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Federal Department of the Environment,  
Transport, Energy, and Communications DETEC  
**Federal Office of Communications OFCOM**

# Annual report 2013



## Table of contents

|  |           |
|--|-----------|
| <b>Editorial .....</b>   | <b>6</b>  |
| <b>1 The year 2013 in review.....</b>  | <b>7</b>  |
| 1.1 Chronology of major Federal Council, OFCOM, DETEC and ComCom decisions.. | 7         |
| <b>2 Media and Post .....</b>  | <b>10</b> |
| 2.1 Media.....   | 10        |
| 2.1.1 Private radio and television stations.....                             | 10        |
| 2.1.2 SRG/Online.....  | 11        |
| 2.1.3 Media studies.....   | 11        |
| 2.1.4 Radio digitisation .....   | 11        |
| 2.2 Law.....   | 12        |
| 2.2.1 Legislation .....  | 12        |
| 2.2.2 Surveillance .....   | 12        |
| 2.3 Surveillance and collection of radio and television reception fees ..... | 13        |
| 2.3.1 Complaints against decisions by Billag .....                           | 13        |
| 2.3.2 Violations of the obligation to notify.....                            | 13        |
| 2.4 Financial supervision and statistics .....                               | 14        |
| 2.5 Post .....   | 14        |
| 2.5.1 Surveillance .....   | 14        |
| 2.5.2 Press support.....   | 14        |
| <b>3 Telecom services.....</b>   | <b>16</b> |
| 3.1 Market for telecommunication services .....                              | 16        |
| 3.2 Market access.....   | 18        |
| 3.3 Universal service .....  | 19        |
| 3.4 Mobile radio licences .....  | 19        |
| 3.5 Consumer protection and surveillance .....                               | 19        |
| 3.6 Internet domains .ch and .swiss .....                                    | 20        |
| 3.6.1 The .ch domain .....   | 20        |
| 3.6.2 The .swiss domain .....  | 20        |
| <b>4 The information society in Switzerland .....</b>                        | <b>21</b> |
| 4.1 Key areas in the information society .....                               | 21        |
| 4.2 Activities of the Information Society Business Office .....              | 21        |
| <b>5 Equipment and International Frequency Management .....</b>              | <b>23</b> |
| 5.1 Telecommunications equipment.....  | 23        |
| 5.1.1 Market surveillance .....  | 23        |
| 5.1.2 Amendments to the legislation .....                                    | 23        |
| 5.1.3 Standard for DAB/DAB+ repeaters.....                                   | 23        |
| 5.1.4 Notifications .....  | 24        |
| 5.2 Electromagnetic Compatibility (EMC).....                                 | 24        |
| 5.2.1 Amendments to the legislation .....                                    | 25        |
| 5.2.2 Electromagnetic Fields (EMF).....                                      | 25        |
| 5.3 Frequency Management .....   | 25        |
| 5.3.1 At international level.....  | 25        |
| 5.3.2 At national level .....  | 26        |
| 5.4 Surveillance of devices and equipment and preventive measures .....      | 26        |
| 5.4.1 International collaboration.....                                       | 28        |

|          |  |           |
|----------|--|-----------|
| 5.4.2    | Preventive Measures .....  | 28        |
| 5.5      | Surveillance of frequency use and preventive measures .....  | 29        |
| 5.5.1    | Licence inspections.....   | 29        |
| 5.5.2    | Other checks on the use of frequencies .....   | 29        |
| 5.5.3    | Preventive measures (e.g. information).....  | 29        |
| <b>6</b> | <b>National Frequency Management and licences .....</b>  | <b>30</b> |
| 6.1      | Frequency assignment.....  | 30        |
| 6.1.1    | Broadcasting.....  | 30        |
| 6.1.2    | Mobile communication .....   | 30        |
| 6.1.3    | Microwave radio.....   | 31        |
| 6.2      | Radio Monitoring.....  | 31        |
| 6.2.1    | Reporting centre of radio interference .....   | 31        |
| 6.2.2    | Notifications of interference handled by Radio Monitoring.....   | 32        |
| 6.3      | Radiocommunication licences.....   | 32        |
| 6.3.1    | www.eofcom.admin.ch; virtual front desk .....  | 33        |
| 6.4      | Radio operators' examinations.....   | 33        |
| <b>7</b> | <b>International Relations .....</b>   | <b>34</b> |
| 7.1      | The International Telecommunication Union (ITU) .....  | 34        |
| 7.2      | European Union (EU).....   | 34        |
| 7.3      | TV5 Monde .....  | 34        |
| 7.4      | Information Society .....  | 35        |
| 7.5      | The Council of Europe .....  | 35        |
| 7.6      | Satellite organisations.....   | 35        |
| 7.7      | Organisation for Economic Cooperation and Development (OECD) .....   | 36        |
| 7.8      | Universal Postal Union (UPU).....  | 36        |
| 7.9      | UNESCO .....   | 36        |
| <b>8</b> | <b>Resources and organisation .....</b>  | <b>37</b> |
| 8.1      | Finance.....   | 37        |
| 8.1.1    | Income and expenditure account .....   | 37        |
| 8.1.2    | Investment account.....  | 38        |
| 8.1.3    | Operating account (costs and services account).....  | 38        |
| 8.1.4    | Special finance, radio and television .....  | 38        |
| 8.1.5    | Financial development in the period 2011-2013<br>(according to the Confederation's New Accounting Model NAM) ..... | 39        |
| 8.2      | Employees .....  | 43        |
| 8.2.1    | Number of staff .....  | 43        |
| 8.2.2    | Linguistic distribution.....   | 43        |
| 8.2.3    | Average age .....  | 43        |
| 8.2.4    | Trainees.....  | 43        |
| 8.3      | Equality.....  | 43        |
| 8.4      | Direction .....  | 43        |
| 8.5      | Organisation chart.....  | 45        |
| 8.6      | Managers.....  | 46        |
| 8.7      | Locations .....  | 47        |
| 8.8      | Contact .....  | 48        |

## List of Figures

|  |    |
|--|----|
| Figure 1: Criminal administrative procedures LRTV .....  | 14 |
| Figure 2: Number of subscribers / estimates 2013.....  | 17 |
| Figure 3: Price index for telecommunication services and consumer price index for telecommunication services (fixed telephony, mobile telephony and internet access .... | 17 |
| Figure 4: Number of notifications of radiocommunication equipment .....  | 24 |
| Figure 5: Most frequent non-conformity rates among equipment inspected .....   | 27 |
| Figure 6: Administrative procedure relating to equipment .....   | 27 |
| Figure 7: Results of licence inspections .....   | 29 |
| Figure 8: Number of radiocommunication licences .....  | 32 |
| Figure 9: Number of radio examination .....  | 33 |
| Figure 10: Locations .....   | 47 |

## List of Tables

|  |    |
|--|----|
| Table 1: The year 2013 in review.....                                  | 9  |
| Table 2: Telecommunications Service providers obliged to register..... | 18 |
| Table 3: Telephone box statistics.....                                 | 19 |
| Table 4: Interference reports.....                                     | 32 |
| Table 5: Financial development in the period 2011-2013.....            | 41 |
| Table 6: Special finance, radio and television .....                   | 42 |
| Table 7: Organisation chart.....                                       | 45 |
| Table 8: Managers.....   | 46 |

So many pages have been turned, so many pages have been written about OFCOM in the reporting year 2013. When I took up the reins of office in January 2014, I was able to appreciate all the work achieved with skill and commitment by OFCOM colleagues, who spared no effort in meeting a huge variety of challenges.

Several matters were related to internet issues, from either the technological, the statutory or the regulatory point of view. For example, the Office took the first steps towards amending the legal framework governing the ".ch" domain and the new ".swiss" domain. It also drew up an outline summary of the projects in progress within the federal administration as part of the implementation of the strategy for an information society. In exercising its responsibility for internet governance within the framework of the national strategy to protect Switzerland from cyber risks (NCS), it also coordinated international activities with other Offices concerned. Finally, OFCOM prepared the dossier which enabled the Federal Council to redefine the SSR's editorial offering on the internet.

In terms of the spectrum, in parallel with preparation of the 2015 World Radiocommunication Conference (WRC), OFCOM analysed the migration from analogue FM frequencies to digital DAB+ frequencies for radio stations and studied the capacity increase in relation to radio-relay systems.

2013 was unfortunately marked by the loss of two of our colleagues. In June, Peter Pauli, Vice Director and Head of the Frequency Management Division, was the victim of a fatal road traffic accident. Acknowledged nationally and internationally as an expert in his field, he was appreciated for his competence, his integrity, his kindness, his sense of justice and his commitment to the Office.

In November, a health problem suddenly took Hassane Makki from us. He was an outstanding figure both in the international organisations in which he represented and defended Swiss interests and also within OFCOM, where he was distinguished by his enthusiasm, his generosity and his human warmth.

Three members of the Office management team chose to further their career outside OFCOM. Martin Dumermuth, who had been Director General for 8 years, was appointed as Director of the Federal Office of Justice, a position which he has occupied since November 2013. Roberto Rivola, Head of Communications, left for the Grisons to put his skills at the disposal of the St-Moritz Tourism Office. Caroline Sauser took over his position in June. For my part, I left the management of the Telecommunication Services Division to join the International Telecommunication Union as Deputy Director of the Telecommunication Development Bureau. This meant that Rene Dönni and Annalise Eggimann could launch themselves on a new adventure by assuming my succession together. In the process of analysing its structures in order to face the challenges posed by convergence of telecommunications and electronic media, OFCOM has taken an initial step by restructuring two divisions, Frequency Management (FM) and Surveillance and Radio Licences (AF). The new Equipment and International Frequency Management Division (AFI) is headed by Philippe Horisberger, whilst Silvio Rubli has become Head of the new National Frequency Management and Licences Division (FNK).

Whilst Frederic Riehl, Head of the International Relations Service, was appointed as an ambassador by the Federal Council on 18 December 2013, I was preparing my return to OFCOM, this time as the Director. In the meantime, Nancy Wayland Bigler took the reins temporarily, for which I would like to thank her.

Today, our management team is characterised by its interdisciplinary composition and its diversity, including linguistic diversity – six men and four women who represent fields as diverse as finance, economics, law, engineering and communication. By working together, by sharing our experience and our knowledge, we are convinced that we shall be able to navigate our vessel on a sea which is constantly changing and moving, which is sometimes rough and which is always challenging.

Philipp Metzger  
Director

# 1 THE YEAR 2013 IN REVIEW

## 1.1 Chronology of major Federal Council, OFCOM, DETEC and ComCom decisions

|            |   |
|------------|---|
| 20.12.2013 | Just under half of the Swiss population is satisfied with the regional television programme services. 60 percent of those surveyed liked the television channels of the SRG SSR and the local radio stations. Leading the field of broadcasting overall are the radio stations of the SRG, with 75 percent of those surveyed responding positively. These are the results of a study commissioned by the Federal Office of Communications (OFCOM), for which approximately 3600 interviews were conducted in the spring of 2013.  |
| 19.12.2013 | The Federal Communications Commission (ComCom) is reducing the price for unbundling the last mile for the years 2012 and 2013, with retroactive effect. The unbundling price is being fixed at CHF 15.50 for 2012 and CHF 15.20 for 2013. Furthermore, the shared use of Swisscom exchanges and cable ducts will also be cheaper for the alternative providers. The interconnection prices, however, remain to a large extent stable.   |
| 06.12.2013 | Local and regional newspapers with an entitlement to discounted transport will benefit from a CHF 0.22 delivery reduction per copy from the Swiss Post for the year 2014. The corresponding reduction for subscription publications and foundations' publications is CHF 0.14. The Federal Council has approved both amounts as part of its indirect support for the press, for which the Confederation has allocated an annual budget of CHF 50 million.   |
| 22.10.2013 | The licensing of Radio Argovia poses no threat to freedom of expression and diversity in the canton of Aargau: This is the conclusion reached by the Department of the Environment, Transport, Energy and Communications (DETEC) after a thorough examination. DETEC is therefore awarding the licence for a local radio station in the canton of Aargau to Radio Argovia AG thereby confirming its decision, made in 2008, in favour of this station.  |
| 09.10.2013 | Social networks such as Twitter, Facebook and blogs present legislation with new challenges. However, these cannot be overcome by a separate special law. This is the conclusion reached by a Federal Council report in response to the Amherd postulate referred by the National Council in relation to the legal situation relating to social media. A detailed examination is now being carried out in various areas to determine whether new regulations are needed. This relates to the responsibility of platform operators and providers in civil law and to their obligations under telecommunications legislation. |
| 24.09.2013 | DETEC approved the commercial transfer of Music First Network AG's licence. Fifty percent of the shares are now owned by Daniel Hartmann. Music First Network AG operates the Zurich youth station Radio 105.   |
| 13.09.2013 | At its meeting the Federal Council appointed Philipp Metzger as the new Director General of the Federal Office of Communications (OFCOM). The former Deputy to the Director of the Development Office of the International Telecommunication Union ITU takes up his new post on 1 January 2014. He succeeds Martin Dumermuth, who is leaving OFCOM at the end of October. The new Director General's most important tasks include supervising and implementing the revision of the Radio and Television Act and the further development of the Telecommunications Act.  |
| 02.09.2013 | Federal Councillor Doris Leuthard has appointed the 60-year old engineer Silvio Rubli as the new Head of the "National Frequency Management and Licences" Division within the Federal Office of Communications (OFCOM). At the same time, the OFCOM structure in relation to frequency management is being slightly modified.   |
| 22.08.2013 | All licensed commercial Swiss private radio stations were included in the private radio study for the first time. For the year 2012 the study reveals a diverse image of Swiss private radio stations, which have established themselves well in the Swiss media landscape over the 30 years since their launch. The study was carried out by the Publicom research bureau on behalf of OFCOM.  |
| 11.07.2013 | Annalise Eggimann, a 53 year-old lawyer, and René Dönni, a 50 year-old economist, are to share the position of Head of the Telecom Services Division of the Federal Office of Communications (OFCOM). In this Division, Annalise Eggimann currently heads the Law Section whilst René Dönni is the Head of the Economics and Statistics Section. With this appointment, the Department of the Environment, Transport, Energy and Communications   |

