

Monthly monitoring report no. 11/2012 of the Czech Telecommunication Office November 2012

Executive summary

On November 1 the CTU organized the working meeting with representatives of associations of operators concerning discussion over the draft analysis of relevant market no. 8 – the Access and origin of calls (origination) in public mobile telephone networks. In the analysis the CTU states that the relevant market is not sufficiently competitive market because there are enterprises having significant joint market power acting on that market and that remedial measures of domestic law or the Law of the European Union in the field of economic competition are insufficient to resolve given the problem (more information can be found in Chapter 2).

On November 7 the CTU organized the workshop dealing with risk premium concerning investments in optical networks of the new generation. Regulators are bound to include this risk premium (corresponding to the level of WACC applied) in regulatory practice pursuant to the Recommendation of the European Commission on regulatory approach to the access to networks of the new generation (more information can be found in Chapter 2).

On November 20 the World's Telecommunication Standardization Assembly (WTSA) of the ITU – International Telecommunication Union, started its work in Dubai. Its principal task was to set up the plan and conditions of standardization activities of the sector of telecommunications of the ITU-T for the next four-years' study period.

In negotiations of the WTSA continued the WCIT - the World's Conference on International Telecommunications, which is focused at the revision of ITRs – International Telecommunication Regulations. The WCIT negotiations is the place where viewpoints of states, telecommunication operators and content providers, concerning future conception of administration of telecommunications, are confronted. Especially sensitive for the European public are real efforts of some countries to introduce in the International Law, by means of the Telecommunication Order, conditions permitting to influence freedom of choice and access to information. The representatives of the CTU participated in both negotiations within the framework of the delegation of the Czech Republic and the Head of the Department of international relations of the CTU, Mr. Petr Zeman, was the deputy to the Head of the Czech delegation. Our delegation supports, in harmony with other European Union countries, a liberal approach to the administration of telecommunications.

The participants of the electronic auction part of the tender procedure for a frequencies in the bands of 800 MHz, 1,800 MHz and 2,600 MHz continue to submit their offers. Contrary to the original tentative time-schedule, the deadline of termination of the auction has been prolonged, and the CTU released the [information](#) about it in on November 28. The final date depends on further interest of participants of the auction in frequencies offered.

On November 23 the CTU promulgated general authorization no. [VO-R/1/11.2012-13](#) concerning operation of user terminals of radio networks of electronic communications. This authorization will replace existing ten general authorizations, which determine conditions for operation of terminals of operators who were allocated radio frequencies by individual authorizations (or which were authorized by operators of these networks in the case of satellite networks and managed by satellite system (more information can be found in Chapter 13).

On November 2 the CTU promulgated already fourth report on the development of the market of electronic communications – the Information on the development of the market of electronic communications focused at the year 2011 and selected indicators of the first half-year of 2012. The information describes the situation and development of important partial indicators concerning both provision of services in electronic communications and the field of electronic communications as a whole. The report is available [here](#).

On November 12 the CTU has made available the price barometer to the public on its internet pages. This barometer offers interactive display of the development of retail prices with selected services of electronic communications in the Czech Republic. Specifically, they are the prices for calls from mobile telephones and the prices for fixed access to the Internet. The barometer is available [here](#). (more information can be found in Chapter 8).

In the theme of the months the CTU provides information concerning the regulation of the international roaming in the European Union (more information can be found in Chapter 1).

1. Current situation in the market

Telefónica

Telefónica has introduced the offer for new customers, who come over from other operator with the help of a company ensuring distribution sale of operator services. If these customers acquire new tariff of the company Telefónica from the series O2 NEON with two-years commitment, they will receive, for the period of 24 billing periods, starting to run on the day of establishment of the service, three percent discount from monthly flat rate. This offer is valid from November 1, 2012 until January 31, 2013.

From November 1, 2012 until January 31, 2013, the company offers the option to buy a privileged combination of voice tariffs with the tariff Internet in mobile+ (see the variant 1 in the Table no. 1). This offer is determined for new and existing customers who will take over the obligation to use these agreed services for the period of 24 months. This offer can be used also by corporate customers without a framework contract for provision of services under privileged commercial conditions.

From November 1, 2012 until January 31, 2013 the Telefónica also offers the option to buy a privileged combination of voice tariffs and tariffs of service of Internet in mobile+ (see the variant 2 in the Table no. 1). This offer is determined for new customers who will come over from other operator and, at the same time, will take over the obligation to use the offer of Smart tariff for the period of 24 months. This offer can be used also by corporate customers without a framework contract. This offer is valid for the first 2,500 agreed Smart tariffs for each month during which this campaign is in force.

Customers, who will take over two-years commitment, will pay, for the period of its validity, for the combination of services specified bellow the following monthly price:

Table no. 1

Services		Variant 1 Smart tariffs – privileged price in CZK incl. the VAT	Variant 2 Smart tariffs – privileged price in CZK incl. the VAT	Combination of tariffs for standard price in CZK incl. the VAT
O2 NEON S	Internet v mobilu+ S	450	350	500
O2 NEON M	Internet v mobilu+ S	550	450	650
O2 NEON L	Internet v mobilu+ M	800	550	1 000

O2 NEON L+	Internet v mobilu+ M	1 150	1 000	1 300
O2 NEON XL	Internet v mobilu+ L	1 900	1 400	2 550
O2 NEON XXL	Internet v mobilu+ L	2 800	2 500	4 450
O2 Enterprise M	Internet v mobilu+ M	900	650	1 100
O2 Enterprise L	Internet v mobilu+ M	1 350	1 100	1 550
O2 Enterprise XL	Internet v mobilu+ L	1 900	1 400	2 350
O2 Enterprise XXL	Internet v mobilu+ L	2 800	2 500	3 450

Another offer is valid from November 1, 2012 until January 31, 2013 and it is the combination of the tariffs O2 [kúl:] and O2 Pohoda with the tariffs of complementary services of Internet in mobile+ (see the Table no. 2). This offer is determined for new and existing customers who will take over the commitment to use the agreed services for the period of 24 months. Each customer, who will take over the commitment to use the offer Chytrý O2 [kúl:], can use, for the period of two years, the bonus in the form of hundred percent of free units of the tariff O2 [kúl:].

Table no. 2

Services		Smart tariffs – privileged price in CZK incl. the VAT	Combination of tariffs for standard price in CZK incl. the VAT
O2 [kúl:]	Internet v mobilu+ S	350	450
O2 [kúl:]	Internet v mobilu+ M	450	600
O2 Pohoda	Internet v mobilu+ S	280	380
O2 Pohoda	Internet v mobilu+ M	380	530

For all corporate and non-corporate customers, who will, starting from November 1, 2012 acquire the new internet tariff Mobile Internet L (with data limit of 2 GB/month), or who will come over from the tariff Mobile Internet M (with data limit of 500 MB/month) to Mobile Internet L, the Telefónica offers monthly flat rate for CZK 300 for the period of three months starting from the day of establishment of the tariff if they use this service independently, or for CZK 200 if they use this service jointly with the service xDSL or digital television O2 TV. Participants, who will acquire the tariff Mobile Internet XL (with data limit of 10 GB/month) or who will come over from the tariff Mobile Internet M or Mobile Internet L to the Mobile Internet XL, will pay, for the period of three months starting from the day of establishment of the tariff the monthly flat rate of CZK 500 if they use this service independently or for CZK 300 if they use this service jointly with the service xDSL or digital television O2 TV. After the privileged period expires participants will pay for the above services the standard prices, therefore CZK 500 for the tariff Mobile Internet L (if they use this service independently), and/or CZK 300 if they use this service jointly with the service xDSL or digital television O2 TV. The standard price for the service Mobile Internet XL is then CZK 750 if they use this service independently, or CZK 550 if they use this service jointly with the service xDSL or digital television O2 TV.

All residential participants aged from 6 to 26 years, who will, from November 1, 2012 until December 31, 2012, acquire the new tariff O2 [kúl:] or O2 Pohoda or those who will prolong their commitments for utilisation of these tariffs by 24 months and, simultaneously, will use the tariff O2 Internet in mobile Start/Internet in mobile+ S or O2 Internet in mobile/Internet in mobile+ M, will pay for the tariff O2 Internet in mobile Start/Internet in mobile+ S, starting from the day of utilisation of this offer until January 31, 2013 CZK 100 monthly and for the tariff O2 Internet in mobile/Internet in mobile+ M CZK 200. After the

privileged period expires participant will pay CZK 150 of monthly flat rate of the tariff Internet in mobile+ S and CZK 300 for the tariff Internet in mobile+ M.

