



Schweizerische Eidgenossenschaft
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Swiss Confederation

Federal Office of Communications OFCOM

Annual report 2009

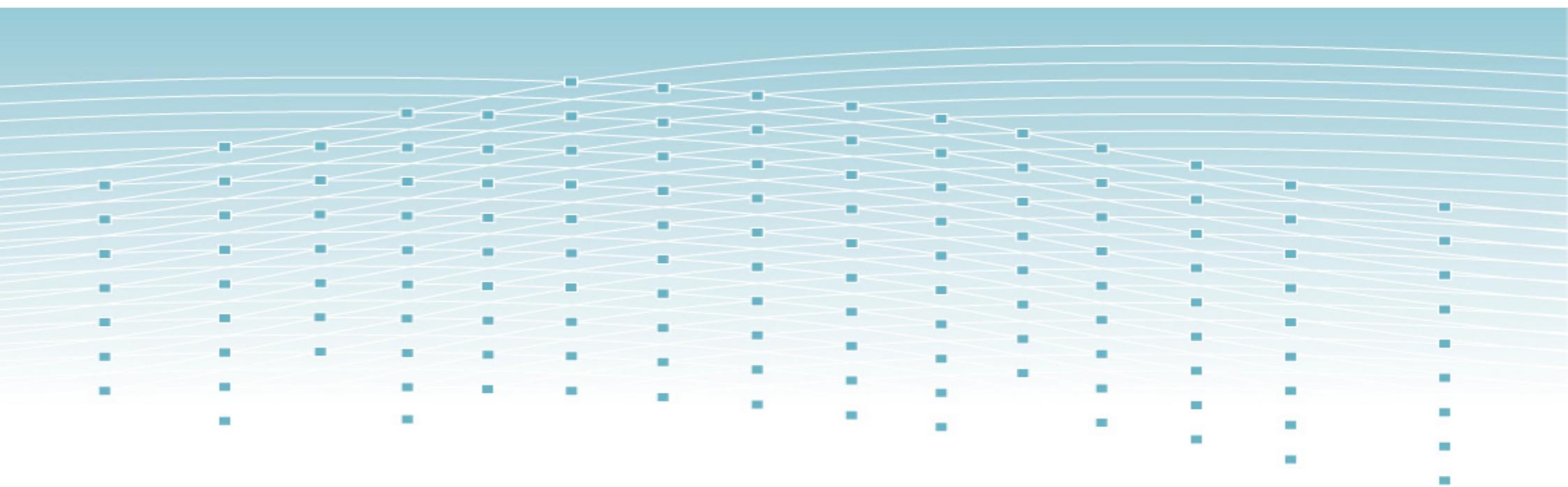
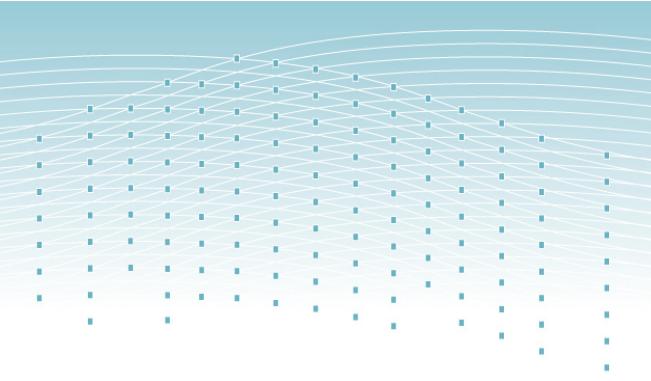


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EDITORIAL

In addition to economic uncertainty, it is the dynamic of technological development and the ensuing structural changes which are keeping both the telecoms industry and the radio and television industry on their toes. In this context, OFCOM's role is to create dependable conditions to meet the technological challenges. This can take place in the course of formalised procedures – e.g. legislation, planning or licensing – but also within the framework of informal discussions and working groups. For example, OFCOM has set up working groups to launch a standardisation process in conjunction with the industry for the introduction of FTTH (Fibre to the Home). The corresponding standards are intended to facilitate the roll-out process and to promote subsequent competition. New technologies and changes in the market are also the subject of a report currently being drawn up within OFCOM in which the Federal Council will report to parliament on developments and options for action in the communications industry.