|            |   |
|------------|---|
|            | (DETEC) is ensuring the succession of Philipp Metzger, who left OFCOM in late March to return to the International Telecommunication Union (ITU).   |
| 25.06.2013 | Small radio stations will now be able to access a platform for the digital transmission of their programme services. The Federal Office of Communications (OFCOM) awarded a radio licence to the Diggris AG company for the operation of DAB+ islands throughout Switzerland.   |
| 10.06.2013 | OFCOM appointed Caroline Sauser as the new Head of Communications. Since 2001, she has worked as media spokesperson and web manager and is intimately acquainted with the Office. She took up her new functions <i>ad interim</i> in May.   |
| 29.05.2013 | In future, a practicable and appropriate universal fee will fund the public service in radio and television. This is proposed in the Federal Council Message on partial revision of the Radio and Television Act (RTVA) which it submitted to parliament today. The new universal fee will – with exceptions – be paid by all households and businesses; it will replace the current reception fee and will be somewhat lower. The switch to the new universal fee was generally welcomed in the consultation process. In addition, the model provides for greater flexibility and a simpler licensing procedure for private radio and television stations. |
| 29.05.2013 | From 2014, the SRG SSR will offer the international Italian-speaking public a new audio-visual service on the internet. The Federal Council will accordingly increase the SRG SSR service level agreement which supports its media activities abroad. The Confederation will fund 50% of these services.  |
| 23.05.2013 | In a supervision decision, DETEC came to the conclusion that the new assessment system - by means of which Mediapulse surveys the use of TV - meets the legal requirements. DETEC also welcomes the implementation of an action plan to selectively optimise the new assessment system in accordance with the industry's needs.   |
| 13.05.2013 | The obligation to broadcast certain television programme services (must-carry channels) in the analogue services on cable networks is being phased out. Because the vast majority of the Swiss population use digital services, the broadcasting obligation will be limited to digital services from 2015. The amended Federal Department of the Environment, Transport, Energy and Communications (DETEC) Ordinance enters into force on 1 June 2013.  |
| 01.05.2013 | The SRG is to acquire more editorial options on the internet: it can now publish texts which have no relation to radio or television broadcasts. This is intended to strengthen the public service. However, the licence amendment adopted by the Federal Council imposes clear limits on the SRG to protect other media and requires an orientation of the internet offering to audio-visual contributions. The SRG will also be allowed to broadcast important events on the internet and to separate itself from World Radio Switzerland.  |
| 30.04.2013 | The Confederation is taking a new step in relation to managing the new top-level domain name .swiss. The Internet Corporation for Assigned Names and Numbers (ICANN), the corporation responsible for managing domain names worldwide, has deemed that the Swiss candidature meets the requirements. The implementation phase can now begin. The first .swiss domain names could be registered by the autumn of 2014.   |
| 17.04.2013 | Calculation of the prices Swisscom's competitors pay for the use of its networks must be adapted due to technical developments. This poses particular challenges because modern technologies have to be used as a basis for the costing of unbundled copper subscriber lines. The corresponding revision of the Ordinance on Telecommunications Services will be put out to consultation by DETEC. Comments can be submitted until 21 June 2013.  |
| 27.03.2013 | The Federal Council has appointed the members of the Federal Media Commission. 13 representatives from various areas of the Swiss media sector will take a seat on the Commission. In the process, the Federal Council ensured appropriate gender and language region representation. The Media Commission is chaired by Professor Otfried Jarren of Zurich University, appointed by the Federal Council in November 2012. The new Media Commission members will take up their duties in summer 2013.   |
| 20.03.2013 | The ombudscom Foundation will continue to operate the official dispute resolution service for the telecommunications industry prescribed in the Telecommunications Act. The Federal Office of Communications (OFCOM) has concluded a new contract with the Foundation extending over a period of five years, from 1 July 2013 until 30 June 2018.   |
| 11.03.2013 | In order to determine the requirements for additional frequencies for digital broadcasting of radio stations in DAB+ format, the Federal Office of Communications (OFCOM) is launching a survey of demand. It is aimed at companies who would like to construct and operate language-regional, regional, or local DAB+ networks in Switzerland.   |
| 06.03.2013 | The Department of the Environment, Transport, Energy and Communications (DETEC) is  |



|            |  |
|------------|--|
|            | awarding the licence for a local radio station in south-east Switzerland to Südostschweiz Radio/TV AG and its station Radio Grischa. In accordance with a ruling of the Federal Administrative Court in December 2009, DETEC clarified whether licensing Radio Grischa would lead to a threat to freedom of expression and to the diversity of offerings in south-eastern Switzerland. After a thorough review, DETEC has concluded that this is not the case. The Department therefore confirms its 2008 licensing decision in favour of Radio Grischa. |
| 27.02.2013 | Domain names for the internet are central to our everyday digital life. In order to enable the Confederation to adequately represent the interests of Switzerland on the global market, the Federal Council has adopted a strategy. Attractive domain names should always be sufficiently and reliably available and must be managed transparently.  |
| 14.02.2013 | For the population, the public authorities and network operators: the new, interactive broadband map shows the modern telecom network coverage situation in Switzerland. The cooperative project of the Federal Office of Communications (OFCOM) and the network operators is available via an internet portal which provides further information about fast data networks.  |
| 12.02.2013 | Western Switzerland acquires a second platform for digital broadcasting of radio programme services. On 12 February 2013 OFCOM gave Romandie Médias SA the technical approval (radio licence) for the operation of a DAB+ transmitter network. The launch of the new platform featuring 18 radio stations is scheduled for late summer 2013.   |
| 23.01.2013 | The Federal Council has lifted the broadcasting restriction on regional television programme services. As a result, these programme services can in future be broadcast by wire in digital format outside their allocated coverage areas.  |
| 23.01.2013 | Local and regional newspapers with an entitlement to discounted transport will benefit from a CHF 0.22 delivery reduction per copy from the Swiss Post for the year 2013. The corresponding reduction for subscription publications and foundations' publications is CHF 0.15. The Federal Council has approved both amounts as part of its indirect support for the press, for which the Confederation has allocated an annual budget of CHF 50 million.  |

**Table 1: The year 2013 in review**



## 2 MEDIA AND POST

In the media sector there were five dossiers which kept the Division especially busy in the reporting year.

The Federal Council's decision regarding the online presence of the SRG was prepared in an exchange with the publishers and the SRG. The new Article 13 of the licence has been in force since 1 May 2013.

From the end of the first quarter to the end of the year, the technical experts in different sections were kept busy with the issues of the Mediapulse Foundation in relation to the introduction of a new system for determining TV usage.

The basis for the report on the SRG performance audit was established in a series of stages (seminars, on-site investigations, etc.). The first of three yearly cycles focussed on examining the effectiveness of the SRG's management processes.

Billag's contract will terminate at the end of 2014. In order to secure the collection of reception fees until the new collection system can become operational, negotiations were conducted with Billag in relation to a time-limited extension of the contract.

Finally, the legal basis was established so that the obligation to broadcast certain television programme services will apply only to digital programme offerings from 1 January 2015

The Post Section, which had been launched in September 2012 with the two managers topsharing, was brought fully up to strength during the reporting year. Today, in addition to the day-to-day business of indirect press support, six economists and lawyers are also dealing, among other things, with the issue of how the postal market has evolved since the partial liberalisation in 2009. Supervision of the universal service in relation to payment transactions is also presenting the Division and the Office with new professional challenges and new contacts, e.g. with FINMA (the Swiss Financial Market Supervisory Authority).

Nancy Wayland Bigler, Vice Director and Division Head

### 2.1 Media

#### 2.1.1 Private radio and television stations

DETEC awarded local radio licences in the Southeastern Switzerland and Aargau regions to Radio Grischia and Radio Argovia respectively, thus confirming its decisions of 2008. Complaints to the Federal Administrative Court made by unsuccessful bidders meant that it was necessary to re-assess the award of the licences. As these new decisions were again challenged, they are not legally binding. In relation to licences, DETEC also approved economic transitions at Radio 105 and the regional television station Léman Bleu.

- UVEK decision dated 6 October 2013  
<http://www.bakom.admin.ch/dienstleistungen/entscheidendatenbank/index.html?lang=de&entscheid=94&leitsatzsprachen=de%7Cfr%7Cit>  
(document only available in German, French and Italian)
- UVEK decision dated 22 October 2013  
<http://www.bakom.admin.ch/dienstleistungen/entscheidendatenbank/index.html?lang=de&entscheid=101&leitsatzsprachen=de|fr|it>  
(document only available in German, French and Italian)

Of the non-licensed programme services in German-speaking Switzerland, the two television programme services CHTV and S1 have started operation. By the end of 2013 a total of 110 television and 43 radio programme services were registered with OFCOM.

- Notified radio programs  
[http://www.bakom.admin.ch/themen/radio\\_tv/marktuebersicht/gemeldete\\_radioprogramme/index.html?lang=en](http://www.bakom.admin.ch/themen/radio_tv/marktuebersicht/gemeldete_radioprogramme/index.html?lang=en)
- Notified TV programs  
[http://www.bakom.admin.ch/themen/radio\\_tv/marktuebersicht/gemeldete\\_tvprogramme/index.html?lang=en](http://www.bakom.admin.ch/themen/radio_tv/marktuebersicht/gemeldete_tvprogramme/index.html?lang=en)

## 2.1.2 SRG/Online

On 1 May 2013 the Federal Council decided to grant the SRG more journalistic opportunities on the internet. In future, it will be able to publish text without reference to radio or television broadcasts. It will also be allowed to broadcast important events in Switzerland live via the internet. In the reporting year, the SRG was also permitted to provide a new audiovisual internet offering (tvsvizzera.it) for the international Italian-speaking audience. On 29 May, the Federal Council also exempted the SRG from the obligation to continue to provide the English-language radio programme service World Radio Switzerland (WRS).

- Moderate opening of the internet for SRG SSR  
<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=de&msg-id=48684> (document only available in German, French and Italian)
- New audio-visual services from the SRG SSR for Italian-speakers living abroad  
<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=49000> (complete text only available in German, French and Italian)

## 2.1.3 Media studies

In summer, the results of a study commissioned by OFCOM were published at an industry event. The study was the first to simultaneously examine all 33 licensed commercial private radio programme services. This is the first time direct comparisons between every station has been possible. It was found that the private radio stations interpreted their programme service mandate differently. The study identified potential in relation to political reporting, which mainly comprises short reports. The background and context of political events is often reported in too little detail.

## 2.1.4 Radio digitisation

### 2.1.4.1 Radio migration

The Digital Migration working group (AG DigiMig) began its work in spring 2013. The working group comprises representatives of the SRG and the private radio associations VSP, RRR and UNIKOM. Under the chairmanship of OFCOM, AG DigiMig aims to develop an industry solution for the transition of existing radio stations from the current analogue VHF to digital DAB+ technology. The working group intends to submit their recommendations on this matter to DETEC during the course of 2014.

### 2.1.4.2 Cable digitalisation

As of the end of 2013 approximately 85% of households watched TV programmes in digital form: the trigger for digital migration was changing the DETEC Radio and Television Ordinance in May 2013, which allowed cable network operators to gradually phase out analogue broadcasting of mandatory (must-carry) TV programme services. The free distribution of analogue TV set-top boxes, which allow analogue TV sets to be used to display content transmitted digitally, played a decisive role in the success of the migration. Other factors for this positive development included the decryption of digital TV programme services and the competition between cable network operators and internet television providers (IP-TV), such as Swisscom and Sunrise.

### 2.1.4.3 New digital radio transmitter networks

Digital radio penetration continued to gain momentum: by late 2012, SwissMediaCast AG began to operate not only their regional-language DAB+ network in the Aargau-Zurich-Glarus area, but also their first regional platform, which was extended to Basel and Central Switzerland in 2013. Other regional networks were added in Eastern Switzerland and Bern in late 2013. In the reporting year, OFCOM issued radio licences for two other DAB+ networks: these went to Romandie Médias SA, which wishes to begin operating a platform in Western Switzerland in 2014, and Digris AG, which intends to establish low-cost local DAB+ islands throughout Switzerland.

## 2.2 Law

### 2.2.1 Legislation

In May 2013 the Federal Council committed to Parliament the Message on Partial Revision of the Radio and Television Act (RTVA). At the centre of the revision is the replacement of the current collection system for radio and television reception fees by a universal fee, according to which all households and businesses will help finance the public service in Switzerland. Detailed consultation in the National Council's Committee for Transportation and Telecommunications (CTT-NR) has been completed. Parliament is expected to deal with the proposal and discuss issues such as exceptions to the obligation to pay the fee in the spring session 2014.

- Partial revision of the Radio and Television Act  
<http://www.bakom.admin.ch/dokumentation/gesetzgebung/00512/03026/04299/index.html?lang=en>

Furthermore, the Radio and Television Ordinance (RTVO) was adapted and the previous limitations on broadcasting regional television programme services were lifted on 1 March 2013. As a result it will also be possible to broadcast these programme services outside their allocated coverage areas digitally via cable. In the digital age, technical limitation of broadcasting to certain areas is only possible with significant effort.

- Regional TV programme services can now be broadcast throughout Switzerland  
<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=47523> (complete text only available in German, French and Italian)

The amendment to the DETEC ordinance on 1 June 2013 also made it possible to phase out the analogue broadcasting obligation for cable networks. From 2015 the obligation to broadcast certain television programme services (must-carry programme services) will apply only to the digital domain, since the vast majority of the Swiss population uses digital offerings.

- Analogue cable TV: free choice of channels for network operators  
<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=48815> (complete text only available in German, French and Italian)

### 2.2.2 Surveillance

The declining trend in enquiries in relation to advertising and sponsorship continued in 2013 (284 information items for the reporting year compared to 313 in the previous year).

In one regulatory case, OFCOM intervened because product placement in a talent show was so blatant as to warrant unauthorised advertising. In another procedure, OFCOM reprimanded the way a product was placed and the fact that there was insufficient declaration. Other cases of regulatory intervention related to the non-fulfilment of the terms of the licence by a complementary local radio station and a case of advertising which was hazardous to health.

With regards to the Mediapulse foundation, there were regulatory issues concerning the introduction of a new assessment system for determining television audience figures (ratings), which had a destabilising effect on certain parts of the sector. A DETEC decision came to the conclusion that the ratings system met the requirements of the Radio and Television Act in principle but asked Mediapulse for an action plan to further improve the system. A third party filed an appeal against this decision at the Federal Administrative Court. This procedure is still pending.

Two expensive procedures were concluded in the first instance; the issue of cost-based compensation of access-entitled programme services to digital wireless terrestrial networks was disputed. The compensation set by OFCOM is still pending at the Federal Administrative Court.

## **2.3 Surveillance and collection of radio and television reception fees**

Billag AG's annual revision gave rise to no objections. The collection and distribution of fees was appropriate. An IT exchange committee will conduct appropriate tests to rectify IT deficiencies in future.

In 2013, OFCOM answered 309 written enquiries from citizens relating to radio and television licence fees, compared to almost 500 enquiries in 2012.