The offer „Mobile internet M for CZK 100 for two years“ is earmarked for residents and corporate customers without framework agreement. The offer is valid within the period from November 1 until December 31, 2012 for a customer who has no mobile internet connection on an independent data SIM. Residential customers may use the offer on one SIM card and corporate customers on two SIM cards. Subscriber, who meets these conditions and acquires the new tariff Mobile internet M, will pay, for the period of two years starting on the day of establishment of the service, monthly price of CZK 100 for the service. After the privileged period expires a subscriber will pay for the service the standard price (currently CZK 300 / month).

Each subscriber with the newly agreed tariff O2 NEON or with automatically prolonged commitment of this tariff or with commitment prolonged by 24 months, will automatically receive from November 1 another fifty percent of free minutes under condition that this subscriber will simultaneously not employ a special offer for the purchase of privileged telephone.

Each subscriber who will buy, from November 15 until January 31, 2013, pre-paid card with the tariff O2 NA!HLAS or NA!DLOUHO, can receive advantage in the form of free calls after the first minute to all numbers in the O2 network or from the networks of other fixed operators within the Czech Republic if he/she, for the period of 30 days, recharges the credit at the amount of at least CZK 200. A subscriber will pay CZK 6 for the first minute of call from the O2 network or from the networks of other fixed operators within the Czech Republic.

Starting from November 1 the Telefónica does not offer „the Package of 1,000 minutes to selected mobile networks“ earmarked for VoIP line IP Centrex – Unlimited line and Unlimited line abroad and IP Telephone connection, which allowed free calls to one selected mobile network within the Czech Republic for the price of CZK 360 in the extent of 1,000 minutes for billing period without limitation of time of operation, number of calls and length of individual calls.

Until the end of November the company prolonged validity of acquisition offers of Internet connection xDSL in the variants Internet Optimal having the speed of up to 20 Mbit/s for CZK 500 (instead of standard price of CZK 750/month) and the Internet Aktiv offering the speed of up to 40 Mbit/s for CZK 600 (instead of standard price of CZK 850/month) for all new customers with the commitment for 12 months. Establishment of this service is free of charge and without any further charges for telephone connection. After one year using of the service, the standard price of the service will be charged to the customers. It is also possible to get some of extra bonuses to the tariff Internet Optimal for a surcharge of CZK 150 in the form of the service O2 IPTV offering as many as 46 TV programs or the tablet Prestigio. For entrepreneurs and companies, which agreed to the new Internet connection (Internet Optimal or Internet Aktiv) and simultaneously IP Telephone connection together with the commitment for 12 months, the company Telefónica offers privileged prices for the period of validity of this commitment. For the service Internet Optimal a customer will pay CZK 400 (instead of CZK 750 /month) and for the service Internet Aktiv CZK 500 (instead of CZK 850 /month). For the service IP Telephone connection – Unlimited lines, he/she will pay CZK 190 instead of standard price of CZK 216.

During the whole month of November 2012 the company Telefónica provided acquisition offer to the Internet services Optimal and Aktiv also for existing customers. Customers, who concluded the service with the commitment for twelve months and increased their internet tariff to the tariff Internet Optimal, will pay for the period of twelve months CZK 600 for a month (instead of standard price of CZK 750). Similar conditions are

valid also for the service Internet Aktiv, where customers will pay also CZK 600 for a month during commitment agreed instead of standard price of CZK 850).

During November Telefónica offered in some regions¹ in selected corporate stores the service Internet Optimal for the price of CZK 400 and the service Internet Aktiv for CZK 550 for a month to its new customers having the contract containing the commitment for twelve months. Starting from the thirteenth month a customer will pay standard price for this acquisition offer.

Until the end of November the Telefónica prolonged the offer of O2 Internet Bundle. Customers, who, within this offer, established new service digital television O2 TV with the tariff O2 TV Flexi on the same connecting line with one-year commitment and the service O2 Internet connection with the tariff Internet Optimal, acquired bonuses in the form of price's privilege. During twelve months starting from the day of establishment of the service they will pay for utilisation of services of Internet Optimal the price at the amount of CZK 450/month (instead of standard price of CZK 750/month), and/or for services of Internet Aktiv the price at the amount of CZK 550/month (instead of standard price of CZK 850/month), for utilisation of services of O2 TV Flexi they will pay the price CZK 200/month (instead of standard price of CZK 450 /month), and during validity of the commitment they will pay for the lease of set-top-box the price of CZK 49/month (instead of standard price of CZK 150/month). Within the framework of the tariff O2 TV Flexi a participant may, during privileged period, negotiate only program packages Dokumenty, Sport, Děti, Styl, Hudba, Seriály and Filmý.

T-Mobile

The company T-Mobile offers a thirty percent discount from the amount of monthly flat rate with tariffs "Grand in the network" and "Grand" to all networks. The offer is earmarked for new customers, who, within the period from November 1 until December 31, will conclude subscriber contract for a definite period of time (24 or 36 months) to the above mentioned tariffs. The offer is also valid for existing customers, who within this period will prolongate existing subscriber contract by 24 or 36 months in one of the above mentioned tariffs or will come from pre-paid Twist service over to one of the above mentioned tariffs and simultaneously will conclude the subscriber contract for a definite period of time (24 or 36 months).

The new part of the program „Našim za dobití“, which is offered since this summer, is a Christmas chance offering, from November 1, the option to call for CZK 2.50. Existing customers can employ this offer under condition that they recharge at least CZK 300 and send activating SMS. They can then use chosen advantage for the period of 4 weeks. When they recharge less than CZK 300, they can use it only one week. Calls cannot be realised for CZK 2.50 but it is so-called Super rate under which calls for CZK 2.50 are possible until the end of January. Then the price will be CZK 3.50/min.

On November 15 the company T-Mobile started testing operation of LTE network for the region of Mladá Boleslav. In the LTE network voice services and SMS cannot be used. To use data services on pilote LTE network a participant must have a modem supporting LTE and special SIM card. Participant, who wants to be engaged in this pilote operation, may visit brand or partner store of T-Mobile in Mladá Boleslav, hire LTE modem and special SIM card against returnable financial deposit and for the period of seven days use connection to LTE network in the region of Mladá Boleslav for free and without any data limits. A participant can also buy modem and in this case he/she will get the possibility to use special LTE SIM card for the whole time of data operation in pilote LTE network. Price for this data operation will be included in the price of purchased modem.

¹ 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.

T-Mobile reported its results for the third quarter of 2012. The operator succeeded in stabilizing customer base because the number of tariff customers exceeded 3 millions and they now make more than 55 percent of the total number of 5,400,000 customers. It represents a year-on-year increase by 5.6 percent. Total sales for the first 9 months remained at the stable level of CZK 19,800,000,000. On average mobile customers had 132 call minutes monthly, what is a year-on-year increase by 5,6 percent. Low monthly share of customers, who decided to go over to another operator (churn), further decreased to 1.1 percent. Development of average monthly spending of customers (ARPU) was the same as in preceding years – as compared to the same period of 2011 it dropped by 2.6 percent. During the first nine months of the year the volume of non-voice data services increased by more than 111 percent in comparison to the same period of preceding year. The number of fixed connections increased on a year-on-year basis by 12.9 percent to 105,000.

Vodafone

The company Vodafone introduced to the market the offer of 100 SMS to all networks for the first month free of charge pertaining to the pre-paid service Vodafone card without limit. The offer is determined to all customers who will buy Vodafone card without limit and will activate it within the period from November 15, 2012 until January 31, 2013.

The company Vodafone newly offers a discount of twenty five percent to services Connection for notebook and tablet. All customers, who will ask for this offer when purchasing subsidized equipment and, simultaneously, will activate one of data tariffs Connection for tablet premium, Connection for notebook standard, Connection for notebook super or Connection for notebook premium, will receive a discount of 25 percent from monthly price of services for the period of 24 months starting from its activation on SIM card to which they bought subsidized equipment.

The company Vodafone also offers a discount of fifty percent to service Connection for notebook premium. All customers who have asked for this offer within the period from November 22, 2012 to December 31, 2012 when purchasing subsidized equipment and, simultaneously, have activated the service Connection for notebook premium, will receive a discount of 50 percent from monthly price of activated service of Connection for notebook premium for the period of 24 months beginning from its activation on SIM card to which they bought subsidized equipment.

Starting from November 15 the Vodafone has offered a limited Christmas edition of pre-paid card – Vodafone card without limit. Originally, it was possible to call into own network with this card for the price of CZK 7 regardless of length of call (maximum one hour) and plus 100 SMS. Calls to other networks were for CZK 7 per minute. On November 29 Vodafone announced that with the card „without limit“ it reduces, from December 1, within the framework of the campaign "Month of presents from Vodafone", the price of calls to other networks to CZK 2.50. It is a service limited in time which will be in force until January 31, 2013 and the price will then be increased to CZK 3.50.

