



Czech Telecommunication Office

September 2017

Telegraphically on communications

The postal licence has only been applied for by Czech Post

A single applicant, namely Czech Post (Česká pošta, s.p.), submitted a bid for the postal licence holder competitive tendering in the period of 2018–2022. The submitted application fulfils all formal requirements and was transferred to the committee for evaluation and assessment under the terms of the competitive tendering in order to ensure the full availability of basic services in the specified quality for the next 5-year period.

The First Hackathon of Public Administration to be held at the weekend

The contestants will be given 24 hours to program applications based on open public administration data. The First Hackathon of Public Administration will begin in the Supreme Audit Office's building on Friday, 15 September. Those interested can use the data sets of CTU, the Supreme Audit Office, the State Administration of Land Surveying and Cadastre, the Czech Statistical Office, the Czech Social Security Administration, the Ministry of the Interior and the Ministry of Finance.

Legislative changes

Notice period not exceeding 30 days

The length of the notice period has not yet been limited by law, and each operator has set it at its own discretion in its contracts. However, according to the amendment to the Electronic Communications Act, effective from 2 September, it must not be longer than 30 days, not including the date of submitting the notice.

On 18 August, Act No. 252/2017 Coll., amending Act No. 127/2005 Coll., on electronic communications and on amendments to certain related acts (Electronic Communications Act), as amended, and Act No. 483/1991 Coll., on Czech Television, as amended, was published in Chapter 89 of the Collection of Laws.

This Act deals with two areas: primarily, it sets out basic legal conditions in line with the requirements of Decision 2017/899 of the European Parliament and of the Council of 17 May 2017 on the use of the 470–790 MHz frequency band in the Union.

The second area of amendments to the Electronic Communications Act is the modification of the rights of electronic communications service subscribers, in particular with a view to enhancing consumer protection. It includes, among other things, supplementing the mandatory parts of the contract pursuant to Section 63 (1) (r) of the Electronic Communications Act – the contractual arrangements between the customer and the provider of the electronic communications service will have to newly include the scope of possible unilateral changes to the contract and the manner of their notification to the subscriber, including notification of the possibility to withdraw from the contract (see also Section

1752 of the Civil Code). The **length of the notice period was also limited by law to a maximum of 30 days** (Section 63 (1) (g) of the Electronic Communications Act).

This Act became effective on the fifteenth day after it was published in the Collection of Laws, i.e. on 2 September 2017, with exception of Article I (7) (new conditions for the portability of telephone numbers), which becomes effective on the first day of the sixth calendar month following the day on which it is published in the Collection of Laws, i.e. on 1 February 2017.

eCall

In addition to the previous legal regulation, the issue of eCall, as a pan-European emergency call system from vehicles, has been incorporated into Decree No. 267/2017 Coll., on the location and identification of the caller when calling emergency numbers. With effect from 31 March 2018, all new passenger cars and light utility vehicles will have to be equipped with eCall. This system will operate on the basis of the single European emergency number 112; communication with the emergency call centre in the event of an accident will also include sending a minimum set of accident data, which should contribute to more efficient rescue and support deployment at the accident site and, ultimately, to an overall increase in traffic safety.

Market analyses

Market No. 3a

Wholesale services with local access provided at a fixed location, and market No. 3b – wholesale services with central access provided at a fixed location for products for general consumption

Based on the results of the analyses of the relevant markets, No. 3a and No. 3b, which were published on 9 August [in Chapter 10/2017](#) of the Telecommunication Bulletin as measures of a general nature No. [A/3a/07.2017-3](#) and No. [A/3b/07.2017-4](#), the CTU Council commenced administrative proceedings in respect of the establishment of an undertaking with significant market power on 25 August with Česká telekomunikační infrastruktura a.s. Consequently, administrative proceedings will be commenced to impose remedial measures in both markets and obligations related to price regulation in market 3a.

Market No. 4

Wholesale services with high-quality access provided at a fixed location

CTU has published a measure of a general nature – market analysis No. [A/4/08.2017-5](#), market No. 4 – wholesale services with high-quality access provided at a fixed location, [in Chapter 11/2017](#) of the Telecommunication Bulletin issued on 25 August.

Based on the results of the analysis, it was found that Segment A of the relevant market, which includes wholesale services with high-quality access provided at a fixed location with a speed not exceeding 6 Mbit/s, irrespective of the transmission means used, is not an effectively competitive market, due to an undertaking with significant market power, namely Česká telekomunikační infrastruktura a.s., operating in this market.