### **2.3.1 Complaints against decisions by Billag**

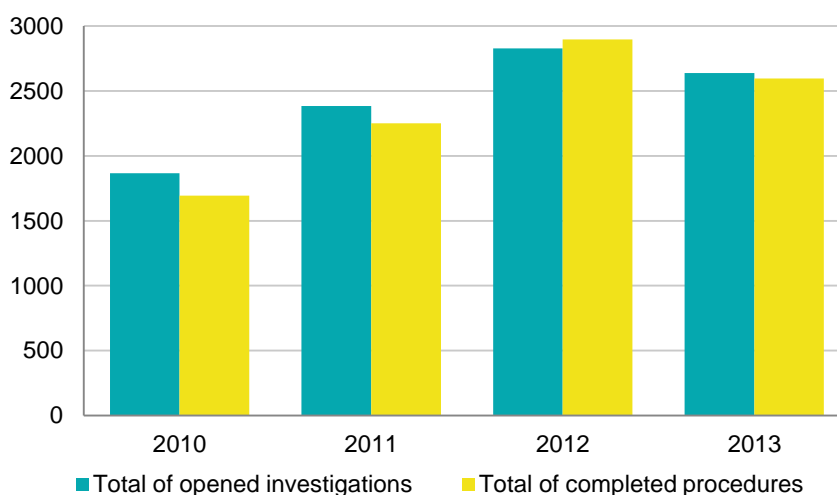
In 2013 an average of 47 complaints per month against decisions by Billag were received. The number remained at a stable level compared to the previous year. At the end of 2013, 176 complaints were pending, of which 20% were debt collection procedures. The remaining 80% of the complaints mainly concerned legal issues relating to registration, de-registration or exemption from fees. In 2013 we decided on 605 complaints procedures; approximately 5% of them were upheld.

The Federal Administrative Court has reviewed ten of OFCOM's decisions on complaints in relation to the field of reception fees. All of OFCOM's decisions were confirmed. Three decisions of the Federal Administrative Court were brought before the Federal Court. None of them was upheld.

### **2.3.2 Violations of the obligation to notify**

During the reporting year we opened 2,639 investigations regarding suspicion of offences committed against the obligation to register. 2,596 administrative penalty procedures were concluded; this corresponds to a decrease of 301 procedures over the previous year. Billag provided us with 1,456 notifications; 887 more than in 2012. This increase is due to the fact that Billag AG has to collect more information when there is clear evidence that programme services are being received without registration.

The vast majority of the procedures – 2,124 – continue to be able to be resolved by means of fast-track procedures which are more convenient for customers. This is 374 fewer than in 2012. Nonetheless, 205 penalties had to be issued using the ordinary procedure; this constitutes an increase of 38 over the previous year. We had to conduct a total of four house searches.



**Figure 1: Criminal administrative procedures LRTV**

## 2.4 Financial supervision and statistics

Within the framework of financial monitoring exercised by the Confederation on the SSR, OFCOM, mandated by the DETEC, examined the annual accounts, the budget, and the financial planning of the SSR. It likewise carried out the verification of the annual calculation of collection of reception fees. In parallel, a particular effort was made with regard to the monitoring of requests for financing of the costs associated with the introduction of new technologies (DAB+).

In relation to private stations, OFCOM has implemented five reviews. A number of different requirements have been formulated, in particular with regard to the improvement of the quality of the documentation which is required by law. No surveillance procedure has yet been opened by OFCOM, however, as a result of its reviews.

Three members of the Finances and Statistics Section have been approved in the status of expert reviewers by the ASR, the Federal Review Monitoring Authority.

## 2.5 Post

### 2.5.1 Surveillance

OFCOM assumed tasks in the postal sector in autumn 2012. The structure of the section was completed in September 2013 with the appointment of two economic and legal staff. In addition to its focus on press support, the section developed a concept for surveillance of the universal service with regard to payment transactions. Work on legal tasks began with a market/legislative evaluation. The section has also investigated the postal service's newspaper delivery prices.

### 2.5.2 Press support

In August 2013, all publishers of regional/local press and membership/foundation publications which received press support in 2013 were invited to submit a self-declaration to OFCOM. This confirms that they continue to meet the eligibility criteria. OFCOM has checked the self-declarations and told the relevant media whether they are still entitled to the delivery subsidy. In the category of local and regional press, the number of those entitled to support in 2014 is almost identical to the previous year (142). In the membership and foundation publication category the number of those entitled to support is now 1,124 (an increase of 42 in comparison to the previous

year). This increase is due to the new applications filed on 1 January 2013, which have had a largely positive effect on OFCOM. The media entitled to delivery subsidies are published on the OFCOM website.

- Press support  
<http://www.bakom.admin.ch/themen/04073/04075/index.html?lang=de>  
(document only available in German, French and Italian)

On the basis of OFCOM's decisions, the Post Office has calculated the reductions for 2014 for the regional and local press and for the membership and foundation publications. The Federal Government allocates CHF 50 million annually for these services. The Federal Council approved the price reductions on 6 December 2013.

- Transport of newspapers: Federal Council sets the reductions for 2014  
<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=51258> (complete text only available in German, French and Italian)

## 3 TELECOM SERVICES

For the Telecom Services division, the year 2013 was marked by changes in personnel.

On 1 August the Federal Department of the Environment, Transport, Energy and Communications (DETEC) appointed Annalise Eggimann and René Dönni Kuoni as Vice Directors and entrusted them, as the management team, to head up the Telecom Services division.

Concerning access procedures, which OFCOM prepares for the Federal Communications Commission (ComCom), requests for decisions by the regulator declined. At the same time, new ground was broken in this area when the issue of IP interconnection (network interconnection) was raised for the first time. On the basis of an appeal against an interim decision by ComCom, it was possible to ensure before the Federal Administrative Court, as a precautionary measure, that IP data exchange (peering) between two counterparties must continue to be supported until the decision on the application. In the context of the proceedings it will now have to be clarified whether market dominance applies and whether access conditions have to be defined.

The internet and the use of addressing elements related to Switzerland, for example, the ".ch" domains or the ".swiss" domain which is being launched, took up a lot of OFCOM's attention in the reporting year. In the year 2013 it was a question of doing the preparatory work for the establishment of a forward-looking national legal framework for these domain names. The corresponding proposals of the federal administration will be submitted to interested parties in 2014 for their comments as part of a public consultation. The relevant work will therefore continue to keep us on our toes in the future.

Annalise Eggimann, Vice Director and René Dönni Kuoni, Vice Director; Joint Heads of Division

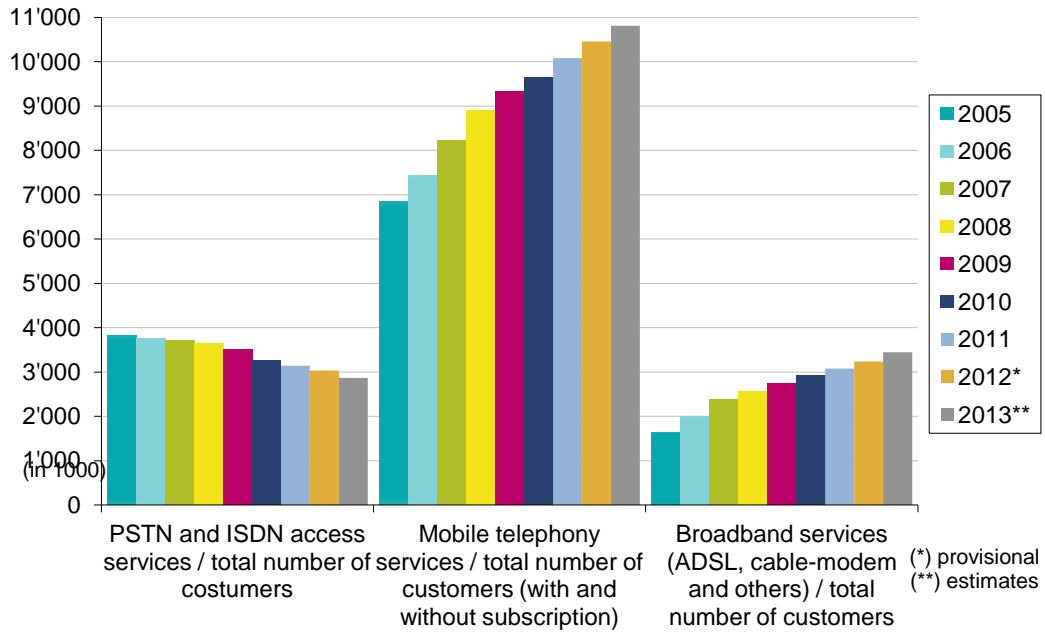
### 3.1 Market for telecommunication services

The fall in the number of traditional telephone connections was confirmed in 2013, as shown by the reduction in the number of customers for access services on the PSTN and ISDN fixed network. There is one new fact, which deserves close monitoring: the price index of the cheapest products for an average fixed telephony user increased very slightly in the course of the reporting year (+1.2%). It will therefore be a matter of seeing if this trend continues in the future.

The number of mobile phone contracts and prepayment cards continued to grow, reaching nearly 10.8 million at the end of 2013. This figure includes mobile broadband services. In 2013, rates for the services offered on Swiss mobile networks fell significantly (-14.6% for an average user who chooses the cheapest product).

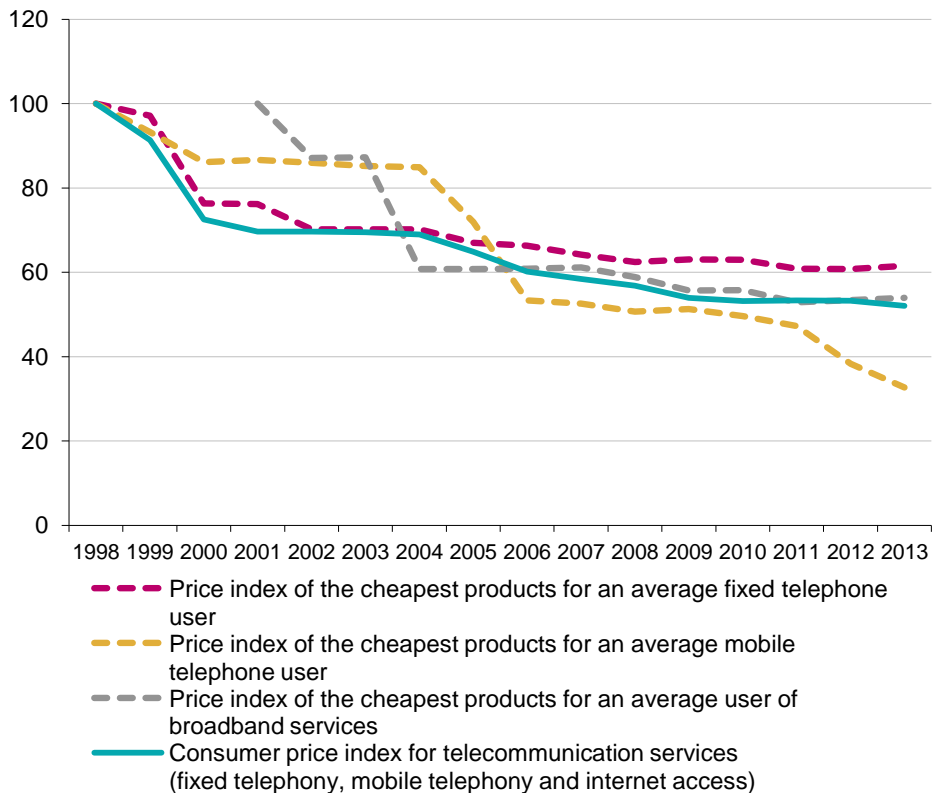
Developments in the area of broadband connections have also been positive. Figures indicate that, at the end of 2013, the number of connections exceeded 3.4 million. The index set up to track the cost of consumption of broadband services revealed a very slight increase (+1.0%). We note, however, that this increase is not a concern, since it is explained by the increase in the price of certain products whose speed has been increased.





**Figure 2: Number of subscribers / estimates 2013 © OFCOM**

The general price index calculated by the Federal Statistical Office (FSO) for telecommunications services stood at 52.1 points at the end of 2013 (base year = 1998). In general, the prices of telecommunications services have therefore fallen by approximately 48% since the liberalisation of the market in 1998.



**Figure 3: Price index for telecommunication services and consumer price index for telecommunication services**  
(fixed telephony, mobile telephony and internet access) © OFCOM / FSO

## 3.2 Market access

The number of telecommunications service providers increased slightly, as in the previous year. Depending on the category of services, there were between ten and twenty new registrations and one to ten deregistrations in each service category.

| Ref. | Service category                                       | 2010 | 2011 | 2012 | 2013 |
|------|--|------|------|------|------|
| 1.a  | Telephone service via fixed-network connections        | 167  | 181  | 180  | 189  |
| 1.b  | Telephone service nomadically accessible via Internet  | 146  | 125  | 129  | 141  |
| 1.c  | Telephone service via terrestrial mobile networks      | 51   | 60   | 63   | 63   |
| 1.d  | Telephone service via satellite mobile networks        | 9    | 11   | 11   | 14   |
| 1.e  | Telephone service via access number (two-step dialing) | 35   | 39   | 46   | 48   |
| 2    | Transmission of radio/TV programme services            | 145  | 149  | 151  | 153  |
| 3    | Internet access  | 243  | 257  | 266  | 277  |
| 4.a  | Constant bitrate transmissions capacity                | 139  | 149  | 147  | 159  |
| 4.b  | Variable bitrate transmissions capacity                | 211  | 216  | 216  | 222  |
| 5.a  | SMS/MMS services                                       | 86   | 96   | 98   | 94   |
| 5.b  | Hosting of individual numbers and/or short numbers     | 35   | 41   | 45   | 49   |
| 5.c  | Other services   | 118  | 118  | 138  | 145  |

**Table 2: Telecommunications Service providers obliged to register**

Only one new application for a decision concerning access was submitted to ComCom. In it, a decision on a so-called peering contractual relationship (IP interconnection) was requested for the first time. Both parties offer services on the internet; because of their products and clientele, the flow of traffic between the two networks, however, is asymmetrical. To date, data exchange has taken place without allocation of costs between the network operators (a so-called zero settlement agreement). In view of the asymmetrical data exchange, one of the network operators now wants remunerating for the transmission of data to its end customers. In accordance with the applicant's request, ComCom, as a precautionary measure in the form of an interim injunction, obliged the opponent of the application to ensure interconnection, and therefore data exchange (peering) free of charge between the two networks until the decision on the application. On appeal, the Federal Administrative Court confirmed this decision. In the next stage of the proceedings, it must be clarified whether the opponent of the application is dominant in the market; only then can ComCom, acting as the regulator, define the access conditions.

In the wake of the Federal Administrative Court's judgments in relation to appeals concerning access to leased lines, preparation of the access proceedings continued. In a further development, the parties came to an agreement, so the three remaining proceedings in this area could be concluded. ComCom concluded with a substantive decision another pending proceeding relating to the determination of certain prices for the years 2012 and 2013. The subjects were interconnection, co-location (shared use of the infrastructure and resources of a main distribution frame), rebilling for connections as well as access to cable ducts and to the fully unbundled local loop (ULL). In this context, the regulator in turn made various changes to the calculation of the costs of the dominant provider, which for the most part resulted in a reduction in the prices in question.