UPC

The company UPC announced the increase of prices of cable television, Internet and telephone services by 3.5 % on average (without VAT) starting from January 1, 2013. However, final prices may also increase due to the increase of VAT rate. Rise in prices may also take place in connection with reduction of provision of services (for example because payment of the settlement of services was not disbursed timely and properly), reimbursement of costs incurred in connection with sending a reminder which has increased from CZK 60 to CZK 100, price for disconnection because of arrears, which has increased from current CZK 300 to CZK 500. Remaining prices, for example for calls, lease of equipment, prices for

installation, connection or customer services remain unchanged. If VAT rates are changed, further amendments of prices for services provided will take place.

Until the end of November 2012 continues the campaign for new customers who have ordered on-line service UPC Telephone with the tariff Basic and concluded the contract including the commitment to employ these services for the period of 12 months, to pay monthly flat rate at the amount of CZK 1 instead of standard price of CZK 222 for a month. Price for connection of this service within the framework of this campaign is CZK 99 instead of standard price of CZK 1,000.

New customers who, not later than by November 30, have ordered on-line service of digital cable television Klasik with program packages Sport, Relax or Darwin, obtained, for the period of six months, discount from monthly price. instead of standard price of CZK 250 customers will pay CZK 150. For connection of the service customer will pay CZK 99 instead of standard price of CZK 1,000. Within the framework of the service Klasik it is possible to utilize more than 40 Czech and Slovak programs including 7 programs in HD.

The service of digital television Komfort is earmarked for new customers. Customers who, before November 30, have ordered on-line service Komfort with the commitment for 12 months, have received a discount from monthly price. During six months these customers will pay CZK 350 instead of standard price of CZK 550. Within the framework of the service Komfort more than 80 programs including 15 programs in HD can be employed.

The campaign determined for new customers, who, before November 30, have ordered on-line on-lineservice of digital cable television Mini, was prolonged. Customers, who concluded the contract for 12 months, will pay for this service preferential price of CZK 150/month instead of standard price of CZK 210.76 and will be able to watch 20 Czech programs including 6 programs in HD within this service.

Until November 30, 2012 lasted the acquisition offer of connection to the Internet in variants Fiber Power 30 Mbit/s for the price of CZK 399 Kč per month, 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 6 months. These prices do not include provision of modem. After expiry of this time standard monthly price of CZK 499 will be applied for Fiber Power 30 Mbit/s, CZK 599 for Fiber Power 60 Mbit/s and CZK 799 for Fiber Power 120 Mbit/s. Besides this price it is necessary to pay also one-off connection fee of CZK 99. These Internet connections can also be purchased discounted within the framework of packages with bonus programs KOMBI Klasik+, KOMBI Komfort and KOMBI Komfort+, where a customer receives movie package for the first two months free of charge and selected theme package for maximum 6 months also free of charge.

MobilKom

The company Air Telecom a.s. announced that from December 1 it has become the new owner of mobile operator, the company MobilKom, which is active on the market under the brand mark U:fon. The operator finished its restructuring without any negative impact on services for customers. All agreements of the company MobilKom remain in force and they automatically go to the new subject. For existing customers or suppliers nothing has changed by this step. New development of U:fona on the Czech market will be, according to the statement of Air Telecomu, supported by new tariffs and penetrative restart of sales. In December U:fon plans to offer new „Flat tariff“ with unlimited calls to all networks for CZK 840 per month. There are three simple telephones offered.

The Theme of the month – Information on the regulation of international roaming in the European Union

On July 1, 2007 the Regulation of the European Parliament and the Council (EC) no. 717/2007 dated June 27, 2007 on Roaming in public mobile telephone networks in the Communities and on the Amendment of the Directive 2002/21/EC became effective. Regulation introduced joint approach providing reasonable prices for users of public mobile telephone services within the framework of the EU and stipulated rules for determination of prices, which mobile operators can charge for provision of international roaming services within the framework of the EU, both on retail, and wholesale levels.

Pursuant to this Regulation average wholesale prices for voice calls, retail prices for voice calls and transparency of these of these retail prices could be regulated. This Regulation lost its effectiveness on June 30, 2010.

After two years, the European Commission reviewed the situation in the market and the amendment in the form of the Regulation of the European Parliament and the Council (EC) no. 544/2009 was endorsed on June 18, 2009, which completed the regulation by price cap for average wholesale prices for SMS services, by retail prices for these services and by transparency in their use, and also by protective mechanism for customers and transparency in using roaming data services. Amended regulation came into effect on July 1, 2009.

This Regulation modifies also average wholesale prices of regulated voice, data and SMS services and conditions of correct information of customers concerning the type and price of services, which they use abroad.

During 2011 and in the first half of 2012 negotiations took place at the EU level focused on further regulation of international roaming. On June 30, 2012 the Regulation of the European Parliament and the Council (EU) no. 531/2012 dated June 13, 2012 on Roaming in public mobile communication networks in the Union (hereinafter „the Regulation on international roaming“) was published in [the Official Journal of the European Union, Volume L 172](#). The new amendment continuously builds on the regulation of roaming, and namely from July 1, 2012. The Regulation on international roaming will be effective until June 30, 2022.

Therefore, all the above mentioned regulatory proceedings from preceding two Regulations remain in force and some other are added to them.

Therefore, the following proceedings continue to apply:

- price cap for average wholesale prices for regulated roaming calls (to be decreased until 2014),
- price cap for retail prices for regulated roaming calls (to be decreased until 2014),
- price cap for average wholesale prices for regulated roaming SMS (to be decreased until 2013),
- price cap for retail prices for regulated roaming SMS (to be decreased until 2014),
- price cap for average wholesale prices for regulated roaming data services (to be decreased until 2014),
- conditions of transparency of retail prices for regulated roaming and SMS (information SMS on prices of services in visited country, information in price lists etc.),
- conditions of transparency and protective mechanism for utilisation of retail roaming data services (notice on approaching exhaustion of data limit, obligation to offer tariff with data limit at the level of € 50.)

Newly introduced proceedings:

- price cap for retail prices for regulated roaming data services (to be decreased until 2014),
- the obligation to allow wholesale access to roaming services (for alternative providers of roaming services) from January 1, 2013,
- obligation to allow separated sale of regulated roaming services from July 1, 2014.

Therefore, on the basis of the Regulation, the regulated eurotariff appears in retail tariffs both for voice services, and for SMS and data services. This tariff offers the prices which will not surpass price caps determined by the Regulation and each customer will be transferred to this tariff automatically. Only when customer for some reason (for example because of higher quality of services for extra fee, different structure of calls, other visited countries) decides to employ different price offer and manifests his/her will, different price for services may be charged. Each roaming customer may whenever ask for transfer to eurotariff or from eurotariff to another tariff.

The Regulation on international roaming continues to regulate transparency of provided services and prices and correct information of customers. The most common method is SMS which user receives in the moment he/she leaves the network of his/her home provider (home provider is an entrepreneur who provides domestic mobile communication services to roaming customer). Welcome message must include a survey of prices, including the VAT for services, which the user employs abroad (voice services, data services, SMS), and other important information. Basic tariff information on prices of data services are delivered to the mobile device of roaming customer by means of SMS, e-mail or pop-up window, for instance.

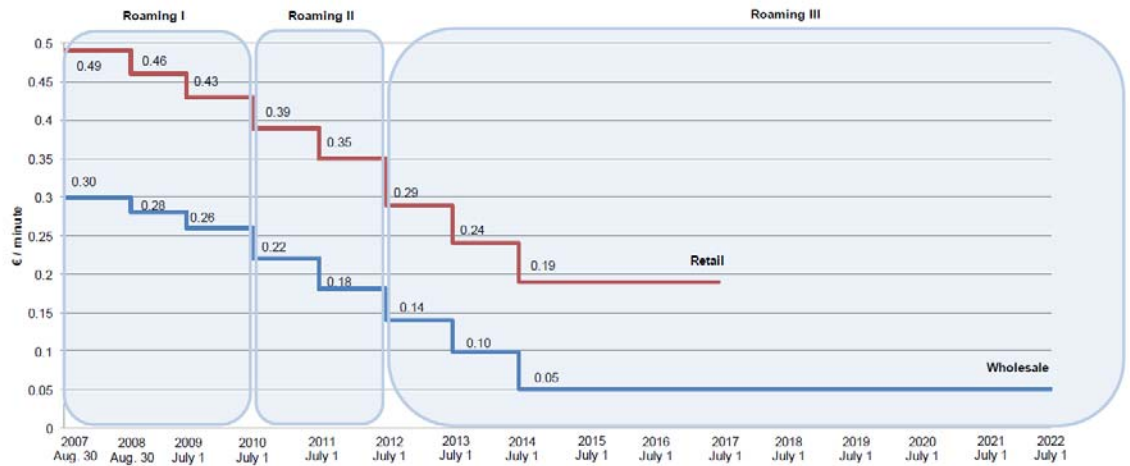
Provider of roaming offers maximal limits for utilisation of data services. Initial financial limit must approach the amount of € 50 without VAT, however, it shall not exceed this amount. If a customer is informed in advance about corresponding financial amounts, roaming provider may introduce volume limits as an alternative. Initial volume limit must correspond to the amount expressed in money, which shall not exceed the amount of € 50 without VAT. Each roaming provider shall make sure that, in case that roaming data services reach 80 percent of agreed financial or volume limit, relevant notice is sent to the mobile device of roaming customer. If financial or volume limit is exceeded, notice must be sent to the mobile device of roaming customer. This notice brings forward procedure which roaming customer should respect if he/she wishes continuation of provision of services and also the the information on the price for consumption of each next unit.

