and namely, both regulations, which were cancelled by December 31, 2011, however, certificates promulgated pursuant to these regulations remain in force until the end of 2015, and new regulations (particularly the Act no. 329/2011 Coll.), which became effective on January 1, 2012.

This Government Regulation becomes effective on the fifteenth day of its promulgation, i.e. on November 13, 2012.

On October 29, 2012 the Decree no. 357/2012 Coll., on the Retention, Transfer and Liquidation of operational and localization data was published in the Volume no. 133 of the Collection of Laws. The reason for the promulgation of this Decree is the cancellation of original Decree no. 485/2005 Coll. on the Extent of operational and localization data, the period of their retention and the form and method of their transfer to bodies authorized to their utilization by the Finding of the Constitutional Court of the Czech Republic dated March 22, 2011, published in the Collection of Laws under the number 94/2011 Coll. On the basis of this Finding of the Constitutional Court also § 97 of the Act on Electronic communications was amended, and the Decree no. 357/2012 Coll. is promulgated just to perform this Finding.

Therefore, the Decree no. 357/2012 Coll. newly defines the extent of retention of operational and localization data, regulates method of transfer of operational and localization data and regulates period of retention of transferred data and the method of liquidation of data by operator in harmony with the Directive 2006/24/EC (the Directive on Data retention).

This Decree becomes effective on November 1, 2012 with the exception of some provisions containing mostly time or additional data, and/or data concerning services of access to the Internet, which become effective on January 1, 2013.

During October 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 October 4, 2012 a daylong simulation was held in a closed system representing characteristics and operation of real key information infrastructures within the framework of the campaign [Cybernetic Europe 2012](#). During this campaign four hundred experts from top financial institutions, telecommunication companies, providers of Internet services and local and central governments from the whole Europe fought with more than 1,200 mutually independent cybernetic incidents (including more than 30,000 e-mails). During simulated attack, resting in the so-called Distributed Denial of Service), they tested how they would react and collaborate in case of persisting coordinated attack on public web pages and computer systems of top banks. Before the end of the year the experts from the European Networks Information Security Agency ENISA will publish report with key conclusions from this exercise.

On October 9 and 10 the 41st Meeting of the Radio spectrum committee (RSC) was held in Brussels. The date of the Meeting was, simultaneously, the 10th anniversary of the beginning of activities of this authority established by the European Commission. The subject of the Meeting was, in particular, the following program agenda : Implementation of the European law concerning the spectrum (i.e. discharge of the Decision of the European Commission 2007/344/ES on Provision of information in the EFIS system), determination of harmonized technical conditions for the band of 2 GHz (vote on the draft Decision of the

European Commission, which will allow technologically neutral utilization of its pair segments and on the draft CEPT mandate on the elaboration of proposal for harmonization of unpaired segments of the band), discussion over introductory draft Decision of the European Commission concerning the methodology of provision of data for the register of spectrum utilization, situation and perspective of employment of requirements for exceptions from the discharge of provisions of the Decision of the European Parliament and the Council 2012/243/EU in the portion stipulating release and authorization of the band of 800 MHz before January 1, 2013, draft CEPT mandate on the preparation of technical and regulatory conditions for the band of 700 MHz and further course of action concerning the issues of regulation of short range facilities.

On October 16, 2012 the European Commission launched [public consultation](#) in order to update existing list of relevant wholesale and retail telecommunication markets which, according to the EU Rules for telecommunications, are subject of the so-called „procedure pursuant to Article 7“. The review will take into consideration principal development trends in the field of market and technologies, as, for instance, Internet applications and services, convergence of different kinds of networks and services and development of very fast Internet networks and services. On the basis of results of the consultation the Commission , after the consultation with the Association of European regulatory bodies in the field of electronic communications (BEREC) and with the Communication Board (advisory committee composed of representatives of Member states), will endorse revised Recommendation. It is the second review of the Recommendation of the Commission on Relevant markets. The first Recommendation of the Commission is from 2003 ([2003/311/ES](#)) and in 2007 it was revised ([2007/879/ES](#)). Now, the Recommendation encompasses one retail and six wholesale markets : access to the fixed telephone network, origin of call in fixed telephone network, termination of call in individual fixed telephone networks, wholesale access to subscriber local loop, wholesale broadband access, wholesale terminating segments of leased local loops and termination of voice call in individual mobile telephone networks. The consultation is open until January 8, 2013.