In proceedings in relation to interconnection and local loops, the Federal Administrative Court largely approved the appeal against ComCom's decision in 2010 with regard to pricing for the years 2009 and 2010. The Court rejected the prices concerned, for redefinition by the Court of lower instance. The subject of the dispute was the billing model regarding access services for 058 numbers. ComCom redefined the prices in accordance with the considerations of the Court. This decision has legally come into effect. In the analogous procedure concerning 2011 prices, which was suspended in the Federal Administrative Court, ComCom took a new decision. The appeal was therefore dismissed.

### 3.3 Universal service

The current universal service will remain in force until the end of 2017. It guarantees the minimum services in the telecommunications sector for the entire Swiss population. In terms of an internet connection, every citizen has had the right, since March 2012, to a bandwidth of 1000 kbit/s (download) and 100 kbps (upload). If the universal service licensee, namely Swisscom, cannot guarantee such bitrates using xDSL technology, it can offer an alternative, for example a satellite connection. In the reporting year, 1520 citizens (1582 in 2012, 1653 in 2011) had such an alternative connection.

Consumer complaints made to OFCOM concerning the universal service - and more specifically internet connections - are in constant decline.

As for the number of public telephones (Swisscom telephone boxes) taken out of service, this is declining. In 2013, ComCom authorised the decommissioning of only 112 telephone boxes (544 in 2012, 379 in 2011).

| Telephone box statistics                              | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------|------|------|------|------|
| Universal service public telephones                   | 4813 | 4437 | 4058 | 3514 | 3307 |
| Communities without universal service telephone boxes | 237  | 332  | 517  | 797  | 791  |

**Table 3: Telephone box statistics**

The annual report on the quality of the services forming part of the universal service confirms that Swisscom, the licensee, fully met all target values in the regulations.

### 3.4 Mobile radio licences

The mobile radio licences awarded within the framework of the last mobile radio auction legally entered into force in July 2012. For the procedure relating to the spectrum reorganisation in the 900, 1800 and 2100 MHz frequency bands, the licensees were obliged to submit to OFCOM a joint proposal for the transition from the existing allocation of frequencies to the new one. OFCOM examined the proposals received, on behalf of ComCom, which laid down the specific procedure in the form of an official decision at the beginning of 2013. The frequency refarming in the 900 and 1800 MHz bands will take place in the summer of 2014; the one in the 2100 MHz band will take place in the summer of 2016.

National Councillor Ruedi Noser's postulate (12.3580) instructs the Federal Council to submit a report to Parliament on development opportunities in relation to mobile radio. It is to examine whether the legal framework, in particular in the fields of town and country planning and environmental protection, will allow the timely construction of a modern mobile radio infrastructure in Switzerland. A working group, headed by OFCOM and consisting of representatives of various federal agencies (the Federal Office for Spatial Development, the Federal Office for the Environment, the Federal Office of Public Health and the Federal Office of Transport) is drawing up a corresponding report.

### 3.5 Consumer protection and surveillance

The number of consumer complaints about telecommunications increased slightly in 2013 (1639 complaints recorded as against 1457 in 2012). Most of the complaints were sent by email or reported by telephone. Once again, the complaints for the most part concerned telephone canvassing (notably despite the 'asterisk' marking in the directory), unwanted preselection, unlawful mass advertising (spamming) and problems with the billing by the operator.

In the area of surveillance of addressing resources and in particular of numbers for added-value services (090x numbers), OFCOM took surveillance measures in almost 380 cases, the same as in the previous year. The number of dossiers by which an exchange of correspondence precedes a formal proceeding; rose to almost 210, while 170 revocation procedures were initiated. The main infringements involved non-payment of annual fees and a failure to comply with the provisions relating to indication of prices.

## **3.6 Internet domains .ch and .swiss**

### **3.6.1 The .ch domain**

OFCOM launched a project to review the regulatory framework concerning the management of .ch internet domain names. At the heart of these considerations is a more consistent separation between technical activities within the competence of the authorities on the one hand (the registry function) and the commercial end user business on the other (the registrar function). Currently, the mandate which runs until the end of March 2015 allows the SWITCH Foundation to perform both functions. As part of this separation of tasks, OFCOM will closely monitor the process of transition, in particular in order to ensure a transparent and equitable transfer of existing SWITCH customers to registrars who are active on the market.

### **3.6.2 The .swiss domain**

After evaluation, ICANN confirmed that the application lodged by the Confederation complies with the requirements. OFCOM therefore initiated the development of the registration policy with the support of experts from other offices as well as organisations external to the administration. The task in the future is to define the criteria for registration of names in this new domain plus the processes to be implemented for the management and processing of applications for registration.

## 4 THE INFORMATION SOCIETY IN SWITZERLAND

On 9 March 2012, the Federal Council updated its strategy for an information society in Switzerland. In so doing, it announced its intention to actively shape Switzerland's digital future. The strategy designates the areas of activity in which the innovation potential of information and communication technologies (ICT) can generate maximum possible impact and defines the key areas in which the Confederation needs to take action. With the formulation of two overriding objectives, the Federal Council anticipates that the implementation of the strategy will have clear economic and socio-political benefits: the opportunities should be exploited to strengthen Switzerland as a location for businesses and to maintain people's quality of life at a high level. An "Interdepartmental Information Society Steering Committee" (IISSC), under the chairmanship of the OFCOM Director General, was tasked with ensuring the coordinated and focused implementation of the strategy within the federal administration. This mission was also completed by the IISSC in 2013, with the active support of the "Information Society Business Office", which is based within OFCOM.

Charlotte Sgier de Cerf, Deputy Head of the Information Society Business Office

### 4.1 Key areas in the information society

In 2013, the priorities of the federal administration also included the fulfilment of the three top-priority tasks which the Federal Council had assigned to the federal administration in March 2012 in relation to the updated information society strategy: First: developing a Confederation strategy for dealing with internet addresses (leadership role: DETEC); secondly: drawing up a package of measures on the subject of "e-Accessibility", for barrier-free and equal-opportunity access to the websites and online content of the government and the federal administration (leadership role: Federal Department of Home Affairs FDHA); thirdly: development of the statistical indicators for benchmarking the information society in relation to the updated strategy (leadership role: FDHA). In 2013, the Interdepartmental Information Society Steering Committee established at the end of 2012 focused on monitoring the projects implemented decentrally within the federal administration with a view to the targeted implementation of the Federal Council's strategy.

### 4.2 Activities of the Information Society Business Office

In 2013, the Information Society Business Office carried out two electronic surveys on the implementation of the information society strategy within the Departments (June and October 2013). The aim was to give the Information Society Steering Committee an overview of all current federal administration projects, including their implementation status and any bottlenecks, with a view to monitoring and clarification of a possible requirement for action by the IISC. The survey results are available on the OFCOM website, along with a selection of the most important 'Trends and developments' in relation to the information society, under the heading "Reports"

- [www.infosociety.ch](http://www.infosociety.ch)

In February 2013, the Business Office, in cooperation with the Swiss Federal Institute of Technology in Zurich, organised a conference on "ICT4Sustainability". In September, it completed work on the Federal Council report in fulfilment of the postulate of National Councillor Viola Amherd (11.3912) on the "Legal Basis for Social Media". The report was adopted by the Federal Council on 9 October 2013. It deals with the new challenges posed to the law in the face of social networks such as Twitter, Facebook or blogs. The Business Office also worked closely with other Departments and Offices to complete various Federal Council tasks in relation to the information society, such as the task of updating the system of statistical indicators for benchmarking the information society (adopted on 22 May 2013) or on the production of the "e-Accessibility" package of measures which will be submitted to the Federal Council in the spring of 2014. In addition, it

participated in various federal administration working groups or steering committees, including those on the subjects of "Open Government Data" and "Youth Media Protection". Together with other OFCOM departments, the Business Office drew up the federal strategy for dealing with internet domain names (adopted on 27 February 2013). It also supported the work on the Confederation's application to the global body for internet addresses, ICANN, for the new .swiss internet domain, which will in the future be available to the Swiss community. At the international level, the Business Office monitored the developments of the information society by participating in conferences and workshops, and represented Switzerland's position in OECD and EU working groups.

## 5 EQUIPMENT AND INTERNATIONAL FREQUENCY MANAGEMENT

The Equipment and International Frequency Management Division (AFI) saw the light of day in its current form at the beginning of September 2013, following a partial reorganisation between the divisions AF (Equipment and Radiocommunication Licences) and FM (Frequency Management). In this way it was possible to ensure continuity in the handling of cases, in particular the preparation of the 2015 World Radiocommunication Conference (WRC), after the accidental death of Peter Pauli, Head of Division FM.

In 2013, we carried out a detailed campaign of market monitoring in the area of telecommunications equipment and electromagnetic compatibility of electrical equipment. In 2014, we set up a new steering committee for monitoring activities. This body assists the Head of Division to define and supervise the strategic and operational objectives in relation to market surveillance.

In 2013, we were able to significantly improve the infrastructures required for hardware compliance audits, including the commissioning of a Faraday cage acquired from Arma Swiss. These activities had, however, a negative impact on the number of equipment items which we were able to check.

Philippe Horisberger, Vice Director and Head of Division

### 5.1 Telecommunications equipment

#### 5.1.1 Market surveillance

In 2013, 25 new companies which place telecommunications equipment on the market and five exhibitions were visited by OFCOM officials. In this way OFCOM was able to provide specific information and update its database of telecommunications equipment importers, which now includes 1064 companies.

#### 5.1.2 Amendments to the legislation

At the end of 2013, the representatives of the Council of the European Union, the European Commission and the European Parliament reached a compromise on the revision of the R&TTE directive. According to the planned schedule, the European Parliament was to formally adopt it at the first reading by May 2014. Within the framework of the reciprocal recognition of conformity assessments, Switzerland accepted the previous directive and implemented it in the Ordinance on Telecommunications Installations (OTI). A review of this Ordinance will therefore be necessary by 2015 to include the changes resulting from the new directive.

#### 5.1.3 Standard for DAB/DAB+ repeaters

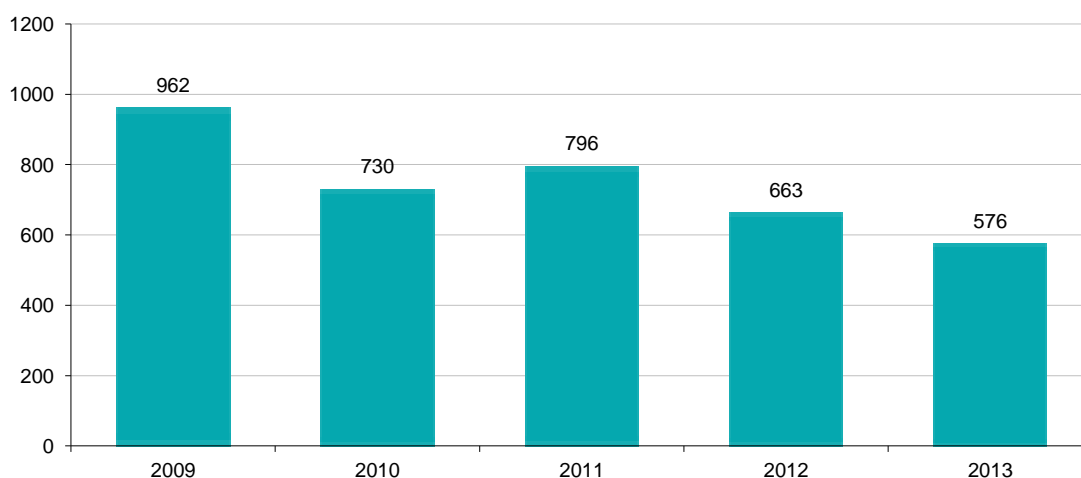
In 2013, OFCOM developed a technical standard for low-power DAB/DAB+ repeaters. For manufacturers, it facilitates placing on the Swiss market of such equipment intended to extend DAB/DAB+ coverage inside the buildings in which they are used. In parallel, OFCOM made an amendment to the legislation on licensing to exempt the use of these DAB/DAB+ repeaters from licensing.



- Technical Standard concerning DAB/DAB+ In-House low power Repeaters  
[http://www.bakom.admin.ch/org/grundlagen/00563/00575/01142/index.html?lang=fr&download=NHzLpZeg7t,Inp6I0NTU042I2Z6In1ae2IZn4Z2qZpnO2Yuq2Z6gpJCDfH99g2ym162epYbg2c\\_JjKbNoKSn6A--](http://www.bakom.admin.ch/org/grundlagen/00563/00575/01142/index.html?lang=fr&download=NHzLpZeg7t,Inp6I0NTU042I2Z6In1ae2IZn4Z2qZpnO2Yuq2Z6gpJCDfH99g2ym162epYbg2c_JjKbNoKSn6A--)

## 5.1.4 Notifications

In 2011, OFCOM processed 576 notifications of radio equipment, i.e. a reduction (of about 13%) on the previous year. This reduction can be explained by the increase in the number of equipment items exempted from notification as a result of the progress of frequency harmonisation at European level. Among the notifications received, the proportion relating to equipment subject to restrictions of use in Switzerland - because it uses frequencies that are not assigned to the equipment class - fell (13% in 2013 compared to 20% in 2012).



**Figure 4: Number of notifications of radiocommunication equipment**

In 2013, under the leadership of OFCOM, the working group established by the European Commission for the maintenance of the list of equipment for which notification is not necessary continued its work. A new list will be published in the course of 2014.

- Reference documents R&TTE. Equipment Classes  
[http://ec.europa.eu/enterprise/sectors/rtte/documents/index\\_en.htm#h2-5](http://ec.europa.eu/enterprise/sectors/rtte/documents/index_en.htm#h2-5)

## 5.2 Electromagnetic Compatibility (EMC)

In order to fulfil its tasks of monitoring the market for electrical devices/equipment, OFCOM has to have an appropriate testing environment and equipment. This has been achieved; thanks to a fully equipped Faraday cage, the Office can now conduct most of the EMC conformity tests. Special measurements will, however, continue to be carried out by our departments at the National Metrology Institute (METAS). This new environment will also allow OFCOM to promote a policy of awareness of EMC in student circles (HES, ETH, etc.) in a collaborative manner.

In the fight against radio-electrical interference, our attention has been focused in particular on cases concerning telecommunications networks, such as PLC and CATV. The resolution of these cases of interference represents a significant workload for the Office due to the many people involved (the operator and owner of the network, building owner(s) and tenants). The processing of these cases regularly reveals that certain parts of the network are aging or defective and would require an upgrade in order to comply with current standards. OFCOM, in collaboration with the

operators, is making progress in the search for a solution able to handle such cases more efficiently.

## 5.2.1 Amendments to the legislation

The new European Directive on electromagnetic compatibility is in hand. The services of the European Commission still have to complete checking of different language versions in order to permit its formal adoption by the European Parliament at the first reading in May 2014. Within the framework of the agreement on reciprocal recognition of conformity assessments, Switzerland accepted the previous directive and implemented it in the Ordinance on Electromagnetic Compatibility (OEMC). This implies that this ordinance will have to be revised in 2014/15 to include the changes resulting from the new directive.