The following figures clearly show development of price ceilings for individual types of services.

Figure no. 1: Price caps for voice - outgoing calls

Figure 1 – Price caps for Voice – Outgoing calls

€ per minute (retail price caps excl. VAT)

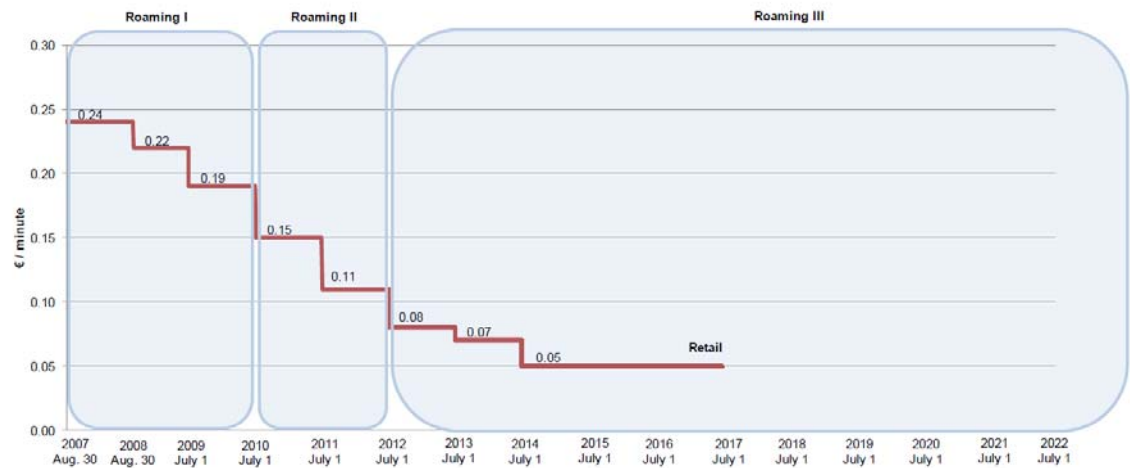


(Source : Cullen International, EU Telecom Flash Message 20/2012, March 30, 2012)

Figure no. 2: Price caps for voice - incoming calls

Figure 2 – Price caps for Voice – Incoming calls

€ per minute (retail price caps excl. VAT)

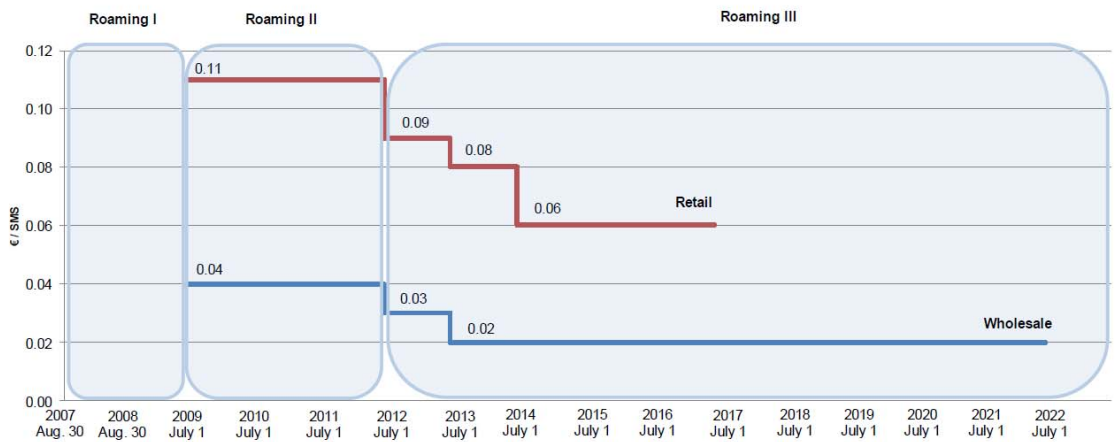


(Source : Cullen International, EU Telecom Flash Message 20/2012, March 30, 2012)

Figure no. 3: Price caps for sending SMS

Figure 3 – Price caps for sending an SMS

€ per SMS (retail price caps excl. VAT)

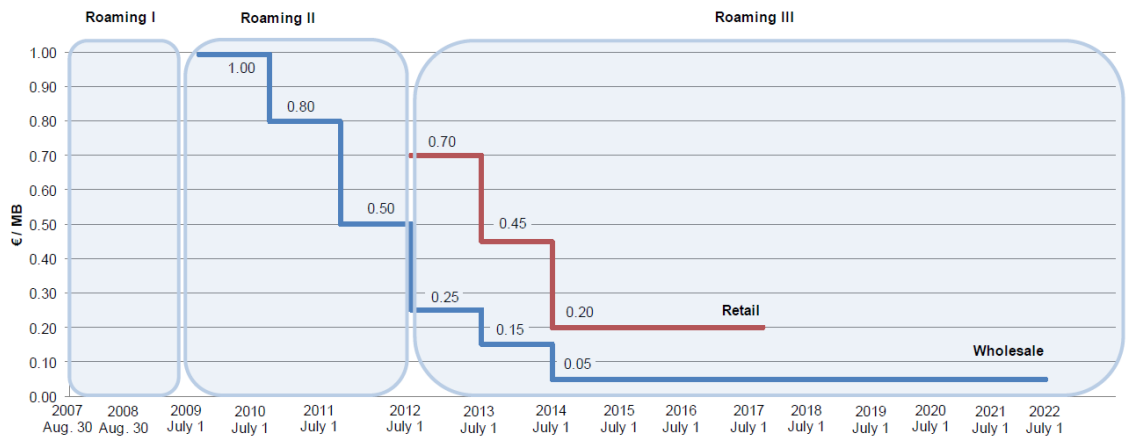


(Source : Cullen International, EU Telecom Flash Message 20/2012, March 30, 2012)

Figure no. 4: Price caps for data services

Figure 4 – Price caps for Data

€ per MB (retail price caps excl. VAT)



(Source : Cullen International, EU Telecom Flash Message 20/2012, March 30, 2012)

Price caps determined by this Regulation are specified in euros. For their transfer to national currencies different from euro the reference rate of exchange of wholesale price caps is used published in the Official Journal of the EU on May 1 of relevant year or in the proximate following edition. For retail price caps, after they are transferred to national currencies different from euro, the average of reference rates of exchange are used published in the Official Journal of the EU on March 1, April 1 and May 1 of relevant year or in the proximate following editions.

Very important new component of the Regulation on international roaming is the regulation of wholesale roaming access. In practical life it is primarily the possibility to provide services of international roaming by other than domestic provider. Customer, for example, from T-Mobile CR, will have the opportunity to use abroad services of other provider of services (for example Vodafone DE) if he/she decides that it is more advantageous for him/her.

Wholesale roaming access is direct wholesale roaming access or wholesale roaming access for the purposes of further sale.

Direct wholesale roaming access means making available equipment of services by operator of mobile networks to another enterprise under determined conditions so that this another enterprise could provide regulated roaming services to roaming customers.

Wholesale roaming access for the purposes of further sale means provision of roaming services on the wholesale basis to another enterprise so that this another enterprise could provide regulated roaming services to roaming customers.

On the basis of the above mentioned wholesale inputs it will be possible to introduce provision of relevant retail products. Sale of regulated retail roaming services, separated from domestic services, will be possible from July 1, 2014.