On October 18 the Meeting of the Communication Committee (COCOM). was held in Brussels. The European Commission submitted the information on the draft review of the Directive for the employment of State support concerning speedy placement of broadband networks. Among main themes for the broad discussion belonged draft Recommendation concerning the progress of notifications pursuant to Article 22 (3) of the Directive on the Universal service, information of the European Commission on the state of preparation of binding implementing regulation, Regulation concerning independent sale of regulated retail roaming services within the EU and the draft Regulation of the European Commission on Measures applicable to notification informing about violation of personal data pursuant to the Directive 2002/58/EC on Privacy and electronic communications. Members of COCOM were informed about current situation of implementation of revised EU regulatory framework .

11. ITU and other international organisations

The meeting of the Study group SG 4 ITU-R for satellite services took place on September 28 in the seat of the International telecommunication union in Geneva. To the main issues of the program belonged conclusions from the first meeting of the CPM 15-1 (Conference Preparatory Meeting) for the preparation of the next World radiocommunication conference in 2015 (WRC-15), reports on the activities of working groups SG 4 and discussion over new and revised recommendations and reports of the ITU-R. Recommendations dealt with, for example, determination of values of system parameters, characteristics and protective criteria of stations operating in satellite radionavigation service and determination of the methodology for evaluation of jamming of satellite radionavigation systems. The reports dealt with coexistence of satellite radionavigation systems and

microwave facilities designated for landing of aerial equipment operating in aerial radionavigation service and technical and operational requirements of land stations operating on mobile platform for non-geostationary systems operating in satellite fixed service.

On October 8 and 9 the Secretariat of the General secretary of the International Telecommunication Union in Geneva organized consultation and informative meeting of the ITU for the World Telecommunication Standardisation Assembly (WTSA-12) and the World Conference on International Telecommunications (WCIT-12). The subject-matter of consultation was the structure of both conferences, organization of meetings of their commissions and method and candidacy for chairmen and vice-chairmen of commissions. Positions of all six regional groupings concerning principal items of programs of conferences were introduced in order to indicate both the options leading to agreement and potential significant differences and to predict the need of searching for accordance in their solution. Also the updated information for participants of conferences, which will be held at the end of 2012 in the United Arab Emirates, were provided.

On October 30 and 31, 2012 the meeting of the study group SG 6 ITU-R for radio service was held in Geneva. New and updated documents, introducing new systems in radio service and its compatibility with systems in mobile service, were approved. These documents will subsequently be used also within the framework of activities of groups of ITU-R SG 5 (group for mobile service) and JTG 4-5-6-7 in preparation of studies of mutual coexistence of services in the UHF band. Among other things, the review of three recommendations of the ITU-R concerning planning criteria for the introduction of digital television broadcasting (DTT) in VHF and UHF bands were endorsed, which specify in detail the coexistence with systems in mobile service, particularly with LTE. Extensive discussion was initiated by the proposal of new report of ITU-R BT [DTTBGUIDELINE] concerning evaluation of jamming of radio services by remaining services (in particular, the IMT systems). Among other things the report is the key input in the JTG activities. Three administrations expressed their principal objections to the part of the report which specifies in detail mathematical procedures of forecasting of the influence of jamming on television networks, however, prevailing majority of remaining delegates expressed urgent need of endorsement of the document. Finally, the meeting proceeded to quite exceptional majority voting. The document was accepted with the proviso that objections of administrations will be included in the document, and, at the same time, working group WP 6A, which prepared the document, was asked for the preparation of review of this report.

During the meeting the act was held commemorating the 40th anniversary of beginning of work of studies of digital television broadcasting together with subjects and persons participating in the development of DTV including HDTV conception.

CEPT

On September 5 – 7, 2012 opening meeting of the project team ECC/CPG/PTA was held in London the target of which was to discuss the issues of the program of WRC-15, which were allocated to this project team in the first meeting of the group ECC/CPG. PTA was entrusted with the preparation of the report and joint European position concerning the points of agenda **1.3** (PPDR – Security services), **1.11** (Scientific services in the band of 7–8 GHz), **1.12** EESS (Scientific services), **1.13** (Services of cosmic research), **1.14** (Issues of Leap seconds – UTC), **2** and **4** (Review of ITU-R's recommendations and resolutions), **8** (Notes on Radiocommunication order), **9.1.6** (Review and improvement of definitions of Radiocommunication order), **9.1.7** (Frequency management for PPDR in harmony with ITU-R Resolution 646), **9.1.8** (Nano and pico satellites) and **10** (WRC-18 Program). During the first meeting particularly suggestions concerning method of solution of individual program points of the agenda of WRC-15 were discussed and also demands for collaboration within the framework of ECC/CPG and subsequently with remaining subjects participating in the policy and strategy in the field of radio spectrum aimed at fulfilling common goals of the EU.