## 5.2.2 Electromagnetic Fields (EMF)

The EMC section continued to provide effective technical support to the cantonal and federal authorities in the application of the Ordinance on Protection from Non-Ionising Radiation (OPNIR).

A postulate accepted by Parliament instructs the Federal Council to submit a report on development opportunities in relation to mobile communications. This includes determining whether the current legal framework, in particular in relation to town and country planning and the environment, will make it possible, in a timely manner, to establish a modern mobile telephony infrastructure. OFCOM, in collaboration with the other agencies involved, was charged with drafting this report.

In the context of the application of the Ordinance on Protection from Non-Ionising Radiation (OPNIR), the issue of reproducibility of exposure measurements in areas of sensitive use continues to be a recurring theme. Because of their high degree of inaccuracy, up to +/-45%, the interpretation of the differences obtained between reception measurements for the granting of construction permits and the subsequent check measurements is problematic because it can sometimes lead to a questioning of the construction permits initially granted. OFCOM has commented on this subject in the context of an action brought by an operator in the Federal Court and it is therefore now up to the judiciary to decide.

## 5.3 Frequency Management

### 5.3.1 At international level

Frequencies are a limited and increasingly coveted resource. The need to use this limited resource as efficiently as possible means there are international efforts to harmonise the use of frequencies. Of central importance in this context is the World Radiocommunication Conference, which is held every three to four years. The next World Radiocommunication Conference (WRC 15) will take place in Geneva in November 2015. OFCOM's Frequency Management Division will represent Switzerland's frequency policy interests at WRC 15.

In 2013, the focus of frequency management was the analysis of all agenda items for WRC 15, their possible impact on Switzerland, and the drawing up of a national position.

At WRC 15, as at the past two World Radiocommunication Conferences, the provision of additional frequency resources for the rapidly growing mobile communication sector will be a key issue. In the spirit of harmonisation, efforts are being made worldwide to identify frequency bands which can be used for future mobile communications ("candidate bands"). The challenge is that these candidate bands are already used by other radio services. Changing the use of such frequency bands is therefore only possible once alternative solutions for the affected services can be found. Furthermore, other radio services also require additional resources.

OFCOM's Frequency Planning and Radio Technology sections monitor the extent to which international harmonisation efforts can be aligned with national interests. The Frequency Planning Section plans the future utilisation of frequencies in Switzerland, while the Radio Technology Section uses compatibility studies to investigate the extent to which radio services can coexist.

In 2013, OFCOM prepared a Swiss position on the candidate bands for mobile communication which have been the subject of international discussion. This took into account national interests, such as the protection of certain radio services, the need for additional frequency resources for disaster management and civil protection, as well as ensuring sufficient frequency resources for wireless microphone applications. In 2014, OFCOM employees will introduce this national position to the relevant working groups of the CEPT and ITU with the aim of shaping the international consensus process in relation to Switzerland.

### 5.3.2 At national level

Many requirements concerning military and civilian radar applications were submitted to OFCOM during the reporting year. Thanks to good cooperation between the various sections within OFCOM and with the military it was possible to develop satisfactory solutions for every issue, for example, civilian bird radars (in the mid-9 GHz band) and avalanche radar systems (in the lower 10 GHz band).

Bird radars are used to protect birds. These radar systems detect approaching flocks of birds and bring the rotor blades of wind turbines to a standstill in time to protect the birds from collisions. Avalanche and debris flow radars are used to prevent hazards and trigger alarms as soon as avalanches, rock falls or mud slides begin and threaten transport links or inhabited areas.

Switzerland operates 5 GHz band meteorological radar systems, which are used for weather observation. The EU Commission now intends to open this frequency range to wireless local area network applications (RLAN/WLAN) and has commissioned the CEPT to conduct the appropriate feasibility studies. If the 5 GHz band were to be opened to RLAN/WLAN applications, it might no longer be possible to use the Swiss meteorological radar systems in this frequency range. European transport telematics systems and earth observation satellites would also be affected. Last year, OFCOM advocated protection of these applications at European level, and it will continue to do so.

The Swiss National Frequency Allocation Plan (NFAP) is updated annually. NFAP 2014 was approved by the Federal Council in October 2013 after consultations with national spectrum users. The new NFAP becomes effective on 1 January 2014.

- National Frequency Allocation Plan  
<http://www.bakom.admin.ch/themen/frequenzen/00652/00653/index.html?lang=en>

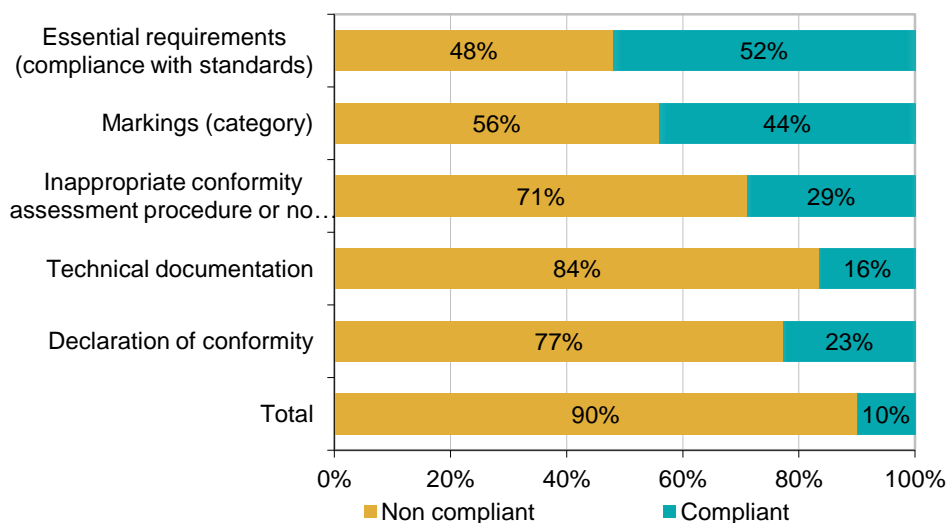
In 2013 we also revised various technical interface regulations (Radio Interface Regulations - RIR). The RIR describe the prerequisites for the use of radio spectrum by radio equipment. In addition to technical parameters, they also include frequency bands, as well as any mandatory requirement for a radio licence in Switzerland.

- Technical interface regulations (RIR)  
<http://www.bakom.admin.ch/org/grundlagen/00563/00575/01285/index.html?lang=en>

## 5.4 Surveillance of devices and equipment and preventive measures

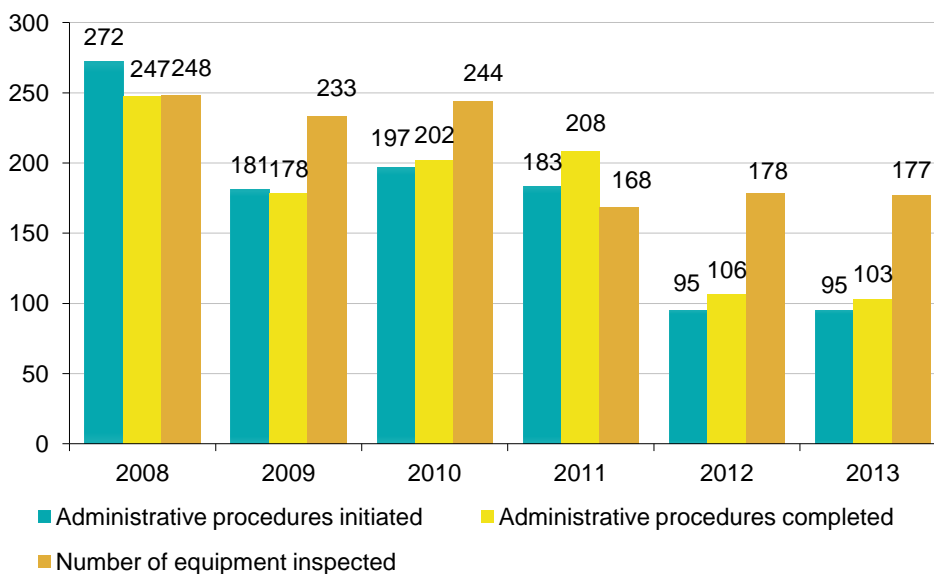
In 2013, the inspections focused on 145 items of telecommunications equipment and 32 devices in relation to electromagnetic compatibility. The rate of non-conformity of the equipment inspected in 2013 remains high (92%): 163 equipment items out of 177 did not meet the applicable

requirements (90% in 2012). As in the past, the most problematic areas are the same: the declaration of conformity (77% non-conformity compared to 67% in 2012), the technical dossier (78% compared to 64% in 2012), characterisation (56% compared to 48% in 2012), and the essential requirements (48% compared to 42% in 2012). 126 items of equipment (71% compared to 59% in 2012) had not been subjected to a conformity assessment by the manufacturer or had undergone an inappropriate procedure.



**Figure 5: Most frequent non-conformity rates among equipment inspected**

In 2013, 124 procedures were opened, compared to 95 in 2012. 19 (5 more than a year earlier) concerned market surveillance in relation to electromagnetic compatibility (EMC) and 105 (compared to 81 in 2012) in the area of telecommunications equipment. Within the same period, OFCOM was able to complete 17 procedures in the EMC area (4 more than a year earlier) and 86 in the area of telecommunications equipment (compared to 93 in 2012). Some of these 103 cases (106 in 2012) concerned multiple items of equipment.



**Figure 6: Administrative procedure relating to equipment**

## 5.4.1 International collaboration

In 2013, OFCOM took an active role in two European market surveillance campaigns.

The first focused on equipment for wireless networks operating in the 5 GHz band and in particular on the risk of interference with weather radar operating in the same frequency band. The result is worrying: 40% of the equipment checked may interfere with weather radar.

- Disturbances in weather radars by wireless networks  
<http://www.bakom.admin.ch/dokumentation/Newsletter/01315/04619/04625/index.html?lang=de> (document only available in German, French and Italian)
- 5th R&TTE Market Surveillance Campaign on WLAN 5 GHz  
[http://ec.europa.eu/enterprise/sectors/rtte/files/5th-rttems-report\\_en.pdf](http://ec.europa.eu/enterprise/sectors/rtte/files/5th-rttems-report_en.pdf)

The second campaign, relating to electromagnetic compatibility, focused on power supplies for laptops, in particular after sales replacement parts, sold separately from the computer. Here too, the results are not satisfactory; 75% of the power supplies examined were identified as non-compliant.

- Power supplies laptops: very high non-compliance rate  
<http://www.bakom.admin.ch/dokumentation/Newsletter/01315/04619/04626/index.html?lang=de> (document only available in German, French and Italian)
- 5th EMC Market Surveillance Campaign 2012/2013  
[http://ec.europa.eu/enterprise/sectors/electrical/files/emc/ms-campaign-fifth\\_en.pdf](http://ec.europa.eu/enterprise/sectors/electrical/files/emc/ms-campaign-fifth_en.pdf)

## 5.4.2 Preventive Measures

As more and more private individuals buy and sell telecommunications equipment on the internet, OFCOM has published two information sheets explaining precautions to be taken by both buyers and sellers.

- Purchase of radio equipment abroad for one's own use  
<http://www.bakom.admin.ch/themen/geraete/00464/04293/index.html?lang=en>
- Purchase of radio equipment abroad for resale in Switzerland  
<http://www.bakom.admin.ch/themen/geraete/00464/04589/index.html?lang=en>

With the same objective, OFCOM started to publish on its website site a list of equipment which is not in technical conformity and whose use may cause interference with radio traffic or the reception of radio and television programme services. The Office issued a ban on the sale of such items, which means that the equipment featured on this list cannot be offered, sold or even given away. This database included 63 items of equipment at the end of 2013.

- Non-compliant equipment  
<http://www.bakom.admin.ch/themen/geraete/04113/index.html?lang=en>

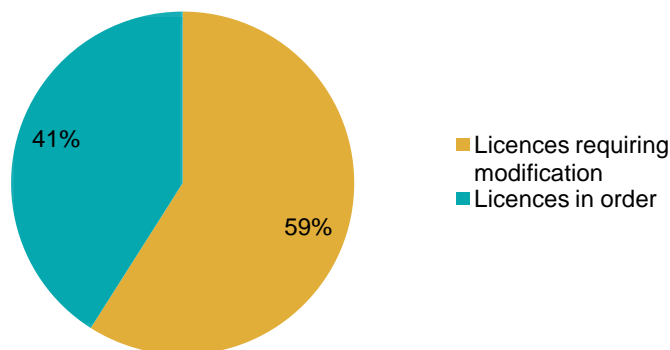
In 2013, OFCOM continued the briefings on the legal framework in relation to electromagnetic compatibility. With the help of other players in the industry (suppliers of measuring equipment, laboratories, consultants,...), OFCOM organised an information day on electromagnetic compatibility. This event was held in January 2013 and, given the success it enjoyed, was repeated in January 2014.

- Information day on electromagnetic compatibility  
<http://www.swisstmeeting.ch/bern-expo-22-januar-2013elektromagnetische-vertraeglichkeitmit-ausstellung.html> (Information in German only)

## 5.5 Surveillance of frequency use and preventive measures

### 5.5.1 Licence inspections

In 2013, we checked a total of 153 licences (197 in the previous year) on site; these mainly comprised licences which had not been changed in five years. The high proportion of irregularities (59%) was down slightly (11%) compared to the previous year (70%). One of the main reasons lies in the effectiveness of the post-checks following a major sporting event with a large number of users. After a very high proportion of users violated licensing laws in previous years, the post-checks are finally showing signs of success: there were significantly less irregularities. 34 procedures (previous year: 68) were implemented to punish more serious breaches, such as the use of additional radio frequencies not specified in the licence.



**Figure 7: Results of licence inspections**

### 5.5.2 Other checks on the use of frequencies

In 2013, 166 inspections (previous year: 200) were carried out on equipment which was operated without a licence or which was non-compliant. The corresponding 99 procedures (previous year: 120) meant there was a net increase of 20 new licences (previous year: 18).

### 5.5.3 Preventive measures (e.g. information)

In the context of information activities, we visited twenty specialist dealers and thirty companies to provide information and advice on private mobile radio systems (PMR).

## 6 NATIONAL FREQUENCY MANAGEMENT AND LICENCES

The tragic loss of our Vice Director Peter Pauli obliged us to divide the work between the former departments "Supervision and Radiocommunication Licences" (AF) and "Frequency Management" (FM) in order to ensure smooth operation.

In 2013, on the basis of an amendment to the ordinance, the number of licences issued compared to the previous year fell considerably. Likewise our planning activities within the VHF sector were reduced, since these are now carried out by the radio broadcasters themselves. New technologies allowed us to reduce the manpower on our hotline (the focal point for security services 24 hours a day, 365 days a year).

In relation to technology, we dealt specifically with investigations into the compatibility of radar applications, the aspects of the migration from analogue FM to digital DAB+ frequencies for radio, and the increase in capacity for microwave radio.