Domestic provider will allow to their customers access to regulated roaming voice, SMS and data services provided by any alternative provider of roaming. Nobody can prevent customers from access to regulated roaming services provided by alternative provider of roaming. It practically means that customers travelling abroad will be able to choose in advance any provider of communication services, independently on entity providing them these services at home. Customer, who has decided for alternative provider of roaming services, will buy in advance financial credit for these services, or will conclude a relevant contract, and when travelling abroad will start to employ these alternative services.

Domestic provider will inform all their roaming customers in clear, understandable and easily accessible way about the possibility to choose services of alternative provider. Particularly, when concluding or amending agreement on mobile communication services, domestic providers will provide all their customers with complete information concerning the possibility to choose alternative provider of roaming and will not prevent customers from concluding contract with this provider. Customers concluding contract on regulated roaming services with domestic provider will have to expressly confirm that they were informed about this alternative option.

In harmony with the Article 3 of the Regulation on international roaming operators of mobile networks will comply with all authorized requests for wholesale roaming access. These operators will publish reference offer respecting instructions of the Association BEREC and will make it available to any enterprise asking for wholesale roaming access. In order to implement the above mentioned Article of the Regulation on international roaming, the Association BEREC on September 28, 2012 published, after public consultation, relevant [methodology](#).

Pursuant to the Article 5 of the Regulation on international, roaming domestic providers will introduce separated sale of regulated retail roaming services to allow customers to employ domestic mobile communication services and separated regulated roaming services. In order to implement separated sale of services, the European Commission will issue, before the end of 2012, obligatory implementing decision. There are

several methods how to technically support separation of sale of domestic and roaming services:

- Local Breakout (LBO) – applicable for data services, customer will receive those services abroad from local provider of data connection for local prices.
- Dual IMSI – in this case two identities will be introduced on the customer's card (International Mobile Subscriber Identity – IMSI) and if he/she logs in outside his/her home network, secondary identity earmarked for roaming services will be used.
- Single IMSI, Single IMSI+ – here roaming contracts of an alternative roaming provider are used either in the form of resale of services, or by direct provision of its services to a customer in roaming and subsequent charging of actually consumed services to his/her domestic provider.

Considering expert and working discussions which have taken place so far, the variant Single IMSI for voice services and SMS and LBO for data services will be preferred. Variant Dual IMSI is technically demanding and too expensive and therefore it will not probably be used in real life and will not be included in the decision of the European Commission.

Czech operators of mobile networks comply with their price obligations ensuing from the Regulation on international roaming, and the CTU has summarized it in its [Monthly monitoring report no. 6/2012](#), in the Part Current situation on the market, in Chapter Services of mobile networks on page 3 and further. In September 2012 the CTU commenced administrative proceedings with the company Telefónica Czech Republic, a.s., for violation of the Regulation on international roaming, because this company, for certain period of time (approximately 6 weeks), did not apply tariffication of data eurotariff by individual kilobytes (kb) demanded by the Regulation on international roaming, but by each commenced 100 kb (see [Monthly monitoring report no. 8/2012](#), the Part Regulatory measures, Chapter Prices for roaming pursuant to the Regulation of the European Parliament and the Council (EU) no. 531/2012). According to the [press release](#) incorrect tariffication of data services involves only these users who had activated relevant roaming tariff and in the period mentioned employed data connection in some EU country. Within the framework of administrative proceedings the fine at the amount of CZK 50 000 was imposed on the company Telefónica also considering the fact that the company Telefónica removed immediately this misconduct after it discovered it and fully compensated incorrectly charged amounts. The company Telefónica did not file remonstrance against the decision of the CTU and paid the fine. Detailed information concerning administrative proceedings can be found in the Chapter 5 „Inspection activities“ of this monitoring report.

2. Regulatory measures

Markets analysis

Market no. 8 – Access and origin or call (origination) in public mobile telephone networks

On November 1 the CTU organized working meeting with representatives of associations of operators focused at discussion of the draft analysis of relevant market no. 8 – Access and origin or call (origination) in public mobile telephone networks. CTU familiarized participants of the workshop with existing conclusions of the analysis in which it states that relevant market is not sufficiently competitive market, because there are enterprises having significant market power on that market and remedial measures of domestic law or the Law of the

European Union in the field of economic competition are insufficient for the solution of this problem.

In this draft analysis the CTU further notes that the wholesale market of access and origin of call (origination) in public mobile telephone networks demonstrates signs which allow development of tacit collusion (a form of collective dominance, where oligopolists do not conclude formal or informal contracts concerning common policy but proceed in mutual consent, because it is more convenient for them economically than to compete among themselves). According to conclusions submitted, competitors Telefónica, T-Mobile and Vodafone dispose of significant common market force.

Considering a long-term non-existence of agreement concerning establishment of MVNO, the CTU proposes to impose remedial measures for wholesale service of access (including, on the basis of material definition of the market, both the access to voice, SMS and data services) and for the service of call origination in public mobile telephone networks in order to ensure development of competitive environment.

This year the CTU intends to publish this draft analysis for public consultation.

Determination of risk premium for investment in optical networks of the new generation

On November 7 the CTU organized the workshop entitled Determination of risk premium for investment in optical networks of the new generation. Regulators must introduce this risk premium (to the level of applied WACC) in regulatory practise pursuant to [the Recommendation of the European Commission on regulated access to access networks of the new generation](#). The CTU, in collaboration with advisory company Grant Thornton Advisory, prepared the methodology for determination of risk premium and stipulated its value for the current period. Representatives of operators active on the market of electronic communications participated in the workshop. Within the deadline stipulated for submission of comments the CTU received comments from one subject. After the risk premium is definitively determined during the next year, [The Measure of general nature CTU no. 4](#), which stipulates methodology of purposeful classification of costs and revenues and their assignment and determines structure of monitored information, will be amended.

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

Proceedings initiated in November 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 November 2012

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

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 November the CTU performed the following Inspection activities:

- Performance of communication activities without authorization – in the period monitored the CTU performed five inspections focused on performance of communication activities without authorization. In one case in Sokolov and one in Karviná the CTU discovered performance of communication activities without authorization and commenced administrative proceedings with both subjects.
- Observance of conditions of general authorization no. VO-R/12/09.2010-12 concerning utilization of radio frequencies and operation of devices for broadband transfer of data in the bands from 2.4 GHz to 66 GHz – the CTU performed 63 inspections. In 32 cases inspected persons violated conditions stipulated for utilization of indoor frequencies outside the building. Deficiencies discovered will be resolved by the call requesting elimination of deficiency and will be dealt with in administrative proceedings.
- Observance of conditions of general authorization no. VO-R/24/11.2008-16 concerning operation of infrastructure equipment serving for dissemination of radio signal inside tunnels and internal space of buildings – the CTU discovered violation in Prague, Česká Lípa and in Pětihosty, which consisted in operation of GSM repeaters without written consent of operators of networks, whose signal is covered by this repeater; moreover, these devices caused jamming of networks of mobile telephony in the band of 900 MHz.
- Inspections of radio frequencies without authorization – the CTU performed altogether 12 inspections orientated at subjects whose individual authorization's validity terminated. In one case the CTU, during monitoring of an entrepreneur, discovered in Olomouc data operation in the frequency of 426,0250 MHz after individual authorization's validity has ended. In given case the CTU started administrative proceedings. In Plzeň the CTU also discovered continuation of operation after individual authorization's validity terminated and also here it commenced administrative proceedings with this entrepreneur.
- Inspection of observance of conditions of individual authorization for the utilization of radio frequencies – the CTU performed 40 inspections of observance of conditions of individual authorization for the utilization of radio frequencies. In one case it promulgated call to remove deficiencies discovered.
- Determination of sources of jamming of the operation of electronic communication facilities and networks, provision of services of electronic communications or operation of radiocommunication services – the CTU performed altogether 91 local investigations during which it determined sources of jamming of the operation of electronic communication facilities and networks.

On the basis of complaint of the Český hydrometeorologický ústav on jamming of meteorological radars Brdy and Skalky on frequencies 5,635 and 5,645 MHz, the CTU targeted and performed inspection of 17 operators of jamming wifi devices to which it addressed the call demanding removal of jamming.

The CTU further resolved 25 reports concerning jamming of GSM and UMTS public mobile networks provided by individual operators. Jamming of these networks was caused particularly by radiation of active television antennas, wifi facilities and unapproved GSM repeaters. If sources of jamming were discovered, the CTU sent

calls demanding removal of deficiencies to their operators pursuant to § 114 of the Act on Electronic communications. When investigating jamming of networks of GSM of the company T-Mobile in České Budějovice control employees targeted office room in the building of the Town hall. Jamming devices could not be traced because control employees were refused entry in this room. The case is still under investigation.