Technological change does not stop to draw breath, even for such established and venerable regulations as the fee for receiving radio and television programme services. It is now virtually impossible to define what reception equipment subject to the obligation to pay fees actually is. Digital signals can be displayed or heard on practically all computers and since the introduction of the iPhone mobile telephones have increasingly developed into digital platforms.

Many questions are posed and we are working on possible answers so that they can be tested in the political discussion for their utility and feasibility. The fact that the political world's interest in media and telecommunications issues continues unabated is confirmed by the 82 parliamentary interventions on this topic which have been submitted in the past year and for which OFCOM has prepared answers for the attention of the Federal Council.

Martin Dumermuth, Director

THE YEAR 2009 IN REVIEW

Chronology of major OFCOM, DETEC and ComCom decisions

02.12.2009 The Federal Communications Commission (ComCom) has defined the prices and conditions for access to Swisscom's cable ducts. The monthly price for joint use of cable ducts has been reduced by approximately 50% for the years 2007 and 2008.

19.11.2009 At the request of the Federal Department of the Environment, Transport, Energy and Communications (DETEC), the Federal Council has held discussions on the development of broadband in Switzerland.

18.11.2009 From 1 January 2010, OFCOM will take up from the Federal Office of Energy the responsibility for the enforcement of the Ordinance on Electromagnetic Compatibility (OEMC). OFCOM will therefore be responsible for issues relating to interference due to electromagnetic fields. The Federal Council approved the complete revision of the ordinance to harmonise it with the European legislation.

15.11.2009 Within the framework of the Swiss presidency of the Council of Europe, Federal Councillor Moritz Leuenberger took part in the opening of the 4th UNO Internet Governance Forum (IGF) in Sharm El Sheik.

12.11.2009 OFCOM carried out a survey of working conditions in the telecoms sector for the second time. Thanks to the high quality of the data, reliable results are provided. These enable telecommunications service providers to gauge their working conditions and compare them with those of the sector.

10.11.2009 This year's Knights of Communication come from Zurich, Chur and Lucerne. On 10 November 2009, five projects which promote access for all to information and communication technologies (ICT) were honoured in Solothurn. The competition's patron, Federal Councillor Moritz Leuenberger, personally presented the winners with their awards at the "Competent use of the new media" event. The Knights of Communication is a Federal Office of Communications (OFCOM) competition which has been held since 2001.

09.11.2009 ComCom has instructed OFCOM to prepare the allocation of mobile radio frequencies which are either currently free or which will become free in the foreseeable future. ComCom is expected to launch the public invitation to tender for these frequencies in the course of the next year. The allocation of frequencies will take place by auction.

06.11.2009 The local Zurich radio station RMC wishes to transfer its VHF licence to Energy Zurich.

The canton and city of Zurich, the VHF radio stations in the Zurich area and interested organisations can express their opinions in this regard.

04.11.2009 The Federal Council adopted the amendment to the implementing ordinances relating to the Telecommunications Act (TCA). These amendments mean, among other things, that consumers are better protected and informed when they use their mobile telephone abroad or consume value-added services.

04.11.2009 From the beginning of 2010, local radio stations which broadcast analogue programme services on the VHF band will also be able to broadcast other programme services digitally on these frequencies. The Federal Council gave the green light for amendments to ordinances relating to radio and television.

06.10.2009 The round table on rolling out the optical fibre network to homes (Fibre To The Home – FTTH) and the corresponding working groups are producing concrete results: the major players are in agreement on uniform technical standards. Hence there are no longer any technical barriers to the rapid expansion of the fibre-optic network. In addition, coordination will be able to prevent the parallel construction of new networks, by laying

multiple fibres in every building (multiple fibre model). At the same time the participants in the round table are agreed that all providers must have access to the fibre-optic network under the same conditions, in order to protect end-users' freedom of choice.

18.09.2009 The Federal Administrative Court rejected an appeal by Radio Energy Zürich. By doing so, it confirmed the procedure of DETEC regarding VHF licensing for the Zurich-Glarus region. Radio Energy Zürich will have to definitively cease VHF transmissions within three months at the latest. However, it can continue to provide its programme digitally via DAB or over wires (cable networks, the internet).

24.08.2009 DETEC is sending the draft version of the revised Radio and Television Ordinance (RTVO) to interested parties for consultation. The main reason for the revision of the RTVO are changes in international regulations.

13.08.2009 DETEC approved the new statutes for SRG SSR idée suisse (SRG). In these statutes, the structural reforms demanded by the Federal Council in November 2007 have been implemented.