Silvio Rubli, Vice Director and Head of Division

### 6.1 Frequency assignment

#### 6.1.1 Broadcasting

The increasing digitisation in the transmission of radio programme services indicates a positive development; expansion is progressing rapidly. In neighbouring countries too there is a high demand for frequencies, making the allocation of suitable frequency blocks for DAB+ increasingly challenging. Owing to the strong expansion of DAB+, we are also constantly acquiring knowledge of the potential weaknesses of the system: using intensive measurements and calculations, it can be shown that DAB+ reception using low-cost receivers can experience interference in the vicinity of paging transmitters.

The new delimitation of competencies between OFCOM and the FM radio stations introduced last year has proved successful. Within their coverage area they can carry out transmitter planning independently, using the freely available transmitter data. The extent of OFCOM's planning activities in the FM sector is consequently being reduced. Despite initial calls for an FM switch-off date, however, quite a few radio stations are staying with analogue broadcasting and have been optimising their transmitter networks.

Terrestrial television coverage (DVB-T), on the other hand, is encountering continued strong competition from cable networks and satellite reception. As a result, there is marginal demand for corresponding frequencies. In the medium term, these technically valuable frequencies should be able to be used more efficiently by other systems.

Radio interference from Italy was also a major issue in 2013. International pressure on the Italian government is slowly having an effect. However, the Italian radio stations are taking action in court against decisions of the competent Italian authorities and OFCOM. This unusual approach takes up human resources and makes negotiations with the Italian authorities more difficult.

#### 6.1.2 Mobile communication

After the general conditions had been established, 2013 saw several mobile wireless broadband networks (LTE) come into operation. In the background, this has led to extensive customisation of the databases in which transmission equipment is stored for the assessment of planning



applications. OFCOM itself, however, does not assess any applications. Such assessment is the responsibility of the municipalities or cantons.

One major focus throughout the year was the frequency resources to be deployed, often at very short notice, for events and conferences, where wireless applications play an increasingly central role in terms of organisation, security and coordination. Despite technological advances in the field of automatic frequency selection, much manual coordination work and human expertise are still required for trouble-free use of the spectrum.

Technological progress also leads to new requirements. Mini drones are increasing the demand for frequencies for transmission of video signals, low-cost mobile wireless amplifiers (repeaters) are improving coverage inside buildings and wireless networks are providing internet access in new locations. The increase in reported interference, the cause of which can often be identified only with great effort and where solutions are not possible or possible only using expensive filters, is the downside of the increasingly dense use of the frequency bands.

### 6.1.3 Microwave radio

The introduction of even faster cellular connections led to an increased demand for more radio relay frequencies. More than one thousand microwave radio links have therefore been equipped with higher capacity. There is no end to this trend in sight.

The use of modern transmission technologies such as adaptive modulation (ACM) and high-quality modulation schemes disproportionately increases the available transmission speed in relation to the required frequency bandwidth. This trend is positive for the sustainable use of radio frequencies.

New radar applications, for example for the observation of avalanche slopes and debris flow areas, for monitoring and protection of bird migrations in the vicinity of wind turbines and for more accurate and safer landing approaches places demands on those frequencies used hitherto exclusively for radio relay systems. By applying extensive compatibility testing, we have helped to ensure that appropriate solutions have been found for all applications.

Technological development in relation to radio relay, however, is incomplete, as the initial requests for even higher modulation schemes and MIMO (multiple input multiple output) systems show. In conjunction with operators and manufacturers, we are developing allocation modalities which will allow efficient and high-quality use of the spectrum.

## 6.2 Radio Monitoring

In 2013 a slightly lower number of cases of interference were processed than in previous years. This is attributable to the fact that the increase in the number of cases of interference affecting the UMTS uplink band caused by imported or defective cordless fixed-network telephones (DECT equipment) has fallen. By optimising its UMTS mobile radio network, the mobile operator predominantly affected has achieved a reduction in interference, though this does not mean that the number of non compliant DECT devices were imported into Switzerland.

As before, we have to state that non-approved wireless devices without the CE conformity mark, ordered directly on the internet, are being operated more and more frequently on the Swiss territory.

### 6.2.1 Reporting centre of radio interference

Thanks to new technologies and process optimisation, the physical presence of measurement operators on the hotline could be reduced. The required 100% availability of the hotline for 365 days a year could be assured due to our modern means of communication. The incidents of interference reported by the police, the rescue services and air traffic control could also be investigated and largely resolved within the agreed timeframes.

Despite the digitisation of the police, fire and rescue services radio networks, the number of interference incidents increased slightly. The overreach of Tetra or Tetrapol cells at home and from abroad is one of the problems encountered. Tetrapol is the security network operated by the emergency services in Switzerland and France. Tetra is the security network in many other European countries.

## 6.2.2 Notifications of interference handled by Radio Monitoring

Considering the approximately 800 internal and external cases dealt with by Radio Monitoring, around 50% were reports of interference. The most frequently affected areas were mobile telephony and professional mobile radio.

| Year                 | 2011 | 2012 | 2013 |
|----------------------|------|------|------|
| Interference reports | 397  | 413  | 365  |

**Table 4: Interference reports**

## 6.3 Radiocommunication licences

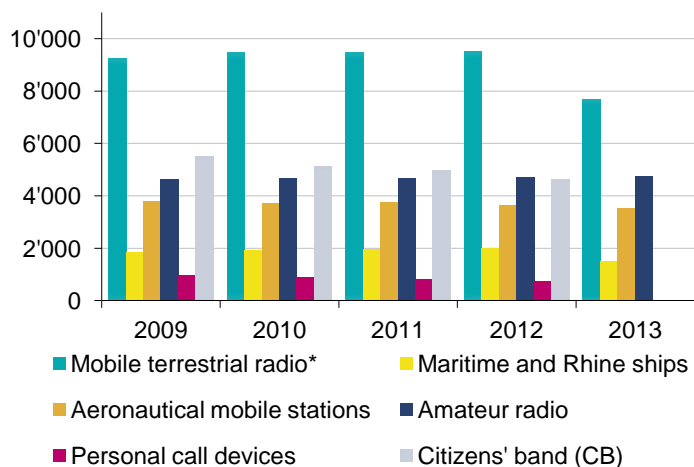
As early as the summer of 2012, OFCOM launched a revision project for the ordinances which stipulate which equipment does not require a licence. The resulting amendments to the ordinances entered into force on 1 January 2013.

By examining its activities, OFCOM was able to come to the conclusion that among other things wireless microphones, paging systems and other applications such as citizens' band radio or radar on vessels on inland waterways no longer need to be subject to licensing.

This is largely due to the fact that the number of radio licences for mobile land radio has decreased overall. However, the number of licensed devices has once again increased. This is explained by the fact that the licensing of POLYCOM equipment for use by the national security network has again increased greatly.

With regard to marine radio, the number of radiocommunication licences decreased overall, as a result of the exemption of radar equipment on inland navigation vessels. Licences for offshore and Rhine vessels have, however, increased by approximately four percent.

Once again, the aircraft radio sector is experiencing a drop in numbers. On the other hand, the number of amateur radio licences - as in past years - increased slightly.



**Figure 8: Number of radiocommunication licences**

### 6.3.1 [www.eofcom.admin.ch](http://www.eofcom.admin.ch); virtual front desk

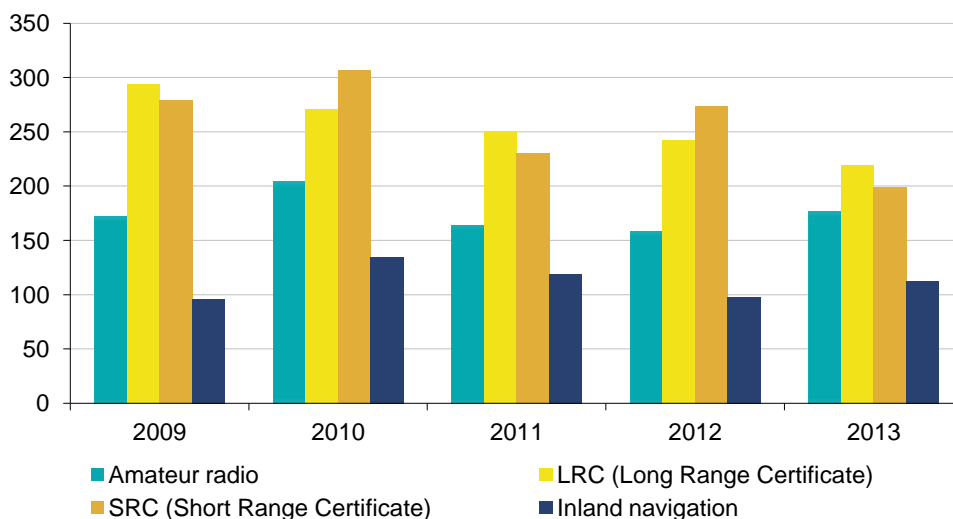
We advise our customers to use our online one-stop shop; the processing of licence applications and registration for radio examinations, for example, is handled very efficiently electronically, and independently of office hours.

[www.eofcom.admin.ch](http://www.eofcom.admin.ch)

## 6.4 Radio operators' examinations

In comparison with the previous year, the number of candidates for the amateur radio examinations and the inland navigation radio examinations increased. In contrast, the LRC (Long Range Certificate) and SRC (Short Range Certificate) examinations have declined. It seems that market saturation has been reached in the area of maritime radio examinations.

In all, 707 candidates passed a radio operators' examination required under international standards. This corresponds to a drop of eight percent compared to the previous year.



**Figure 9: Number of radio examination**

# 7 INTERNATIONAL RELATIONS

The first conference of ministers responsible for Media and Information Society from the 47 Council of Europe member states took place in Belgrade, Serbia in November 2013. The ministers called upon the Council of Europe to adopt adequate and effective guarantees against abuse in relation to the growing technological capabilities for electronic mass surveillance. They also called upon the Council of Europe to continue its role in combating violence against journalists and supporting the rights and responsibilities of journalists, bloggers, whistle-blowers and human rights activists. The ministers also called upon the Council of Europe to commit to promoting the diversity and quality of the media in a changing media landscape and helping to clarify the rights and responsibilities of governments, service providers and internet users. The conference highlighted the leadership role of the Council of Europe in matters relating to new media and the fundamental rights of citizens in the information society.

Since 2013, OFCOM has been integrated into the process for implementing the national strategy for Switzerland's protection against cyber-risks (NCS). The Office is responsible for the M9 procedure (monitoring the internet) and co-ordinates activities at the international level with the other offices concerned.

Frédéric Riehl, Vice Director and Service Head

## 7.1 The International Telecommunication Union (ITU)

2013 was the first year in which the ITU's meetings concerning issues of internet governance were opened up to civil society. This signified an important change. The participation of civil society at the World Telecommunications Policy Forum (WTPF 13) and in the activities of the ITU Council working group on the implementation of the outcomes of the World Summit on the Information Society (WSIS) was roundly praised. The positive effects of this open approach are appreciated by both the ITU and civil society. It should be noted that OFCOM was also instrumental in the participation of the Federal Councillor and Head of DETEC Doris Leuthard, who opened the WTPF 13.

## 7.2 European Union (EU)

The year 2013 was marked in particular by the Commission's proposal for the Telecommunications Single Market. By way of this legislative package, the Commission intends to simplify the EU regulations applicable to telecommunications operators, to eliminate the variations in licence fees within the EU, to fix the legal provisions aimed at safeguarding the open internet (neutrality of the internet), to draw up new rights for European consumers, and to reinforce the harmonization of the use of radio frequencies in the EU. With regard to the scope of the proposed changes, OFCOM will attentively monitor the developments with regard to this proposal.

## 7.3 TV5 Monde

In 2013, the issue of the budget for TV5 was raised on numerous occasions. The problem of subtitling and the novel features of the programme service adopted by the network also came under discussion. The partners have agreed on a new strategic plan for 2013-2016, the means for financing this, and the approaches to be adopted in order for the network to realise cost savings. OFCOM defended Swiss interests, in particular in November in Montreal, at the meeting of senior functionaries who voted on the budget for the network for 2014 and adopted a new editorial charter. The Office has likewise been monitoring a hearing by the Swiss Commission in Parliament regarding the French-speaking countries.

## 7.4 Information Society

As in previous years, there has again been no agreement on how to realise the 10-year review of the implementation of the outcomes of the UN World Summit on the Information Society held in Geneva in 2003 and Tunis in 2005 (WSIS+10). The inclusion of the relevant activities of the ITU and UNESCO in the WSIS review also remained unclear. In close cooperation with the Federal Department of Foreign Affairs (FDFA), OFCOM has taken an active role in work regarding the WSIS+10 and internet governance within the framework of the UN, ITU and UNESCO, and has lobbied for a WSIS+10 process which builds as far as possible on existing processes and on the multi-stakeholder approach to internet governance. This approach references the cooperation between state and non-state participants at all levels.

ICANN, which is based in California, is the global co-ordination body for internet addresses. Within ICANN's Government Advisory Committee (GAC), OFCOM, which has provided one of the three vice-chairs since spring 2013, has lobbied for further reform of ICANN and for a strengthening of the GAC. OFCOM's support meant that it was possible to establish a structure for financing an independent GAC Secretariat in November 2013. In the context of the liberalisation of generic top-level internet domains (gTLDs) adopted by ICANN, which should enable new internet extensions such as .bank or .paris from 2013, OFCOM has lobbied for appropriate consideration to be given to the public interest. While it has not been possible to reach an agreement on the issue of adequate protection for geographical indications in the GAC, Switzerland has managed to persuade the GAC to clearly state its support for appropriate protection of the names and abbreviations of international organisations and the Red Cross.

## 7.5 The Council of Europe

As a member of the Steering Committee on Media and Information Society (CDMSI), OFCOM has been actively involved in devising and negotiating the outcomes of the first Council of Europe conference of ministers responsible for Media and Information Society, which took place in Belgrade between 7 and 8 November 2013. The declaration and resolutions adopted at the conference, which was entitled "Freedom of Expression and Democracy in the Digital Age - Opportunities, Rights, Obligations", call on the Council of Europe to protect human rights on the internet, especially those regarding freedom of information and expression, the right to privacy, and for guarantees against abuse concerning the growing technological capabilities for electronic mass surveillance. The ministers also called upon the Council of Europe to continue its role in combating violence against journalists and supporting the rights and responsibilities of journalists, bloggers, whistle-blowers and human rights activists. The discussions in Belgrade have shown how essential the work of the Council of Europe is for an information society based on fundamental rights and the rule of law in Europe and beyond. Switzerland's representative at the ministerial conference was Frédéric Riehl, Vice-Director of OFCOM and Head of the International Relations Service. Mr. Riehl chaired several sessions.

## 7.6 Satellite organisations

In its capacity as a member of the Consultative Committee of EUTELSAT IGO, the European Telecommunications Satellite Organization, OFCOM has participated throughout the year on the Executive Secretariat of this organization in the performance of certain tasks. It also represented Switzerland at the 38<sup>th</sup> Ordinary Meeting of the EUTELSAT IGO Member States in May 2013.