In Prague 4 some problems occurred in connection with the reception of channel 41 and retuning of transmitter DVB-T of network 4 to channel 42. Reason of these problems consisted in non-observance of prescribed mask of transmitter of channel 42. Operator removed jamming with the help of mounting output filter in the transmitter.

- Collaboration with the Česká obchodní inspekce (ČOI) – during inspection with sellers of telecommunication terminal and radio devices sale of transmitters working in the band of 49 MHz and 50 MHz was discovered in Šluknov. These radio devices cannot be operated in the Czech Republic without individual authorization for the utilization of radio frequencies. Deficiencies discovered are solved by the ČOI within its competence.
- Inspection of observance of the Measure of general nature no. OOP/10/07.2005-3, which stipulates technical and organizational conditions for the implementation of portability of numbers and principles for charging prices among entrepreneurs in connection with portability of numbers – in the month of November the CTU started State inspection of portability of numbers with the company Vodafone which will be finished during December.

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

Druh činnosti	Počet osvědčení nebo kontrol		Počet výzev k odstranění nedostatků	Počet zaháj. správ. řízení	Počet vyd. rozhodnutí*	Rozhodnuto ve prospěch		Uložené pokuty	
	Celkově	Z toho				účastníka	poskytovatele	počet	výše v Kč
1. Počet vydaných osvědčení o oznámení podnikání (§14 ZEK)	24								
2. Počet změn osvědčení o oznámení podnikání (§14 ZEK)	26								
3. Výkon komunikační činnosti bez osvědčení	5							1	10000
4. Dodržování podmínek všeobecných oprávnění	72		32	7	8			8	84000
a) k zajišťování veřejných komunikačních sítí a přiřazených prostředků		3	0	0	0			0	0
b) k poskytování služeb elektronických komunikací		6	0	0	0			0	0
c) k využívání rádiových kmitočtů a provozování přístrojů (rádiových zařízení)		63	32	7	8			8	84000
5. Kontrola rádiových kmitočtů	143		21	8	6			8	116000
a) využívání rádiových kmitočtů bez oprávnění k jejich využívání		12		7	5			7	96000
b) dodržování podmínek individuálního oprávnění k využívání rádiových kmitočtů		40	1	1	1			1	20000
c) Zjišťování zdrojů rušení provozu elektronických komunikačních zařízení a sítí, poskytování služeb elektronických komunikací nebo provozování radiokomunikačních služeb	91	0	20	0	0			0	0
6. Kontrola čísel pro účely správy čísel (počet kontrolních volání)	2		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			15803	6724	237	4624		
a) o námítce proti vyřízení reklamace na poskytnutou službu		0		2	2	0	0		
b) o námítce proti vyřízení reklamace vyúčtování cen za služby		0		23	14	6	6		
ba) přístupu ke službám s vyjádřenou cenou (datové i hlasové)		0		0	2	0	1		
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		15770	6702	229	4617		
d) ostatní		0		8	6	2	1		
8. Neposkytnutí informací podle § 115 ZEK				2	4			4	30000
9. Ostatní	14		1	15	17			14	70000
CELKEM	231		54	15837	6760	237	4624	35	310000

*) 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 elektronických communications za měsíc listopad 2012

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

On November 3, 2012 the decision on imposition of fine on the company Telefónica became effective, against which this company did not submit remonstrance. The CTU imposed the fine at the amount of CZK 50,000 for administrative offence pursuant to § 118 Para. 8 Letter m) of the Act on Electronic communications perpetrated by juristic person (the company Telefónica) because, within the period from July 1 until August 25, 2012, in data roaming which is published on Internet pages of the company under the name of „Basic rate for data roaming“, it applied billing unit for each commenced 100 kB of downloaded data and not the tariffication for each commenced 1 kB ensuing from Article 13 Para. 2 of [the Regulation of European Parliament and the Council \(EU\) no. 531/2012 on Roaming in public communication networks in the Union](#).

Within the framework of activities in the field of reviewing decisions promulgated in the 1st degree of administrative proceedings of the CTU, the result of one of remonstrance proceedings performed is the final decision in which the CTU imposed the penalty at the amount of CZK 20,000 for administrative offence pursuant to § 118 Para. 1 Letter b) of the Act on Electronic communications perpetrated by juristic person (business company) by not reporting to the CTU in advance changes of data specified in the notification of communication activities.

In another remonstrance proceeding the fine was lawfully imposed at the amount of CZK 20,000 to another juristic person (business company) for administrative offence pursuant to § 118 Para. 1 Letter a) of the Act on Electronic communications. This administrative offence was committed by this person because it performed activities in the field of electronic communications contrary to § 8 of the Act on Electronic communications, because it performed activities of provision of public fixed network of electronic communications and provision of publicly available services of access to the Internet network, which are the subject-matter of entrepreneurship in electronic communications, without notification of making business meeting requisites of § 13 the Act of Electronic communications.

6. Other regulators, inspection authorities, courts

Regulation in the markets no. 4 and 5 in Finland

Finnish regulator FICORA promulgated regulation decision in the Fourth round of analysis of the market 4/2007 (wholesale physical access to network) and 5/2007 (wholesale broadband access to network), amended on the basis of comments of the European Commission. In the market 4/2007 the Commission disagreed with cancellation of the obligation of cost orientation for unbundling of copper local loop provided by nineteen smaller operators with significant market power and with non-imposition of price caps for unbundling of optical local loop. FICORA has changed its proposal of regulation and, besides cost orientation, imposed price cap for unbundling of optical local loop on eight bigger regional operators with significant market power. It will determine price cap for one-time monthly payments for copper and optical local loops in a separate decision at the end of 2013 as soon as the new methodology of cost-oriented accounting is finished. The extent of obligations imposed on the market 4/2007 in the Fourth round is the obligation of unbundling of copper and optical local loops, publication of reference offer and non-discrimination of nineteen smaller regional operators with significant market power and the obligation of cost orientation and with optical local loops price caps for eight bigger regional operators having significant market power (nineteen smaller operators are not subject of this obligation).

In the market 5/2007 the Commission did not agree with non-imposition of the obligation to allow access for speeds below 8 Mbit/s and with the absence of regulation of prices. FICORA slightly changed its proposal of the regulation and imposed the obligation of transparency if the access to these speeds is provided on the commercial basis. The extent of obligations imposed in the market 5/2007 in the Fourth round is the obligation of wholesale broadband access to copper and optical local loop for speeds of ≥ 8 Mbit/s, publication of reference offer and non-discrimination of twenty seven regional operators with significant market power (obligations were cancelled in seven sub-national geographic markets including Helsinki) and for wholesale broadband access to copper and optical local loop for speeds above 8 Mbit/s, publication of reference offer for accesses realized on the commercial basis.

Utilization of IT – investigation of the Czech statistic bureau

The Czech Statistical Bureau (CSO) published [results](#) of annual sample survey. Two thirds of Czech households stated in the annual sample survey of the CSO in 2012 that they own computer. Out of this number almost one fourth owned two and more computers and almost 40 percent of households had a portable computer. Households with children are more equipped with computers (91 percent) than households without children (58 percent). The number of households connected to the Internet increased during the last five years by 1,400,000. While in 2007 only one fourth of households was connected to the Internet and majority of connection employed belonged to dial-up connection by means of telephone line, in 2012 this type of connection was employed by only four households out of hundred. All remaining households were connected to the Internet by high speed connection. Czech people enter the Internet also by means of mobile telephones. In 2012 96 percent of Czechs older 16 years owned mobile telephone, of it 13 percent used it also for the access to the internet services. From international point of view the Czech Republic is, concerning the level of households' equipment with information technologies (except for mobile telephones), still bellow the average of the EU Member States (Czech households are on the 19th place concerning equipment with computer and on the 16th place concerning connection to high-speed Internet).

The program of the policy of radio spectrum in Great Britain

On November 22, 2012 British telecommunication regulator Ofcom published detailed [Proposals of principles of utilization of the so-called white spaces](#) in the UHF band (470–790 MHz). White spaces are segments of spectrum which are not fully used, where utilization is assessed from frequency, geographical or chronological viewpoints. Information about white spaces are usually saved in the so-called geolocation database whence supporting information are drawn to be employed for utilization of segments (WS) by applications having low output (microphones, reportorial links, M2M communications, broadband applications etc.) assuming coexistence with principal mode of utilization (for example television broadcasting). From regulatory point of view this operation is generally referred to as dynamic utilization of spectrum. By publication of this document Ofcom reacts to still stronger accent on effective and purposeful utilization of radio spectrum, which has been imposed on the EU Member States also by means of [Decision of the European Parliament and the Council no. 243/2012/EU on Creation of multiannual program of radio spectrum policy](#) (Articles 2, 3, 9). Consultations concerning utilization of white spaces or operational tests are currently under way in other countries of Europe (Ireland, Finland) and in the world (Canada, USA).

