Europe's Digital Progress Report (EDPR) 2016

Telecom Factsheet

CZECH REPUBLIC

1. Measures facilitating deployment and investments in high speed networks

1.1. Spectrum

Harmonised bands	MHz spectrum assigned[1]	% of the harmonised band assigned
800MHz	60	100%
900MHz	70	100%
1500MHz		0%
1800MHz	118	78,7%
2000MHz paired	120	100%
2600MHz	120	63,2%
3400-3600MHz	82	41%
3600-3800MHz		0%

55,3% of spectrum assigned compared to the overall EU target.

On 8 February 2016 a call for offers was launched for the remainder of the 1800 MHz and 2600 MHz bands.

As regards the 3600-3800 MHz band the Public consultation of conditions for tender was launched on 2 March 2016. The Czech Telecommunication Office intends to carry out the tender in 2016 as well.

1.2. State of transposition of the BB CRD (Directive 2014/61/EU)

No transposition instrument was adopted by the Czech Republic.

1.3. EU and National investments in broadband

The broadband rollout in rural areas cover 90% of these territories.

The Czech Republic has put up a broadband strategy entitled Digitální Česko v. 2.0 Cesta k digitální ekonomice aiming at implementing the EU's Digital Agenda. The national strategy commits to providing broadband access with at least 30 Mbps for all households and 100 Mbps for 50 % of households and enterprises until 2020. A new strategy entitled Národní plán rozvoje sítí nové generace (NPRSNG) is in preparation with consultation and discussion processes in the Government being in progress. The new strategy is expected to be finished by June 2016 including the addition of up-to-date information from an ongoing collection of geographic data (mapping of white, grey and

[1] Including guard bands

black areas). The new strategy will also contain an action plan, a timetable and specific tasks for Government authorities.

In the Operational Programme for Enterprise and Innovation for Competitiveness, 521 380 364 EUR (14 billion CZK) was allocated to support NGA roll-out plan, which is in preparation, with call announcement being expected in autumn 2016. This initiative represents the operational programme for gaining financial resources from ESIF. Addressees of the programme are telecommunications providers and other subjects. The financing instrument is expected to allocate subsidies for about 50 % of the costs involved in deploying the passive part of the NGA and backhaul networks (typically optical cabling, splitters, cabinets and their installations). Importantly, financial support can only be directed to the white areas.

2. COMPETITIVE LANDSCAPE

Fixed broadband subscriptions - operator market shares[2]

Incumbent market share		New entrants market share	
2014	2015 (EU average)	2014	2015 (EU average)
30,5%	28% (40,6%)	69,5%	72% (59,4%)

Fixed broadband subscriptions - technology market shares[3]

DSL (including VDSL) (EU)	Cable Modem (EU)	FTTH/B (EU)	Other[4] (EU)
33,2% (69,2%)	18,3% (18,6%)	14% (8,7%)	34,5% (3,5%)

Mobile sector[5]

Number of MNOs	Market shares of the first 2 MNOs		Number of MVNOs (overall share)
4	41%	33%	3 (6,5%)

Česká telekomunikační infrastruktura (CETIN) spun off of O2 Czech Republic on 1 June 2015 through voluntary legal separation with a view of creating two independent companies providing respectively wholesale and retail electronic communications services.

3. REGULATORY FUNCTION

New entrants` DSL subscriptions by type of access at EU level (VDSL and VULA excluded)[6]

Own network (EU)	Full ULL (EU)	Shared Access (EU)	Bitstream (EU)	Resale (EU)
1% (0,6%)	28,6% (78,1%)	0,4% (2,3%)	70,3% (12,0%)	- (7,0%)

LLU pricesEUR[7]*: 8,0EUR (EU Average 9,5EUR)*

[2] Source: Communications Committee. Data as of July 2014 and July 2015.
[3] Source: Communications Committee. Data as of July 2015
[4] Including fixed wireless.
[5] Source: Communications Committee. Data as of October 2015.
[6] Source: Communications Committee. Data as of July 2015.

Even after the publication of the 2014 Relevant Market Recommendation ex-Markets 1 and 2 of the 2007 relevant market recommendation are still regulated. In addition, in February 2016 CTU notified several markets analysis that are triggered by the voluntary separation of O2 Czech Republic a.s., former SMP undertaking, into two legal entities – a new entity named Česká Telekomunikační Infrastruktura a.s. – CETIN and O2 Czech Republic a.s. Hence market analysis are commenced with regards ex-Markets 1 and 2 of the 2007 Recommendation and Markets 1 and 2 of the 2014 Recommendation.

For both fixed and mobile termination rates, CTU has applied a pure BU-LRIC cost model, in accordance with the 2009 Recommendation on Termination Rates.

4. CONSUMER ISSUES

The average retail Eurotariff price for roaming is 0,153EUR per minute of calls made and 0,043EUR per minute of calls received (with alternative tariffs more expensive for both calls made and calls received), 0,056 per SMS, generally close to EU average. However 0,178EUR per MB for data is well beyond the EU average (EU 0,059EUR per MB). On the other hand, average retail price paid for alternative data tariffs per MB was 0,058EUR (close to EU average of 0,063) alternative tariffs).

Number portability		**2014**	**2015**
Fixed	Number of transactions[8]	583762	408718
	% of total numbers[9]	27,4	21,4
	Maximum wholesale price[10]	12	12
	Maximum time under regulation (number of working days)[11]	4	4
Mobile	Number of transactions[12]	515000	380000
	% of total numbers[13]	3,7	2,8
	Maximum wholesale price[14]	7	7
	Maximum time under regulation (number of working days)[15]	4	4

With more complex products in the market (double and triple play as well as traffic bundles) becoming increasingly relevant in the market, the perception of transparency and clarity of contracts by consumers is increasingly important. The 2015 Eurobarometer survey shows 72% of Czech consumers consider that they can easily compare bundle offers (down from 77% in previous 2014 survey), it is easier to monitor consumption for mobile (80%, EU average 69%) than for fixed (72%,

[7] Full LLU monthly average total cost in EUR; source: Communications Committee. Data as of October 2015.
[8] Source: Communications Committee. Data as of January to September 2014 and January to September 2015.
[9] Source: Communications Committee. Data as of January to September 2014 and January to September 2015.
[10] Source: Communications Committee. Data as of October 2014 and October 2015.
[11] Source: Communications Committee. Data as of October 2014 and October 2015.
[12] Source: Communications Committee. Data as of January to September 2014 and January to September 2015.
[13] Source: Communications Committee. Data as of January to September 2014 and January to September 2015.
[14] Source: Communications Committee. Data as of October 2014 and October 2015.
[15] Source: Communications Committee. Data as of October 2014 and October 2015.

EU average 71%), while the satisfaction with regard to contract information is equal with the EU average (85% declared high and medium satisfaction)

The following services are included in the scope of universal service in the Czech Republic: provision of public pay phones, access for disabled persons to the publicly available telephone services (PATS) and special tariff plans.