It has likewise been following the activities of ITSO, the International Telecommunications Satellite Organization, and noted that an agreement on its financing had been reached for the next three years.

Finally, OFCOM took part, in the capacity of an observer, at two meetings of the Consultative Committee of IMSO, the International Mobile Satellite Organization. This organization has in particular initiated a survey into what consequences the arrival of a new service provider would

have on the GMDSS, the Global Maritime Distress and Safety System, with regard to its structure and function.

## **7.7 Organisation for Economic Cooperation and Development (OECD)**

On the recommendation of the PIIC, the Committee for Information, Computer and Communications Policy, the OECD Council has approved the review of the OECD guidelines dating from 1980 governing the protection of privacy and the cross-border flow of data of a personal nature. In addition, a new structure, revised mandates and new titles have been approved by the PIIC Committee as the conclusion of a review process which was started in October 2012. The Committee has decided to change its title to “Committee on Digital Economy Policy (CDEP)” and to revise its own mandate.

## **7.8 Universal Postal Union (UPU)**

In this recent project undertaken for OFCOM, a number of important subjects were raised with regard to the future of the UPU at the meetings of the Board of Management which was held in Bern in April and in October/November, such as the reorganization of the International Bureau, sustainable development, quality of service, and the strategic plan of the UPU. Discussion regarding the budget and the management of the organization, as well as establishing the annual contributions from the Member States, have resulted in satisfactory results with regard to Switzerland. The issue of the defence of the new domain name “.post” have likewise been broached. OFCOM actively supported a seminar regarding financial inclusion, which was held in Geneva in October and which proved a great success. In addition, the Swiss mission and the mission from the USA, who share the joint presidency of the local Geneva group relating to the UPU, discussed better ways of co-operating with the Director General of the UPU.

OFCOM has been able to count on the co-operation of Swiss Post in its work.

## **7.9 UNESCO**

The conference relating to the WSIS+10 process, organized by UNESCO in Paris in the spring of 2013, resulted in recommendations and declaration of a renewal of the commitment of UNESCO in favour of the aims of the SMSI/WSIS. This declaration was drawn up by all the participants in an open procedure during the conference. OFCOM supported UNESCO in the organization of the conference, and actively participated in the preparation of the results. In November, the work of the Commission of Communication and Information (CI) of the General Conference of UNESCO, in which OFCOM represented Switzerland, resulted in a resolution on the issue of the internet, as well as another on the preservation of accessibility to documentary heritage.



## 8 RESOURCES AND ORGANISATION

The year 2013 represented a period of consolidation following automation of various support processes in relation to finance and human resources in 2012, and work continues on modernising the IT systems. Preparations were made for replacing the previous time and work tracking system with the standard Federal Administration solution and the migration was made on 1 January 2014.

The number of new positions in OFCOM was unusually high, including the role of Director General and several senior positions. The numerous recruitment processes, with more than 1,200 applicants, placed strong demands on staff responsible for Personnel and Recruitment. It was gratifying that ultimately many positions could be filled with internal candidates. Valuable knowledge could therefore be retained in the Office and an important contribution made to the development of human resources.

Christine Fuchs, Division Head

### 8.1 Finance

#### 8.1.1 Income and expenditure account

The 2013 income and expenditure account showed a total expenditure of CHF 133.4 million, up by CHF 49.2 million (58%) on the previous year. Of this, 42.4% was attributed to operating expenses, 57.5% to transfer costs and 0.1% to other costs. The operating expenditure includes OFCOM's financial outlay on human resources and administration, the service charges of other federal agencies and the non-financially effective depreciation of the Office's fixed assets. The transfer expenditure includes the contributions to international organisations, the subsidies in the broadcasting sector and the subsidised delivery of newspapers and magazines (indirect press support). The other expenditure includes bad debt losses.

The total ordinary revenue decreased compared to the previous year by CHF 2 million (3.0%) and amounted to CHF 56.6 million. Of this, 43.75% was attributed to operating revenue and 56.3% to revenue outside the global budget. The operating revenue corresponds to OFCOM's administrative fees. The revenue outside the global budget includes radio licence fees (at CHF 28.6 million, i.e. 89.6%, these constitute the major part), the licence fees of the licensed broadcasters for special funding in the broadcasting sector and the revenue from violations of the law (fines and confiscated profits).

The annual funding requirement according to the profit and loss account amounted to CHF 76.8 million and was therefore CHF 51.1 million higher than in the previous year. Essentially, this is attributable to the subsidised delivery of newspapers and magazines of CHF 50 million, which was paid by OFCOM for the first time in 2013.

##### 8.1.1.1 Income

The regular total revenue was CHF 2 million lower than in the previous year. There were lower receipts for operating revenue, essentially attributable to the additional administrative revenues in 2012 for carrying out the auction for allocation of mobile radio frequencies (CHF 3.7 million). In the case of the regular radio licence fees there was some additional revenue, since microwave radio relay links were increasingly being used to create networks for the new generation of mobile technology (LTE: Long Term Evolution). In the case of the broadcasters' licence fees, revenues fell, as they did in the previous year.

##### 8.1.1.2 Expenditure

Total expenditure increased by CHF 49.2 million. OFCOM's operating expenditure (global budget) was CHF 1.6 million lower than in the previous year. The "other expenditure" - losses due to bad debts - was CHF 2.3 million lower than in the previous year. In 2013 - unlike in 2012 - no extraordinary losses on bad debts had to be entered.



In contrast to the above-mentioned expenditure items, expenditure in the transfer sector (expenditure outside of the global budget) increased by a total of CHF 53.1 million. This was primarily because in 2013, for the first time, OFCOM paid out the subsidised delivery of newspapers and magazines (indirect press support) to the value of CHF 50 million. In previous years, this was disbursed by the DETEC General Secretariat. Furthermore, the contribution for the SRG's international service increased by CHF 2 million, because according to the TV5 strategic plan, programming is now broadcast digitally in addition to the existing analogue offering. Approximately CHF 1.2 million was paid in financial contributions for "new technologies in broadcasting" (digitisation of broadcasting).

Contributions to international organisations (which also constitute expenditure outside the global budget) remained unchanged.

### **8.1.2 Investment account**

Investments (in OFCOM's operating sector) were lower compared to the previous year. On the one hand the WTO tender for the procurement of radio tracking systems, measuring equipment and software was delayed and on the other hand vehicles and vehicle conversions which had been ordered were not delivered on time.

There was again no investment income in 2013.

### **8.1.3 Operating account (costs and services account)**

The cost coverage ratio of OFCOM's products and services was overall 4.4% lower than in the previous year. This was because revenue decreased more than costs.

Revenues were CHF 3.3 million lower (-11.7%); this is attributable to the fact that in the previous year, due to the mobile radio auction, in addition to the usual revenue some CHF 3.7 million in management fees were received to cover the costs of the auction. In 2013, the revenues were moving within the normal range.

Costs fell in comparison with the previous year by a total of CHF 1.6 million (-2.7%). Reduced costs were incurred above all in the "Radio frequencies and equipment" product group. Here, in comparison with the previous year, the costs of holding the mobile radio auction did not apply. In addition, the costs for spectrum and licence management in the FM sector fell as FM broadcasters have been carrying out the planning of -FM networks themselves since 2013. In contrast, additional costs were incurred within the "Postal policy" product group. In this case, at the end of 2012 OFCOM had taken over various tasks from the DETEC General Secretariat, as well as new tasks resulting from the revised Postal Act. In 2013 the new organisational unit which handles these tasks was set up and the work was taken up in its entirety.

### **8.1.4 Special finance, radio and television**

Revenue from the broadcasters' licence fees, which is used for the sector-specific funding of various support in the broadcasting sector, was CHF 2.8 million in 2013, the same level as the previous year. Since the contributions paid out to "Media research" (CHF 1.7 million) and to "New technologies in broadcasting" (CHF 1.2 million) were together greater than the revenue, CHF 0.1 million was taken from this special funding-related account. The balance of this account therefore fell to CHF 8.8 million.

## 8.1.5 Financial development in the period 2011-2013 (according to the Confederation's New Accounting Model NAM)

| 1. Profit and loss account (revenue, expenditure)                | 2011<br>(CHF mill.) | 2012<br>(CHF mill.) | 2013<br>(CHF mill.) | Change on<br>previous<br>year (CHF<br>mill.) | %            |
|--|---------------------|---------------------|---------------------|--|--------------|
| <b>1.1 Ertrag</b>  |                     |                     |                     |  |              |
| <b>Function revenue – global budget OFCOM</b>                    | <b>-24.0</b>        | <b>-28.2</b>        | <b>-24.7</b>        | <b>-3.5</b>                                  | <b>-12%</b>  |
| Administrative fees  | -23.6               | -27.9               | -24.7               | -3.3   | -12%         |
| Resolution of reserves holiday/overtime credits                  | -0.3                | -0.2                | -0.1                | -0.2   | -75%         |
| Other revenue / (CO2 tax)  | -0.1                | 0.0                 | 0.0                 | 0.0  | -29%         |
| <b>Revenue outside the global budget – regular</b>               | <b>-30.4</b>        | <b>-30.4</b>        | <b>-31.9</b>        | <b>1.5</b>                                   | <b>5%</b>    |
| Radio licence fees   | -25.9               | -25.9               | -27.5               | 1.6  | 6%           |
| Radio licence fees (not effective on financing)                  | -1.1                | -1.1                | -1.1                | 0.0  | 0%           |
| Revenue from administrative penalty procedures                   | -0.5                | -0.6                | -0.5                | -0.1   | -12%         |
| Licence fees, radio and television                               | -2.8                | -2.8                | -2.8                | 0.0  | -2%          |
| <b>Subtotal regular revenue</b>                                  | <b>-54.3</b>        | <b>-58.6</b>        | <b>-56.6</b>        | <b>-2.0</b>                                  | <b>-3%</b>   |
| <b>Revenue outside the global budget – extraordinary</b>         | <b>0.0</b>          | <b>-738.0</b>       | <b>0.0</b>          | <b>-738.0</b>                                | <b>-100%</b> |
| Revenue from re-allocation of mobile radio frequencies (Auction) | 0.0                 | -738.0              | 0.0                 | -738.0                                       | -100%        |
| <b>Total revenue</b>   | <b>-54.3</b>        | <b>-796.6</b>       | <b>-56.6</b>        | <b>-740.0</b>                                | <b>-93%</b>  |

| <b>1.2 Expenditure</b>  | 2011<br>(CHF mill.) | 2012<br>(CHF mill.) | 2013<br>(CHF mill.) | Change on<br>previous<br>year (CHF<br>mill.) | %           |
|---|---------------------|---------------------|---------------------|--|-------------|
| <b>Function expenditure – global budget OFCOM</b>   | <b>57.1</b>         | <b>58.1</b>         | <b>56.5</b>         | <b>1.6</b>                                   | <b>-3%</b>  |
| Personnel costs I (effective on financing)  | 41.2                | 41.6                | 41.3                | 0.3  | -1%         |
| Personnel costs II (Confederation, cost allocation)   | 0.1                 | 0.1                 | 0.0                 | 0.0  | -66%        |
| Material expenditure I (effective in financing)   | 5.9                 | 5.7                 | 5.0                 | -0.7   | -13%        |
| Material expenditure II (effective in financing – withdrawal from reserves for specific purposes) | 0.5                 | 1.1                 | 0.6                 | -0.5   | -44%        |
| Material expenditure III (Confederation, cost allocation)   | 8.1                 | 8.1                 | 8.0                 | -0.1   | -2%         |
| Depreciation (not effective on financing)   | 1.3                 | 1.5                 | 1.6                 | 0.1  | 5%          |
| <b>Transfer expenditure</b>   | <b>26.6</b>         | <b>23.6</b>         | <b>76.7</b>         | <b>53.1</b>                                  | <b>225%</b> |
| <b>Contributions to international organisations</b>   | <b>3.7</b>          | <b>3.7</b>          | <b>3.6</b>          | <b>-0.1</b>                                  | <b>-3%</b>  |
| Contributions to international organisations  | 3.7                 | 3.7                 | 3.6                 | -0.1   | -3%         |
| <b>Subsidies / Financial aid</b>  | <b>22.9</b>         | <b>19.9</b>         | <b>73.1</b>         | <b>53.2</b>                                  | <b>267%</b> |
| Contribution to SRG offering for foreign countries  | 20.1                | 16.6                | 18.6                | 2.0  | 12%         |
| Training of programme-makers  | 0.9                 | 1.0                 | 1.0                 | 0.0  | 4%          |
| Contribution to media research  | 1.1                 | 1.7                 | 1.7                 | 0.0  | -1.4%       |
| New broadcasting technology   | 0.1                 | 0.0                 | 1.2                 | 1.2  | -100%       |
| Programme archiving   | 0.1                 | 0.0                 | 0.0                 | 0.0  | -75%        |
| Contribution to broadcasting of programmes in mountain regions                                    | 0.6                 | 0.6                 | 0.6                 | 0.0  | 4%          |
| Delivery moderation on newspapers and magazines   | 0.0                 | 0.0                 | 50.0                | 50.0   | 100%        |
| <b>Other expenditure</b>  | <b>0.2</b>          | <b>2.6</b>          | <b>0.2</b>          | <b>-2.3</b>                                  | <b>-91%</b> |
| Losses on receivables (separate since 2011)   | 0.2                 | 2.6                 | 0.2                 | -2.3   | -91%        |
| <b>Total expenditure</b>  | <b>83.9</b>         | <b>84.3</b>         | <b>133.4</b>        | <b>49.2</b>                                  | <b>58%</b>  |
| <b>Regular financing requirement (regular revenue + expenditure = financing requirement)</b>      | <b>29.6</b>         | <b>25.6</b>         | <b>76.8</b>         | <b>51.1</b>                                  | <b>199%</b> |

| <b>2.2. Investment account (revenue, expenditure) (global budget OFCOM)</b> | 2011<br>(CHF mill.) | 2012<br>(CHF mill.) | 2013<br>(CHF mill.) | Change on<br>previous<br>year (CHF<br>mill.) | %           |
|---|---------------------|---------------------|---------------------|--|-------------|
| Revenue   | 0.0                 | 0.0                 | 0.0                 | 0.0  | 0%          |
| Expenditure   | 1.5                 | 1.4                 | 1.0                 | -0.3   | -23%        |
| Thereof withdrawal from reserves for specific purposes                      | 0.1                 | 0.1                 | 0.4                 | 0.3  | 186%        |
| <b>Balance (revenue – expenditure)</b>                                      | <b>1.5</b>          | <b>1.4</b>          | <b>1.0</b>          | <b>-0.3</b>                                  | <b>-23%</b> |

| <b>3. Operating account (revenue, costs)</b>                                  | 2011<br>(CHF mill.) | 2012<br>(CHF mill.) | 2013<br>(CHF mill.) | Change on<br>previous<br>year (CHF<br>mill.) | %            |
|---|---------------------|---------------------|---------------------|--|--------------|
| Revenue (administrative fees)   | -23.6               | -27.9               | -24.7               | -3.3   | -11.7%       |
| Costs (incl. calculated interests and insurances) until 2011 including ComCom | 58.6                | 58.5                | 56.9                | -1.6   | -2.7%        |
| <b>Balance (revenue + costs)</b>  | <b>35.0</b>         | <b>30.5</b>         | <b>32.2</b>         | <b>1.7</b>                                   | <b>5.5%</b>  |
| <b>Level of cost coverage</b>   | <b>40.3%</b>        | <b>47.8%</b>        | <b>43.4%</b>        |  | <b>-4.4%</b> |

**Table 5: Financial development in the period 2011-2013**

| <b>4. Special finance, radio and television</b>                                       |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| <b>Funds for specific purposes to licence fees, radio and television broadcasters</b> | 2011<br>(CHF mill.) | 2012<br>(CHF mill.) | 2013<br>(CHF mill.) |
| <b>Revenue, related to specific purposes</b>  | <b>-2.8</b>         | <b>-2.8</b>         | -2.8                |
| Licence fees, radio and television  | -2.8                | -2.8                | -2.8                |
| additional removal from funds for specific purposes                                   | 0.0                 | 0.0                 |                     |
| <b>Expenditure, specially financed</b>  | <b>1.2</b>          | <b>1.7</b>          | 2.9                 |
| Contribution to media research  | 1.0                 | 1.7                 | 1.7                 |
| New broadcasting technology   | 0.1                 | 0.0                 | 1.2                 |
| Programme archiving   | 0.1                 | 0.0                 | 0.0                 |
| Deposit into funds for specific purposes (end of year)                                | 1.6                 | 1.0                 | -0.1                |
| <b>Balance of funds for specific purposes (end of year)</b>                           | <b>7.8</b>          | <b>8.9</b>          | <b>8.8</b>          |

**Table 6: Special finance, radio and television**

## 8.2 Employees

### 8.2.1 Number of staff

On the reporting date 31.12.2013, OFCOM had 271 employees (permanent staff - excluding apprentices, trainees and ComCom).