23.07.2009 DETEC approved the take-over of a majority holding in Radio Basel 1 AG by "Media für Erwachsene AG" (MFE). Christian Heeb and the German businessman Karlheinz Kögel are behind MFE.

08.07.2009 How are the electronic media in Switzerland, especially the SRG, complying with their performance mandate? To answer this question, control mechanisms have been introduced

as explained by OFCOM in its 2009 media seminar. Professor Joachim Trebbe from Fribourg University presented the results of the analysis of programme services provided by the SRG television broadcaster in 2008. In addition, the event provided an opportunity to compare the Swiss telecommunications market with the countries in the European Community and draw up a report.

29.06.2009 To promote the professional development of programme makers in radio and TV, OFCOM is awarding CHF 90,000 to private radio stations and regional television broadcasters with a licence. These broadcasters and their associations can submit applications for financial support for professional development courses until the end of August 2009.

02.06.2009 OFCOM is making available the first two short numbers in the 116xyz format. As in the rest of Europe, these numbers are reserved for telephone services providing support and assistance to the population.

29.05.2009 How are the new communications services and technologies influencing the dissemination of information? This question was at the heart of the debate when the European ministers responsible for media and new communications services met on 28 and 29 May 2009 in Reykjavik. The head of the Swiss delegation drew attention to the professional responsibility for services such as search engines, internet service providers or blogs. Frédéric Riehl, head of the Swiss delegation and OFCOM Vice Director, was appointed vice president of the summit.

26.05.2009 ComCom has renewed the GMS mobile telephony licences of Orange, Sunrise and Swisscom until the end of 2013. Thanks to a minor reallocation of frequencies, ComCom is now enabling all three licensees to use the 900 MHz frequency range, which has benefits in terms of transmission technology, also for UMTS applications.

04.05.2009 OFCOM announced the „Knights of Communication“ competition. This competition under the patronage of Federal Councillor Moritz Leuenberger honours projects that make a significant contribution to the information society. Total prize money of CHF 35,000 will be awarded, with CHF 5,000 of this sum reserved for the „Security and confidence“ special prize.

01.05.2009 For the third time, ComCom debated questions related to opening up households to fibre-optic networks with ten heads of Swiss companies at a round-table discussion. Participants learned with satisfaction that certain general principles are beginning to become established in the expansion of glass fibre in Switzerland. Also, the three working groups set up in December 2008 have drawn up their initial concrete results. There are now solid foundations for consolidating models of cooperation between the players in the market.

30.04.2009 The transfer of the Radio Buzz FM licence to One FM received the green light from DETEC. The Department came to this decision after One FM gave commitments to improve its information offering; this was the area responsible

for the broadcaster not being considered for licensing last year.

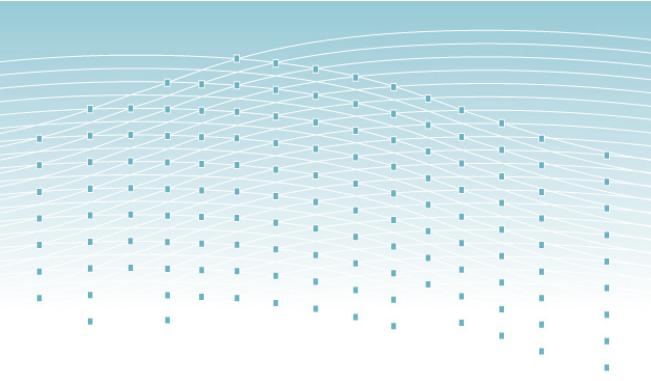
27.01.2009 OFCOM is issuing a tender for analysis of private radio and television programme services.

30.04.2009 OFCOM launched a public consultation on the possibility of awarding mobile radio frequencies which are free or which would become free in 2013 and 2016. By doing so, OFCOM wishes to allow interested parties to give their comments and to determine the requirements and intentions of the players concerned.

27.02.2009 As part of a feasibility study, a working group with representatives from OFCOM, two independent frequency specialists and a representative of Radio Energy found that there are at present no free frequencies for the Zurich – Glarus coverage area. Viewed in purely technical terms, additional frequencies for another broadcaster could be introduced in a time-consuming and complicated process. However, DETEC is not considering this for reasons related to media policy and constitutional law.