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 November the CTU initiated 15,803 administrative proceedings concerning subscriber disputes between a person performing communication activities, on the one hand, and a participant, on the other hand, concerning financial performance and proposals for commencement of procedure concerning objections against the settlement of complaint against price settlement or provision of publicly available service of electronic

communications, which the CTU decides pursuant to § 129 of the Act on Electronic Communications. 6,724 decisions in re were promulgated, of which 6,702 were decisions concerning pecuniary performance (payment of price for services).

Protection of consumer

Concerning protection of consumer, in the month of November the CTU dealt with, predominantly, with routine agenda of complaints. No extraordinary increase of the number of complaints was registered in the monitored period, whether it relates to specific service or its provider.

The CTU continues to receive a number of complaints on providers of services of satellite television Skylink and CS Link, the company M77 Group S.A., however, far from such quantities as it was the case in months of July and August. Also contents of complaints changed because consumers do not complain too much about the introduction of service fee itself but rather about interruption of provision of services if it was not settled and/or difficult communication with customer centre of the provider. In this respect the CTU recommends to consumers to consistently claim their rights pursuant to general commercial conditions of both services and, if their claims are not settled by provider of services within the deadline of one month, to raise objection against settlement of claim with competent regional department of the CTU according to their place of residence. As far as the administrative proceedings lead by the CTU with the company M77 Group S.A. are concerned, the CTU currently performs their final acts. In the nearest time horizon the CTU will inform the public about results of these administrative proceedings.

The CTU permanently records complaints about the method of conclusion of subscriber contracts with the help of telephone conversation where consumers do not always realise that subscriber contract with provider of services of electronic communications can be concluded also with the help of this way of communications at a distance.

As it was already mentioned in preceding monitoring reports, starting from this July, the CTU performs detailed analysis of contractual conditions of mobile operators. At the present time the analysis is completed, its evaluation is under way and the CTU assumes that during the month of January mobile operators will be informed about its conclusions and they will be given opportunity limited in time to modify contractual conditions according to conclusions of the analysis. First results of the analysis show that contractual documents of mobile operators are considerably vast, very often they include ambiguous arrangements which are confusing and hard to understand for consumer. If the operators will not make required changes themselves the CTU will use all its new competences newly ensuing from the Act on Electronic communications and the Act on Protection of consumer in order to reach remedy in this matter.

On November 12 the CTU opened up for public on its Internet pages [price barometer](#). This barometer offers interactive display of development of retail prices with selected services of electronic communications in the Czech Republic. Specifically, there are the prices for calls from mobile telephones and the prices for fixed access to the Internet. The barometer compares retail prices of mobile telephone services of companies Telefónica, T-Mobile and Vodafone. Prices are compared with the help of consumer baskets. These baskets represent three types of customers - small, medium and big ones according to the quantity of subscribed services. The barometer further displays the development of total (real) average price for a minute of call applied on the national market, collectively for all three mobile operators. Concerning fixed access to the Internet the price barometer illustrates development of prices of three biggest mobile operators and also of the largest operator of cable Internet – the company UPC ČR. It also shows development of prices from the point of view of speed of downloaded data (download) and according to technology employed. The purpose of price barometer is to improve awareness and to enable public

easier orientation in using services of electronic communications. Its target is not comparison of offers of individual providers of services of electronic communications as with price calculators helping with the selection of most suitable services.

In [October's monitoring report](#) the CTU informed about the increase of the number of complaints against the company DIMOCO Czech, s.r.o. and the approach of the CTU concerning these complaints. Complaints related to the provision of services by means of Premium SMS and Premium MMS (PR SMS/MMS). During November the CTU handed over to the Association of operators of mobile services (APMS) another 15 complaints. Currently, the CTU registers 42 of those complaints. At the beginning of November the company Vodafone informed the CTU that it handed over complaints of 15 of its subscribers, including their contact data, to the company DIMOCO. This company should contact complainants in order to return to them financial amounts. According to its statement each operator resolves its complaints individually. The CTU at random controlled settlement of complaints of five complainants and they confirm that the company DIMOCO already asked them for bank accounts. Out of three complaints the company T-Mobile considered one as legitimate. On November 23 the CTU informed the Czech Commercial Inspection (ČOI) and the Office for Protection of Personal Data (ÚOOÚ) about potential violation of the Act on the Protection of Consumer and the Protection of Personal Data.

Considering the fact that the CTU registers increased number of queries concerning impacts of coming change of the VAT rate on contractual relations among users and operators of services of electronic communications, it published [the information](#) related to this issue. If an entrepreneur in the field of electronic communications does not change its own price of services (therefore the price with VAT) and the price will be increased or decreased as a result of change of the VAT rate, then this change will be the result of the change of legal arrangement. Subscriber, therefore, principally has no right to terminate the contract for provision of services of electronic communications without any sanction. If the entrepreneur changes its own price of services (therefore the price without VAT), then, regardless of the fact whether final price reflects potential change of the VAT rate, this entrepreneur is bound to terminate the contract with this subscriber without any sanction because the change of price of services, serving as tax basis for calculation of the Value added tax, was not enforced by the change of legal arrangement, in this case by the change of the VAT rate. It is, therefore, a standard commercial decision of an entrepreneur regulated by relevant legal obligations. To these obligations belongs the obligation to publish the information, concerning the change of contract, in each establishment of entrepreneur at least one month before the change of contract becomes effective using the method allowing long-distance access. To these obligations further belongs the obligation to inform subscriber about the change of contract using the method which subscriber has chosen for sending billing. And in case that essential prerequisite of the contract or other provisions, leading to deterioration of position of subscriber, are changed, the entrepreneur must demonstrably inform him/her about his/her right to terminate the contract without sanction to the day on which relevant change became effective.

9. Legislative changes

During the month of November 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 November 7, in the Official Journal of the European Union, [Implementing decision of the Commission dated November 5, 2012 on harmonization of frequency bands 1,920–1,980 MHz and 2,110–2,170 MHz for terrestrial systems for provision of services of electronic communications in the Union](#) was published in the Official Journal of the European Union. Through this decision the European Commission added another 120 MHz to the portfolio of radio spectrum for technologies of the fourth generation (4G), as, for instance, LTE (Long Term Evolution) in the vicinity of the 2 GHz band. Currently, this band is used only for UMTS wireless communications (universal mobile telecommunication system), known as the networks of the Third generation (3G). The Decision imposes on Member States the obligation to open relevant spectrum not later than by June 30, 2014. The European Union, having approximately 1,000 MHz, will dispose of as much as twice bigger spectrum for high-speed wireless broadband connection than the United States. Better access to the spectrum for 4G technologies will significantly contribute to the fulfilment of the target of the Digital agenda in the sphere of broadband networks, according to which universal broadband coverage of the EU with the speed of at least 30 Mbit/s should be attained before the year 2020.

On November 14 the BEREC promulgated [the Statement](#) on the importance of independence of domestic regulatory bodies as well as declaration expressing disagreement with proposals of ETNO for the revision of the International telecommunication order (ITRS).

On November 15 [Extraordinary meeting of the IRG/BEREC](#) took place in Brussels. The subject of this meeting was common commitment of the BEREC and the European Commission for the support of broadband connection in Europe. In her presentation the Commissioner, Mrs Neelie Kroes, developed her vision of stimulating investments of private sector in access networks of the next generation, which followed up her public declaration on this theme in July 2012. The Commissioner Neelie Kroes and BEREC representatives agreed on importance of increase of existing level of investments in the infrastructure, not only as reaction to current economic and financial problems facing Europe in the present time and agreed also on the vision that Europe will prosper and grow despite these problems. Similarly to the provision of necessary conditions for future employment and growth of entrepreneurship within the framework of individual Member States also the availability of high-speed broadband connection will be extended, what is the key precondition for internal digital market associating European economics as well as for its citizens. The Commissioner brought forward several initiatives of the European Commission in this field including recently announced plans of legal regulations focused at reduction of engineering expenditures for the introduction of high-speed broadband connection as the instrument for connecting Europe. The meeting with the BEREC was primarily focused at envisaged recommendation of the European Commission, focused at harmonization of methodology for calculation of costs and introduction of non-discriminatory obligations throughout Europe.