Of the 271 employees, 102 were women (38%).

We also employ 13 apprentices.

### 8.2.2 Linguistic distribution

About 60% of OFCOM employees speak German as their mother tongue; 32% speak French and 5% Italian. Other languages, such as English, Laotian, Portuguese, Russian, Serbian, Spanish and Thai represent approximately 3%.

### 8.2.3 Average age

The average age is 47 years.

### 8.2.4 Trainees

This year also, two commercial and two mediamatics apprentices were able to successfully complete their three- or four-year training with OFCOM.

## 8.3 Equality

The work of the Equality Commission continues to bear fruit: the flexible models of job-sharing, part-time working and telecommuting are increasingly being used by our employees to create a balance between their professional and personal lives. Positive results of the equality efforts were also apparent in management positions: for example, since 3013 the Telecom Services Division has been jointly managed by a lawyer and an economist. This is the third instance of "topsharing" within the Office.

Part-time jobs are often occupied by women - we are increasingly aiming to promote part-time work for men too. Only in this way can a social balance be established in balancing the obligations of personal life. Consequently, a work-life balance is and will remain an important issue for the future. Further measures are also essential to recruit women into the technical professions - this represents a major challenge because of the low number of professional female graduates in the fields of mathematics, information technology, natural sciences and technology (the MINT professions).

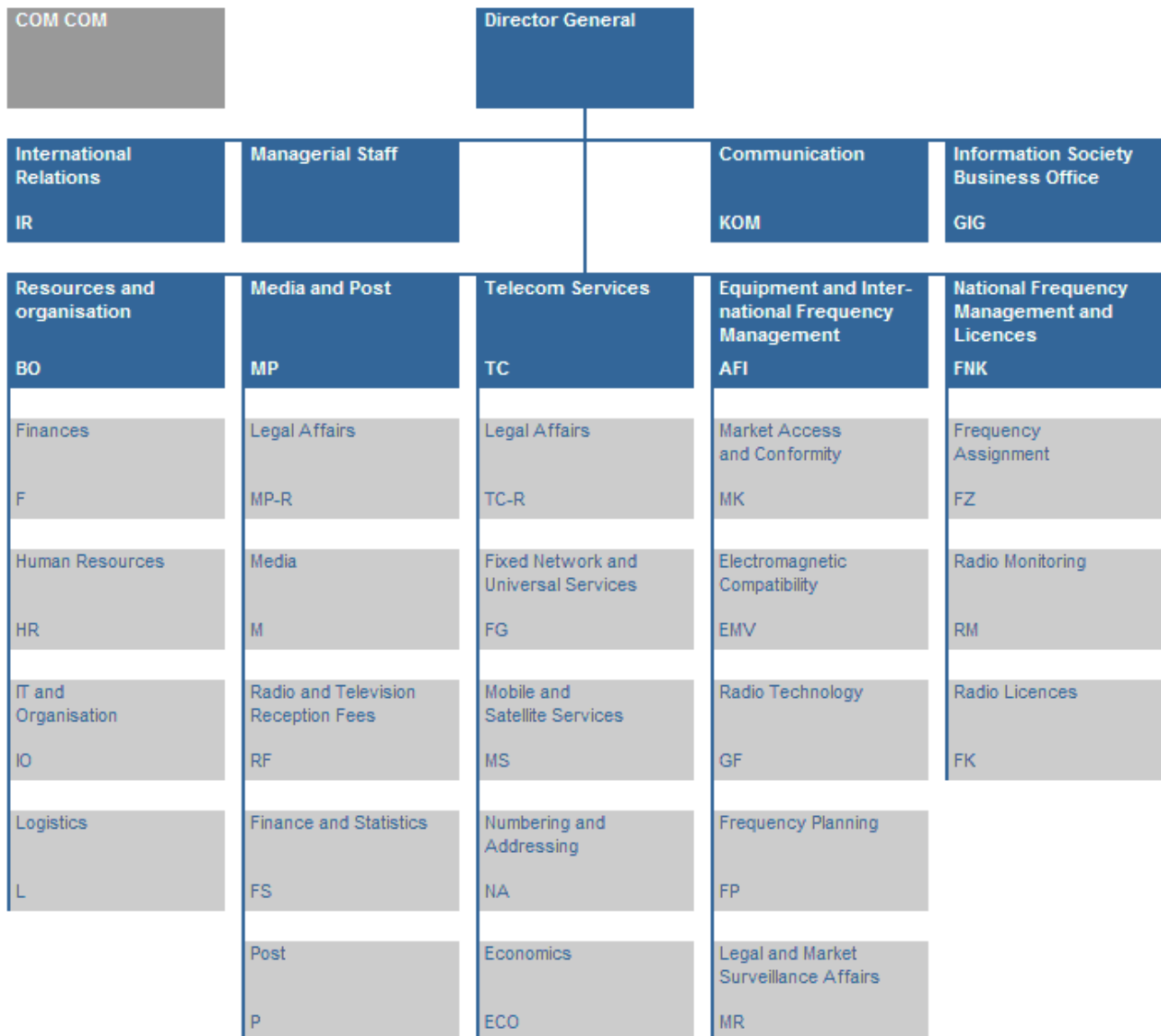
## 8.4 Direction

The management of OFCOM consists of: the Director Philipp Metzger, the Vice-Director and Division Head Media and Post Nancy Wayland Bigler; the Vice-Director and Division Co-Head Telecom Services René Dönni; the Vice-Director and Division Co-Head Telecom Services Annalise Eggimann; the Vice-Director and Division Head Equipment and International Frequency Management Philippe Horisberger, the Vice-Director and Division Head National Frequency Management and Licences Silvio Rubli; the Division Head of Resources and Organisation

Christine Fuchs; the Vice-Director and Division Head International Relations Service Frédéric Riehl, the Managerial Staff Head Andreas Sutter, and the Head of Communications Caroline Sauser.



## 8.5 Organisation chart



**Table 7: Organisation chart**  
December 2013

## 8.6 Managers

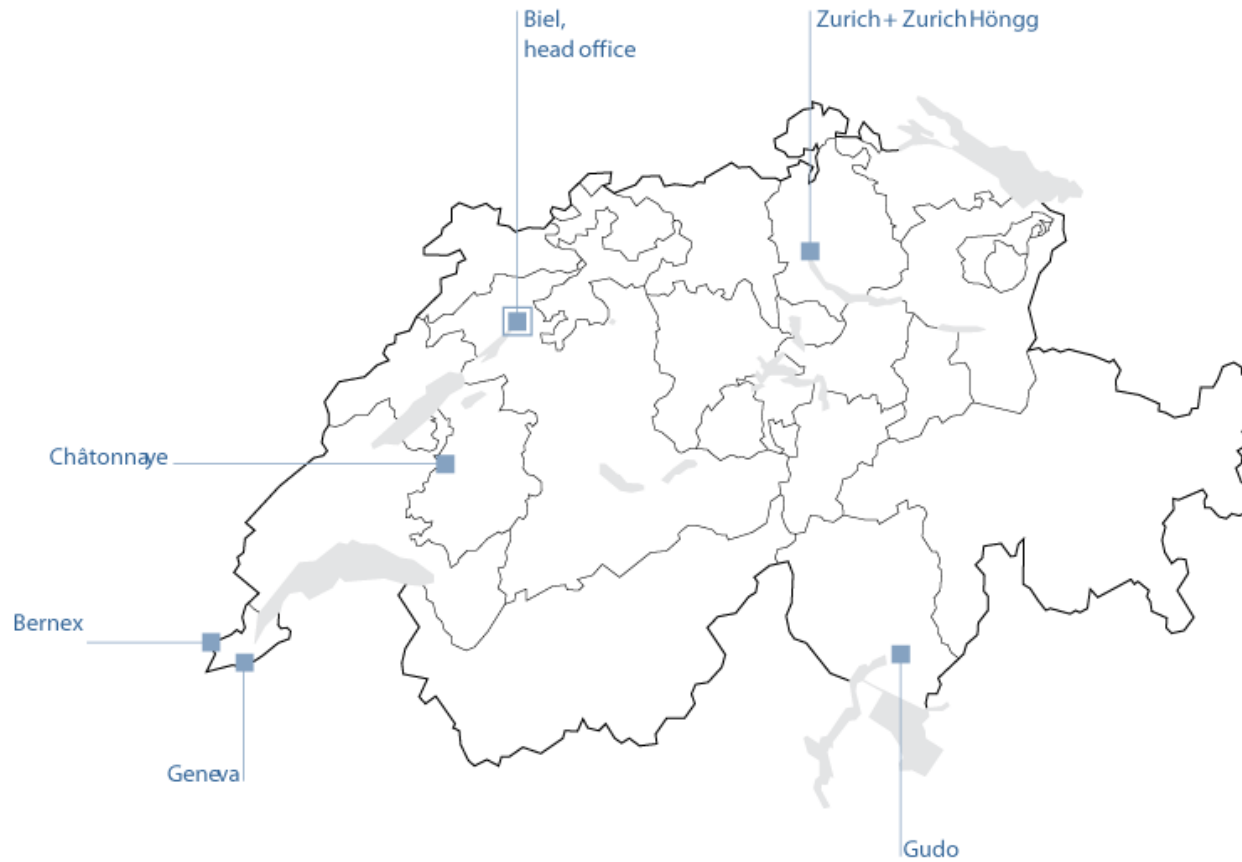
|  |                         |
|--|-------------------------|
| <b>Organisational unit</b>                                 |                         |
| General Director   | Philipp Metzger         |
| Head of Managerial Staff                                   | Andreas Sutter          |
| Head of Communications                                     | Caroline Sauser         |
| Deputy Director of the Information Society Business Office | Charlotte Sgier de Cerf |
| Vice-Director and Head International Relations             | Frédéric Riehl          |
| <b>Resources and Organisations</b>                         |                         |
| Head of Division   | Christine Fuchs         |
| Finance  | Urs Liechi              |
| Human Resources  | Brigitte Müller         |
| IT and Organisation  | Michel Giraudel         |
| Logistics  | Gabriella Rätz          |
| <b>Media and Post</b>                                      |                         |
| Vice-Director and Head                                     | Nancy Wayland Bigler    |
| Legal Affairs  | Susanne Marxer          |
|  | Carole Winistörfer      |
| Media  | Marcel Regnotto         |
| Radio- and Television Licence Fees                         | Daniel Büttler          |
| Finance and Statistics                                     | Michel Grandjean        |
| Post   | Katrin Nussbaumer       |
|  | Annette Scherrer        |
| <b>Telecom Services</b>                                    |                         |
| Vice-Director and Co-Head                                  | René Dönni              |
| Vice-Director and Co-Head                                  | Annalise Eggimann       |
| Legal Affairs  | Matthias Hürlimann      |
| Fixed Networks and Universal Services                      | Armin Blum              |
| Mobile and Satellite Services                              | Urs von Arx             |
| Numbering and Addressing                                   | François Maurer         |
| Economics and Statistics                                   | Christine Rohn Hofmann* |
| <b>Equipment and International Frequency Management</b>    |                         |
| Vice-Director and Head                                     | Philippe Horisberger    |
| Market Access and Conformity                               | Lucio Cocciantelli      |
| Electromagnetic compatibility                              | Pascal Krähenbühl       |
| Radio Technology   | Daniel Vergères         |
| Frequency Planning   | René Tschannen          |
| Legal and Market Surveillance Affairs                      | Olivier Pauchard        |
| <b>National Frequency Management and Licences</b>          |                         |
| Vice-Director and Head                                     | Silvio Rubli            |
| Frequency Assignment                                       | Konrad Vonlanthen       |
| Radio Monitoring   | René Vogt               |
| Radio Licences   | Beat Scheidegger        |

**Table 8: Managers**

\*since March 2014

## 8.7 Locations

OFCOM has support points throughout Switzerland. This enables us to exercise our regulatory function in the interest of markets which operate satisfactorily.



**Figure 10: Locations**

## 8.8 Contact

Do you want to contact us?

Dial +41 58 460 55 11 (exchange),  
send a fax to +41 58 460 55 55  
or an e-mail to [info@bakom.admin.ch](mailto:info@bakom.admin.ch).

Opening hours: Monday – Friday / 07.30 – 12.00 and 13.30 – 17.00

### Postal address

OFCOM, P.O. Box, CH-2501 Biel/Bienne

### Web address

[www.bakom.admin.ch/index.html?lang=en](http://www.bakom.admin.ch/index.html?lang=en)

A map and directions to our location, Zukunftstrasse 44 in Biel can be found at  
[www.bakom.admin.ch](http://www.bakom.admin.ch) > OFCOM > Address or

[www.bakom.admin.ch/org/adresse/index.html?lang=en](http://www.bakom.admin.ch/org/adresse/index.html?lang=en)