Initial proposals of CEPT reports were introduced and discussed. The Czech Republic, in the position of coordinator of CEPT for program points 2 and 4 of WRC-15 agenda, introduced the first proposal of the CEPT Report concerning program point 4 (WRC-15). The meeting also dealt with the issues of preparation of resolutions for RA-15 (Radio Assembly).

On September 24 – 28, 2012 the 75th meeting of the working group ECC/WGFM, engaged in solution of issues of management of radio spectrum, was held in Minsk. The group discussed proposals of new harmonizing documents (ECC decisions and recommendations), reports of individual project teams in the area of monitoring of radio spectrum, identification of frequency bands for security applications in State administration, satellite communications, issues of naval communications, satellite communications, radio broadcasting, short range devices (SRD) and the issues of cognitive systems. The meeting approved draft of new Recommendation on indirect measurement of output of RLAN equipment in the band of 2.4–6 GHz. Within the framework of the meeting, questionnaire of the issues of utilization of the band 5.8 GHz for DA2GC applications (Direct Air to Ground Communications) was evaluated to which altogether 38 CEPT countries responded and initial discussions, focused at options of employment of unpair segment of the band 2 GHz for DA2GC systems, were held. Meeting also discussed proposal of project team PT 50 concerning harmonized employment of the band 1,452–1,492 MHz for „Mobile broadband supplemental downlink“, British proposal of the Report ECC to the issues of jamming of meteorological radars by RLAN facilities, the update of the Report ERC no. 25, which is one of basic documents to harmonized employment of radio spectrum by member administrations of CEPT and established project team which will prepare technical and regulatory measures for harmonization of the band 2.3–2.4 GHz for high-speed applications. In SRD issues the activities of TCAM/ADCO for the implementation of limited research of the market focused on the situation of RLAN products in the band 5 GHz were presented.

On October 15 – 18, 2012 the last preparatory meeting of the CEPT Committee for the ITU affairs (ComITU) was held in Istanbul, aimed at the World's Assembly for standardization of telecommunications – WTSA-12 and the World's Conference on international telecommunications – WCIT-12. ComITU discussed and approved final sets of Common European proposals (ECP – European Common Proposal), i.e. contributions of European countries concerning selected themes, which will be subject of the meetings mentioned above, bargaining position towards other points of the agenda, discussed information on meetings of another regional groupings, appointed coordinators for the ECP and specified coordinated policy of representatives of European countries during conferences. To specific themes belonged the issue of competencies and coordination of the policy with the European Commission at the WCIT-12 respecting the fact that some of the issues discussed may fall in the spheres regulated by European legislation.

On October 16 – 17, 2012 the working meeting of project team ECC/FMWG/PT 49 on PPDR (Public Protection and Disaster Relief) took place in Helsinki aimed at the issues of security communications and communications during natural disasters. The goal of the PT 49 meeting is the identification of bands suitable for harmonization of security broadband communications. The working meeting dealt with, in particular, the preparation of the ECC Report the aim of which is to describe frequency requirements arising from verification of operational requirements. At the same time the methodology of calculation of frequency needs was discussed together with results of calculations of spectrum needs performed. The calculations were performed on the basis of probable scenarios for the category PP 1 (Day to day operation) and PP 2 (Predicted and unpredicted operations). Results of this report will be used in another prepared ECC Report, which will describe transformation of requirements of users concerning frequency requirements in identified frequency bands and study of compatibility with remaining services. The PT 49 activities will be coordinated with activities of the project team ECC CPG PTA, which works on the preparation of CEPT report and common European standpoint to the point 1.3 of the WRC-12 agenda.