24.02.2009 Cablecom GmbH must broadcast Schweizer Sportfernsehen (SSF - Swiss Sport TV) in analogue. The application from the TV broadcaster for a „must-carry“ obligation was approved by the OFCOM.

17.02.2009 In future, licensed VHF radio stations and regional TV stations must have their quality assurance systems assessed regularly. OFCOM recognised four companies which will perform such assessments.



RADIO AND TELEVISION

In 2009 we once again entered new territory in various areas, for example programme monitoring, broadcasting statistics and legislation. At this point I would like to emphasise in particular the first “quality assurance round”. By August 2009 a total of 33 local radio and regional television broadcasters were obliged to have their quality assurance systems audited by an external evaluation company, as pledged in the licence candidature procedure. The broadcasters then had to inform us which of the optimisation proposals formulated by the assessors they intend to implement and to provide us with justification if they do not comply or only comply at a later date.

We cannot evaluate the level of quality assurance among private broadcasters in Switzerland until all the evaluation reports are in. From the feedback of many broadcasters and the assessors, we can, however, already conclude that the major reservations initially expressed about the licensing regime yielded to a wide acceptance. For example, the debate around quality assurance and the required processes is perceived by broadcasters as an opportunity to make improvements and implement developments which in the final analysis have a positive effect on the operating climate and programme quality.

Matthias Ramsauer, Vice Director and Head of Division

BROADCASTERS

Private broadcasters

With a few exceptions, the 54 licences awarded by DETEC in 2008 for local-regional radio and television programme services entered into force at the end of 2009. In December, the Federal Administrative Court sent back to DETEC for re-assessment three licence decisions; for radio, the Aargau and south-east Switzerland regions and for TV, the eastern Switzerland region. The Court found that the Department had not clarified in sufficient detail whether the diversity of offerings and opinion is threatened in the three regions. Previously, the Court had rejected appeals by Radio Energy Zurich (the Zurich-Glarus region) and Arc TV (TV region: Arc of Jura). A further appeal is still pending with the Court (radio region: Arc of Jura). In the Lake Geneva basin and in Basel, underdog candidates (One FM and RBB respectively) acquired, with DETEC approval, a competitor's radio licence (Buzz FM and Basel 1 respectively); as of the end of 2009 DETEC had not yet pronounced on the transfer of the RMC licence to Radio Energy in Zurich. (See also "Broadcasting", page 29)

In addition to the licensed broadcasters, numerous Swiss broadcasters which are subject to registration are active: at the end of 2009, 109 stations were registered with OFCOM (29 radio, 80 TV).

The Swiss Radio and Television Company (SRG)

In 2009, the SRG created the conditions for editorial convergence in radio, television and the online sector. On 24 November and 16 December, the national Board of Directors approved the merger of radio and television in French-speaking and German-speaking Switzerland. The merged business units will be known in future as Radio Télévision Suisse (RTS) and Schweizer Radio und Fernsehen (SRF) respectively. Whereas Gilles

Marchand has already been appointed the director of RTS, selection of the regional director in German-speaking Switzerland is expected to take place in July 2010.

Furthermore, the SRG has presented statutes which prevent duplicated management structures and which apply the principles of corporate governance. DETEC approved these statutes on 12 August.

The Federal Council twice amended the SRG licence, on 17 June and 30 September. It enabled the regional boards of directors to be represented in the national board of directors (Art. 24 para. 4 was rescinded) and made it possible to extend the broadcasting options using the T-DAB (Terrestrial Digital Audio Broadcasting) standard (the additions are included in the section on "Digitisation").

Programme monitoring

Since 2008, external scientific institutes have been examining SRG SSR idée suisse radio and television programme services on behalf of OFCOM. We presented the initial results regarding SRG programme services at our 2009 summer media conference. In the case of television, regional linguistic differences were ascertained in the formatting of the different stations: whilst the stations in French-speaking Switzerland (TSR1, TSR2) and Ticino (RSI La1, RSI La2) have a common basis, a balanced mix of information, entertainment, sport and culture, the German-language stations SF1, SF2 and SFInfo have different focal points. SF1 predominantly offers information and entertainment, SF2 primarily provides entertainment and sport, and the repeats channel SFInfo provides information broadcasts from the main stations in particular. It is striking in the case of both radio and television programme services that reporting which transcends linguistic regional differences („idée suisse“) is very underdeveloped. Since 2009, the radio and television stations of private broadcasters with a performance mandate have also been incorporated in the analyses. The initial results of this research work will be presented at our media conference in summer 2010.