11. ITU and other international organisations

The World's Assembly for standardization of telecommunications (WTSA-12)

From November 20 to 29, 2012, the meeting of the WTSA-12 was held in SAE, Dubai, which evaluated results of ITU-T sector for the period from preceding Assembly of WTSA-08, decided about composition of study groups, filling the positions of chairmen and vice-chairmen of study groups and chairman and vice-chairman of Advisory group for telecommunications (TSAG), updated study issues and their allocation to study groups for another period. It also reviewed and endorsed new resolutions focused at targets,

implementing and coordinating activities of the sector. Principal direction of further development is to maintain position of the ITU as the World's standardization organization and to increase collaboration with other standardization subjects supporting development of information and communication technologies.

Study group SG5

From November 19 to 20, 2012 the meeting of the Study group ITU-R for terrestrial radiocommunication services (SG 5) was held in Geneva. Within the framework of the meeting of the SG 5 were discussed conclusions of working groups WP 5A concerning the issues of terrestrial radiocommunication services in the band over 30 MHz: WP 5B concerning the issues of naval and aerial services, WP 5C concerning the issues of FWA (fixed wireless access) and SW bands under 30 MHz and WP 5D concerning the issues of IMT, then the results of RA-12, results of WRC-12 and conclusions of CPM-1. Plenary session of SG 5 also discussed proposals of new reports and recommendations of ITU-R, proposals for revision of already existing reports and recommendations, contact letters from other study groups, preparation of RA-15, status of questions, standpoints and decisions. Documents of working groups WP 5D, WP 6A, WP 5B and study group SG 4 for satellite communications and SG 7 for scientific services formed the basis of the following negotiations of working group JTG 4 5 6 7 (Joint Task Group) for the preparation of agenda items 1.1 and 1.2 WRC-15.

The Meeting of JTG 4 5 6 7

From November 21 to 28 the meeting of the working group JTG 4 5 6 7 (Joint Task Group) took place in Geneva and was focused on the issues of preparation of the World's Radiocommunication Conference (ERC-15) dealing with agenda item 1.1 (allocation to mobile service in the band of 700 MHz) and agenda item 1.2 dealing with identification of additional bands for IMT. Within the framework of negotiations of group JTG 4 5 6 7 relevant parts of the Report CPM were prepared, draft report ITU-R focused on the issues of sharing mobile services and radionavigation in the band of 700 MHz, introductory documents dealing with the issues of radio service and reporting applications SAP/SAB. On the basis of proposal of the working group WP 5D concerning extents of frequencies suitable for identification for UMTS, first proposals of frequency bands were prepared suitable for identification for IMT. The above proposals should be considered working documents requiring further discussion and in the final phase they may undergo considerable changes.

ETSI – 60th General Assembly

From November 13 to 14, 2012 the 60th General Assembly of Standardization Institute ETSI (General Assembly – GA60) was held in Cannes-Mandelieu in France. The meeting dealt with evaluation of this year from the point of view of results attained in the field of new standards and technical specifications promulgated, preparation of working plans for 2013 and collaboration with European standardization organizations CEN and CENELEC. Important agenda item was the information about launching of the project „oneM2M“, the goal of which is collaboration of the World's standardization organizations in the development of specifications for Machine-to-Machine. More information can be found on <http://www.onem2m.org/>.

Development of the ETSI is still aimed at improvement of links of activities on the basis of the endorsed long-term strategy of the ETSI concerning ICT sectors, aimed at enlargement of portfolio of standards and attainment of higher efficiency of activities which should strengthen standardization and accelerate growth of European economy.

12. Digitalisation of RTV

During the month of November the CTU promulgated individual authorization for another DVB-T transmitters in broadcasting network 4. Therefore, the signal of broadcasting network 4 can be received by 86% of population of the Czech Republic. They are transmitters Frenštát pod Radhoštěm 42, Hodonín – Kapansko 46, Mariánské Lázně – Dyleň 45, Ústí nad Orlicí S4 45, Znojmo – Deblínek 46 and Teplice – Vodárna 30. On the basis of individual authorizations promulgated earlier, the operator of the broadcasting network 4 put into operation transmitter in Teplice in the first half of November and in Hodonín and Znojmo in the second half of that month.

13. Radio spectrum management

Auction of frequencies

On November 12 the CTU launched electronic phase of tender proceedings for granting rights for the utilization of radio frequencies supporting public communication network in the bands of 800 MHz, 1,800 MHz and 2,600 MHz. All companies, which submitted their tenders in tender proceedings, participate in this auction phase and the CTU verified fulfilment of determined conditions and noted their accomplishment. There are the companies T-Mobile Czech Republic, Telefónica Czech Republic, Vodafone Czech Republic and PPF Mobile Services.

According to preliminary time-schedule the CTU should have announced results of this auction phase on November 28, 2012. However, due to the high interest in frequencies offered and continuing submission of tenders for individual blocks of frequencies, this auction phase still continues in harmony with conditions of the Auction Order.

The date of termination of electronic phase now depends on further activities of participants of the auction in frequencies offered.

Plan for the utilization of radio spectrum

On November 14, 2012 the CTU Council discussed and approved the Measure of general nature – part of the plan for utilisation of radio spectrum no. PV-P/2/11.2012-14 for frequency band 24.2–27.5 GHz. The reason for the new edition is particularly consideration of newly promulgated harmonization documents and specification of channel arrangement in the band 24.5–26.5 GHz. This part of the plan of utilisation of radio spectrum will take its effect on January 1, 2013.

On November 28, 2012 the CTU Council discussed and approved the Measure of general nature – part of the plan for utilisation of radio spectrum no. PV-P/13/12.2012-16 for frequency band 10–12.5 GHz. In this part of the plan conditions for utilization of radio frequencies were updated in harmony with valid harmonization documents. To the significant arrangement belongs more flexible utilization of bands 10.7–11.7 GHz in the fixed service from the viewpoint of enlargement of variants of utilization of channel pitches – besides existing 40MHz channel pitch it is possible to newly use channel pitches 28 MHz, 56 MHz and 80 MHz. Simultaneously with this arrangement, the CTU especially reacts to the demand for the utilization of channels wider than 40 MHz. This part of the plan of utilisation of radio spectrum will take its effect on January 1, 2013.

General authorizations

On November 23 the CTU promulgated the General authorization no. [VO-R/1/11.2012-13](#) for the operation of user terminals of radio networks of electronic

communications. The reason for the promulgation of this general authorization, which will replace existing ten general authorizations determining conditions for the operation of terminals in networks the operators of which were allocated radio frequencies by individual authorization (or which are, in case of satellite networks authorized by operators of these networks and managed by satellite system), is the need to newly permit the operation of terminals in upcoming networks in the band 800 MHz and to permit the operation of terminals of new technologies in existing networks (in bands 900/1,800/2,000 MHz), on the one hand, and the need to increase clarity of the system of promulgated general authorizations and to update principles for operation of terminals in harmony with principles of technological neutrality, stipulated by the Law. General authorization will become effective on January 1, 2013. To this date also validity of existing general authorizations no. VO-R/1/12.2008-17, VO-R/4/05.2009-6, VO-R/5/07.2005-18, VO-R/6/07.2005-19, VO-R/9/05.2009-07, VO-R/11/11.2009-17, VO-R/18/02.2011-2, VO-R/19/08.2005-31, VO-R/20/08.2005-32 and VO-R/22/02.2007-2 will be terminated.

14. Postal services

Preparation of implementing legal regulations to the Act on Postal services

After the CTU's Council discussed and approved draft legal regulations implementing § 3 Para. 3 and § 34b Para. 7 of the Act on Postal services, these drafts were sent to the Legislative Council of the Government. These decrees relate to determination of specification of individual basic services and basic qualitative requirements for their provision and calculation of net costs necessary for fulfilment of obligations to provide basic services.

The CTU assumes that it will manage to complete the process of approval and promulgation of these implementing decrees so that they become effective on January 1, 2013 together with legal effect of the amended version of the Act on Postal services.

Administrative proceedings on the violation of conditions for provision of basic postal services

During the month of November three decisions concerning imposition of fine on the Česká pošta s.p. became effective, and the Česká pošta s.p. filed remonstrance against one of them.

The first fine was imposed because the Česká pošta accepted request of repeated delivery of remitted sum of money which was not applied neither by addressee nor by his attorney and the sum of money was therefore paid to unauthorized person.

The second fine related to registered consignment which the Česká pošta did not deposit on the basis of individual demand of addressee in other than usual post office and subsequently delivered it to unauthorized person in the place of residence, thereby violating postal secrecy.

The fine, against which the Česká pošta filed remonstrance, was imposed for leaving staff bag containing postal consignments and summons unattended in freely accessible place repeatedly, thereby committing administrative misdemeanour resting in the fact that postal obligations were not accomplished in harmony with needs of public and simultaneously violating postal secrecy.

Discussed in the CTU Council on December 12, 2012