In Segment B of the relevant market, which includes wholesale services with high-quality access provided at a fixed location with a speed exceeding 6 Mbit/s, irrespective of the transmission means used, no undertaking with significant market power was found based on the analysis carried out. Thus, Segment B of the relevant market, No. 4, can be considered effectively competitive. Following the issuance of the afore-mentioned measure of a general nature, CTU will proceed in Segment A by

initiating administrative proceedings in respect of the establishment of an undertaking with significant market power (decision on SMP) and subsequently by initiating administrative proceedings in respect of the imposition of remedial measures.

Application for reimbursement of net costs for the provision of basic services for 2016

Czech Post (Česká pošta, s.p.) applied for reimbursement of net costs for 2016 in the total amount of CZK 2,093,847,272. The net costs of the branch network were assessed at CZK 1,420,748,853, the net costs of the delivery network were assessed at CZK 727,891,678, and the net costs of the supporting processes resulting from the obligation to provide basic services were assessed at CZK 28,025,918. The intangible and market benefits were set at CZK 82,819,178. As of the date of submitting the application, administrative proceedings were initiated in which CTU will verify the correctness and completeness of all submitted documents, as well as compliance of the calculation with the Postal Services Act and with Decree No. 466/2012 Coll.. Under Section 34d of the Postal Services Act, the reimbursement of the verified net cost for 2016 will be provided from the state budget, up to a maximum of CZK 600,000,000.

Extended public consultation of the 3K test

At the request of the parties concerned, CTU extended the period of the [public consultation](#) on the proposed test of the three criteria for the Mobile Services Market until 17 October. Based on the test carried out, CTU came to the conclusion that all three criteria were cumulatively met. CTU identified barriers to market entry and found some market problems that hamper the more efficient development of the competitive environment – in particular in the resident customers segment. Furthermore, CTU found that competition law was not sufficient to eliminate the problems identified. Therefore, CTU concluded that the wholesale market of access to mobile services under consideration is a market suitable for ex-ante regulation applied by CTU and, thus, proposes that this market should be included in the list of relevant markets issued by CTU by a measure of a general nature. This public consultation was launched at CTU's discussion site on 17 August.

Universal service

Public payphones

By 7 September, it was possible to comment on the draft decision to provide a partial service within the universal service – the services of public payphones or other similar technical means providing access to a publicly available telephone service pursuant to Section 38 (2) (e) of the Electronic Communications Act. An integral part of the draft decision is the list of public payphones that are included as compulsorily provided within the universal service in 2018. Upon settlement of the [comments received](#), CTU will issue a decision to impose the obligation.

Special terminal equipment

On 31 August, the public consultation was ended on the intention to provide a partial service of the access of disabled people to the publicly available telephone service, to the telephone numbers information service and to the subscriber lists, equivalent to the access used by other end-users, particularly using special telecommunications terminal equipment pursuant to Section 38 (2) (f) of the Electronic Communications Act. No comments were submitted within the public consultation.

Checked by CTU in August...

Summary of Inspection Activities in Electronic Communications - August 2017

Type of activity	Number of certificates or inspections		Number of calls to rectify shortcomings	Number of initiated administrative proceedings	Number of decisions issued	Decided in favour of			Sanctions imposed	
	Total	Of which				the subscriber	the provider	Number	Amount in CZK	
1. Number of awarded certificates of notification of business (Section 14 of the Act*)	9									
2. Number of changes to certificates of notification of business (Section 14 of the Act*)	31									
3. Operation of communication activity without authorisation	4			4	1				1	3000
4. Compliance with the terms and conditions of general authorisations	40		18	29	26				26	891000
a) in relation to providing public communication networks and associated facilities		0	0	0	0				0	0
b) in relation to providing electronic communication services		4	0	0	0				0	0
c) in relation to the use of radio frequencies and the operation of devices (radio equipment)		36	18	29	26				26	891000
5. Inspection in relation to radio frequencies	232		1	11	9				8	159000
a) the use of radio frequencies without authorisation		5	0	9	6				6	145000
b) adherence to the conditions of an individual authorisation for the use of radio frequencies		2	1	1	2				2	14000
c) identifying sources of interference to the operation of electronic communication equipment and networks, the provision of electronic communication services or the operation of radio-communication services	225		0	1	1				0	0
6. Inspection of numbers for the purposes of number management (number of inspection calls)	0		0	0	0				0	0
a) the use of numbers without authorisation		0	0	0	0				0	0
b) the use of numbers in conflict with authorisation		0	0	0	0				0	0
7. Subscriber dispute resolution	0			4204	2403	826	1344			
a) of objections to the settlement of complaints about services provided		0		1	1	1	0			
b) of objections to the settlement of complaints about billing for services of		0		12	18	7	3			
ba) access to services with expressed price (data and voice)		0		0	0	0	0			
baa) access to data services with expressed price (provided on Internet or other data networks)		0		0	0	0	0			
c) on the payment of price for services (monetary performance)		0		4190	2376	816	1340			
d) other		0		1	8	2	0			
8. Failure to provide information according to Section 115 of the Act*				0	0				0	0
9. Other	146		4	28	19				17	125500
TOTAL	462		23	4276	2458	826	1344		52	1178500