NATO

On October 24 the civil-military meeting of the group CP/3 (NATO Capability Panel) was held in Brussels in the seat of the NATO aimed at the issues of utilization of radio spectrum. The goal of common meeting of civil and military representatives of Member States was to discuss conclusions from the meeting of military representatives, which immediately preceded the meeting of C/M CP/3 (Civil/Military Capability Panel), the state of preparation and principles of update of harmonized frequency NATO table (NJFA – NATO Joint Frequency Agreement), to begin preparation of the NATO for the World's Radiocommunication Conference 2015 (WRC-15), to discuss the issues of prepared inventory of radio spectrum pursuant to the Decision of the European Parliament and the Council 2012/243/EU (RSPP), military needs and requirements for radio spectrum and also specific requirements for sharing among military radar applications and newly prepared communication system DA2GC/LTE in the band of 5 GHz and coexistence of datalink applications with new aerial services in the band of 960–1,164 MHz. The part of the meeting was the information of representatives of Great Britain concerning experience from support of access of security forces to the spectrum during Olympic Games in London.

SPU

From September 24 to October 15, 2012 the 25th Congress of the World's Postal Union (SPU), took place in Qatar (Dauhá), Congress is the supreme body of this Union and is held each four years. The Congress discussed and approved changes of the SPU Act and strategy in the field of postal services (Doha Postal Strategy) for the period until 2016, which is focused particularly at improvement of interoperability of international postal networks, exchange of technical and professional knowledge, innovation of postal services and support of sustainable development in the field of postal services. Within the framework of the Congress also election to the SPU bodies took place – Administrative Council and the Council of postal operation and the new General Director was elected of the International Office of the SPU, namely Mr Bishar A. Hussain from Kenya.

12. Digitalisation of RTV

During October 2012 important changes took place in the broadcasting network 4. The operator in Prague and Brno terminated existing broadcasting on radio channels over 60 – specifically on the channel 64, which was replaced in Brno by radio channel 46 and in Prague by radio channel 42. The operator will use this radio channel in both sites within the framework of single frequency networks. Also in the broadcasting network 4 the operator put into operation new digital transmitters Uherské Hradiště 44, Hlubočec – Hůrka 63 and Rakovník – Louštín 44, which will serve for the support of coverage of these sites.

Therefore, at the end of October 2012, digital television transmitters employing radio channels over 60 (radio channels within the band of digital dividend which will be employed in future on the basis of results of auction by new mobile networks for high-speed access to the Internet) remain in operation only in two regions – Trutnov and Ostrava. Release of these radio channels depends on speed of transition to terrestrial digital television broadcasting in Poland, and, in particular, on the termination of their existing analogue television broadcasting, which should be terminated, according to information available, before June 30, 2013.

13. Radio spectrum management

Auction of frequencies

On October 5 the CTU announced that all companies, which submitted their bids in the tender procedure for the utilization of radio frequencies supporting public communication network in the bands of 800 MHz, 1,800 MHz and 2,600 MHz, complied with both formal and other determined conditions for the participation in the Auction. Therefore, Telefónica, T-Mobile, Vodafone and PPF Mobile Services will participate in the Auction. Tenderers were informed about this fact and received confirmation about their registration in the Auction. Subsequently, during October, tenderers completed training and first testing auction. The auctions of frequency segments themselves and allocation of concrete frequency blocks should take place before the end of this year. The decision of the CTU on allocation of radio frequencies acquired should take place at the beginning of 2013 after successful tenderers settle the price for spectrum auctioned.

Plan for the utilization of radio spectrum

On October 15, 2012 the CTU published for the consultation the proposal of new edition of part of the Plan for the utilization of radio spectrum no. [PV-P/13/XX.2012-Y](#) for frequency band of 10–12.5 GHz. The reason for the promulgation of this part of the plan is, in particular, the update of conditions for the utilization of radio frequencies in harmony with valid harmonization documents. To significant modifications belongs more flexible utilization of the band 10.7–11.7 GHz in fixed service from the viewpoint of extension of variants of utilization of channel pitches. The deadline for sending comments to this proposal of the Measure of General Nature terminates on November 15, 2012.

14. Postal services

During September one decision became effective on imposition of fine on the Česká pošta against which the Česká pošta submitted remonstrance. The CTU imposed the fine for violation of obligation to supply each business day of the week.

After they were discussed and approved by the CTU Council, draft legal regulations concerning execution of § 18 Para. 1, § 33 Para. 4 Letter e) and § 32b of the Act on Postal services, were submitted to the Legislative Council of the Government. These Decrees are dealing with determination of model form of notification of doing business in the field of postal services, determination of contents, form and method of publication of information about results of provision and support of basic services and evaluation of discharge of quality parameters and methods of keeping records of earnings and revenues of operator who provides postal services or supports foreign postal services.

Discussed in the CTU Council on November 13, 2012