



Czech Telecommunication Office

February 2018

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## Telegraphically on communications

### Restriction of rights in the 1900 MHz band

CTU carried out a survey of whether the grounds for restricting the number of rights to use radio frequencies in the 1910.1–1915.1 MHz frequency band remain in place. The result is that the restriction of the number of rights to use the radio frequencies in question must be lifted.

### 112 emergency line celebrates its European Day

11 February (11.2.) was European 112 Day. Last year, the 112 line received a total of 368,654 calls. Calls are free from all networks and it is even possible to call from mobile telephones without a SIM card.

### CTU the record-holder in the number of messages received through data box

CTU received 137,281 data messages through its data box last year, by far the highest number of all central bodies of public administration. This information comes from statistics of the Ministry of the Interior. A sizeable number of these incoming data messages were filings made by operators in disputes over payment.

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## Court confirms penalty for slow delivery

**The Municipal Court in Prague rejected an administrative action brought by Česká pošta (Czech Post) against a lawfully imposed penalty of CZK 1.5 million. CTU imposed the penalty as a result of failure to comply with basic qualitative requirements in the year 2012.**

According to the then applicable standard, the post office should have delivered a minimum of 95 % of postal consignments on the business day following the date of their submission for posting. Measurements, however, showed that the post office only delivered 93.23 % of consignments within this time limit. The undertaking defended itself against the penalty by contending that this threshold was reduced to 92 % the following year and that the post office had achieved this.

It therefore considered that the punishability of the offence must be considered according to later legislation which is more favourable for the offender. In its administrative action, Česká pošta also attempted to lighten the severity of its culpability by referring to the “imperceptible difference” between 93 and 95 in a hundred sent consignments being delivered the next business day.

The Municipal Court in Prague, bound by the legal opinion of the Supreme Administrative Court, stated in its judgment that the punishability of the action of the Czech Post could not cease to exist in consequence of the adoption of new legislation in 2013, even though this regulation is more favourable to the offender. The merits of the administrative offence until 31 December 2012 were based on reference to the decision to award a postal licence (an individual administrative act),

whereas from 2013 onwards they were based on reference to the postal decree (a generally binding regulation).

The individual administrative act could not have been replaced by the generally binding decree since each of them was issued in a different legal regime. CTU proceeded correctly when considering the case with a view to the legislation which was binding in 2012.

In the decision reviewed by the court, CTU explained why it had considered an unauthorised deviation of more than one-third (i.e. approximately 1.51 million consignments) to be fundamental failure to adhere to the imposed obligation. For this reason it imposed on the Czech Post a penalty in the upper half of the statutory range, but not to the maximum possible level. The court also considered the size of the penalty to be adequate.

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## Amendments to contractual terms and conditions and price lists

**Vodafone** amended the provisions of its general terms and conditions as describing the possibility of terminating a contract if the subscriber does not agree with a proposed unilateral amendment to the contract, doing so on 1 February. It is now enough to deliver termination by notice, submitted in writing, to the registered office of the operator by the effective date of the amendment, as opposed to not later than 10 days prior to the effective date of the amendment as was previously the case.

Vodafone also increased the data within its Red+ bundles, without any effect on the price, doing so on 12 February. The new data limit in the basic Red+ tariff is 10 GB instead of 2 GB. Red+10 GB was replaced by Red+20 GB and Red+40 GB is now Red+50 GB.

**UPC** changed its price list, with effect from 8 January. The 30 Mbit/s tariff has been removed and existing subscribers who use certain Internet tariffs from the original UPC portfolio are gradually moved to newer tariffs. According to a statement made by UPC, the subscribers should be informed of this change in their bills between February and April 2018 and will also be informed of the fact that they have the right to terminate the contract without penalty if they do not agree with the change.

**Skylink** satellite television operator raised the price of its service fee. It is now demanding CZK 89 per month (instead of CZK 79) and has also increased the subscription price of certain bundles. By contrast, it has reduced the price of the reactivation fee from the original CZK 299 to CZK 200.

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## O2's economic results

### O2

O2 published its financial results for the year 2017<sup>1</sup> on 30 January. O2's total consolidated operating revenues increased in comparison with the previous year by 0.5 % to CZK 37.7 billion. Operating profit before EBITDA depreciation increased year-on-year by 0.6 % to CZK 10.5 billion. Net profit increased by 6.2 % to CZK 5.6 billion. The total number of customers that used mobile services from O2 remained the same as in 2016 (4.938 million).

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<sup>1</sup> Consolidated data includes the results of subsidiaries, including O2 Slovakia.

The number of customers using contractual services, meanwhile, rose by 2.2 % to 3.429 million. As far as pre-paid services are concerned, there was a year-on-year decrease in the number of customers of 4.7 % to 1.510 million. People are using mobile data more. Mobile data operation to the end of 2017 rose year-on-year by 106 %. Seven hundred and twenty-nine thousand customers used xDSL fixed Internet from O2, 535 thousand of these using the new VDSL technology. This was an increase of 7 % in comparison with the previous year. Some 613 thousand people used fixed voice lines to the end of the year, representing a drop of 12.3 %.

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## Market Analyses

### Market No. 4

Wholesale high-quality access provided at a fixed location

CTU sent a draft decision on the determination of an undertaking with significant market power on relevant market No. 4 for a statement by the Office for the Protection of Competition, doing so on 15 December 2017. The Chairman of the Office for the Protection of Competition did not make any comments on the draft in question in his letter of 12 January. Following on from this, CTU issued a decision on the determination of the company Česká telekomunikační infrastruktura a.s. as an undertaking with significant market power on relevant market No. 4. The decision in question (SMP/4/01.2018-1) came into force on 24 January.

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## Signalling network plan

Following on from the effect of Decree No. 267/2017 Coll., on the localisation and identification of the caller when calling an emergency telephone numbers, which replaced Decree No. 238/2007 Coll. on 1 September 2017, CTU released a new signalling network plan for public communications networks. This Measure of General Nature No. SP/3/02.2018-3 amends previous Measure No. SP/3/05.2011-8, and in particular its Annex 11, which among other regulates the supplementation of ISUP signalling (ISDN User Part) for the purposes of supporting emergency calls.

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## Dissolution of a contract as a result of the death of the subscriber

**Although not that common, CTU does in practice come across filings to concern the issue of resolving the situation associated with the death of a family member in relation to contracts on the provision of electronic communication services. Most common here are complaints made by those surviving the deceased about bills for services which the deceased could not have used.**

Consumers also complain that a contract was not automatically terminated on account of death or that they are required to prove the death of the subscriber having passed away.

It is of primary importance in this matter to say that a contract on the provision of electronic communication services ceases to exist with the death of the subscriber. It should also be pointed out, however, that the death needs to be reported to the provider of services. Providers do not have the opportunity to ascertain that a subscriber has died. The procedure that those surviving the deceased should follow to ensure that the contract is terminated is set out in the contractual terms and conditions of the providers.

It is usually enough to show the provider the death certificate of the deceased, or other credible proof of death. The contract is then terminated retrospectively on the date of death of the subscriber. **Any bills for services issued after that date are cancelled.** Providers also generally make it possible for the legitimate heir of the deceased to continue with the contract, if interested. In such a case, the legitimate heir becomes the new subscriber, with whom a new contract is concluded. This most commonly concerns fixed telephone lines.