* Act No. 127/2005 Coll., on electronic communications and amending certain related acts

Summary of Inspection Activities in Postal Services – August 2017

Type of activity	Number of certificates or inspections		Number of measures in the interest of proper provision of the services according to Section 6 paragraph 4 and Section 37 of ZPS	Number of administrative proceedings from the previous month	Number of initiated administrative proceedings	Number of decisions issued	Decided in favour of			Sanctions imposed		Number of the administrative proceedings carried forward to the next month
	total	of which					subscriber	provider	Other	number	amount in CZK	
1. Number of awarded certificates of notification of business	0											
2. Number of changes to certificates of notification of business	1											
3. Operation of communication activity without authorisation	0			0	0	0			0	0	0	
4. Compliance with the conditions of the APS*	0		0	1	0	0			0	0	1	
Compliance with the postal conditions according to Section 6 of APS		0	0	1	0	0			0	0	1	
Compliance with the conditions for quality requirements according to Decree No. 464/2012		0	0	0	0	0			0	0	0	
5. Resolution of objections to the settlement of complaints about services provided according to Section 6a of APS	0			73	26	23	3	16	4			76
6. Dispute resolution according to Section 37 paragraph 3 letter a) of APS	0			0	0	0	0	0	0			0
7. Failure to provide information according to Section 32 letter a) of APS				0	0	0				0	0	0
8. Other	0		0	12	3	3				2	10000	12
on-site surveys												
Administrative procedure in the matter of an offence according to Section 37a paragraph 3 letter a)		0	0	2	0	0				0	0	2
Administrative procedure in the matter of an offence according to Section 37a paragraph 1 letter a)		0	0	1	1	0				0	0	2
Administrative procedure in the matter of an offence according to Section 37a paragraph 2 letter a)		0	0	1	0	0				0	0	1
Administrative procedure in the matter of an offence according to Section 37a paragraph 2 letter e)		0	0	4	2	1				1	5000	5
Administrative procedure in the matter of an offence according to Section 37a paragraph 1 letter c)		0	0	1	0	0				0	0	1
Administrative procedure according to Section 142 Administrative Procedure Code		0	0	1	0	1				0	0	0
Administrative procedure in the matter of an offence other		0	0	2	0	1				1	500	1
TOTAL	1		0	86	29	26	3	16	4	2	10000	89

* Act No.29/2000 Coll., on postal services and amending certain acts

Radio Spectrum Management

Auction of Frequencies in 3,7 GHz band

On 29 August 2017 CTU assigned frequencies in 3600–3800 MHz band to the auction winners by lot according to the Chapter 7 of the Auction Rules. The frequencies were assigned as follows:

O2 Czech Republic a.s.	3680–3720 MHz
Nordic Telecom 5G a.s.	3720–3760 MHz a 3760 – 3800 MHz
PODA a.s.	3640–3680 MHz
Vodafone Czech Republic a.s.	3600–3640 MHz

Hereby the auction as a part of the tender carried out for the purpose of frequency assignments to electronic communication networks in 3600–3800 MHz frequency band was concluded. Upon recommendation of the selection committee the Chairman of the CTU Council will deliver a decision to unsuccessful auction participants. Afterwards CTU will call upon auction winners for payment for frequencies. Upon the payment, the Chairman of the CTU Council will deliver a decision on frequency assignments as a final step of the competitive tendering.

General Authorisation

On 18 August 2017 the CTU Council approved the General Authorisation No. [VO-R/23/08.2017-6](#) for the use of radio frequencies and for operation of devices of fixed service in 71–76 GHz and 81–86 GHz frequency bands. This above mentioned General Authorisation repealing the General Authorisation No. VO-R/23/09.2013-5 is reasoned by more effective use of 71–76 GHz and 81–86 GHz frequency bands, change of market requirements and modification of the regulation ČSN ETSI EN 302 217-3 into the V2.2.1 version in 2014. The above mentioned General Authorisation shall come into effect on 1 October 2017.