Financial supervision and statistics

We have audited the SRG's annual accounts, budget and financial plan on behalf of DETEC. In order to ensure that resources are used appropriately, we drew up principles for separate accounting procedures. Within the framework of the financial supervision of private broadcasters, our finance inspectors concluded two audits for the previous year and carried out three new audits on the spot. On the basis of the deficiencies, we shall be demanding the return of CHF 33,000 in subsidies and billing CHF 25,000 of additional licence fees.

For the third time since the revision of the Radio and Television Act (RTVA), we collected financial and programme data from over 100 Swiss radio and television broadcasters. A selection of the corresponding statistical data was made public for the first time at our annual media conference on 8 July 2009, under the heading of "Broadcasting Statistics". With regard to the fee adjustment process, in 2010 we produced a forecasting tool which can be used to estimate the proportion of chargeable households and the value of the necessary charge. We also determined the potential of chargeable businesses by means of a representative telephone survey. (See also "[Surveillance and collection of radio and television reception fees](#)", page 24)

LAW AND SURVEILLANCE

Legislation

The changes in EU law have effects within Switzerland, in particular as a result of the MEDIA agreement. As a result of this agreement, the principle regarding country of origin also applies to advertising windows directed specifically at Switzerland, which can profit from extended options for advertising and sponsorship. Since Swiss television

broadcasters are disadvantaged by the country of origin principle, we put out to public consultation corresponding amendments to the ordinances. (See also "[The European Union](#)", page 32)

Further EU changes will provisionally be implemented in the Council of Europe Convention on Trans-Frontier Television (which is binding on Switzerland). A detailed draft exists. At the same time, Switzerland would also be obliged to extend regulation to so-called non-linear media services (e.g. video on demand).

On 11 June 2009 parliament passed to the Federal Council the amended Sommaruga motion from the National Assembly's Commission for Transport and Telecommunications. The Commission's motion demands the establishment of a legal basis to guarantee the free choice of set-top boxes for receiving digital television programme services.

Surveillance

In the past year we carried out a random survey of 19 local radio broadcasters. In particular, we checked whether they are complying with advertising and sponsorship regulations. Four radio stations gave no cause for concern; in the case of 15 other broadcasters, however, we discovered legal violations. For the most part, these concerned promotional appearances by sponsors. Another surveillance decision by OFCOM, which was confirmed on 21 August by the Federal Administrative Court, concerned inadmissible advertising in the SRG's online offering. OFCOM complained about the appearance of the online game "Football Challenge" on the SRG's home pages.

As in previous years, the information we provided on issues related to advertising and sponsorship constituted an important part of our activity. We issued more than 900 items of information.

DIGITISATION

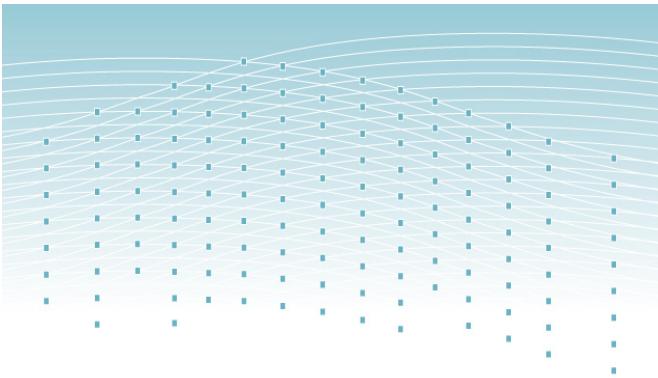
From 2010, licensed local VHF radio stations will be allowed to transmit their own additional programme services and one additional radio programme digitally on their analogue VHF frequencies. On 4 November the Federal Council amended the Ordinance on Frequency Management and Radiocommunication Licences accordingly (Art. 28a). This means that local radio stations in smaller coverage areas will in future be able to expand their programme service offering inexpensively, enabling the public to enjoy a broader range of programming. The Federal Council supports the digital DAB+ standard (Digital Audio Broadcasting) for the regional linguistic broadcasting of new radio programme services.

SwissMediaCast AG, the radio licensee for the second digital radio platform in German-speaking Switzerland, commenced transmission on time on 15 October. It primarily serves the metropolitan areas of Bern, Zurich and Basel, with four SRG stations and seven private stations. Five licensed radio broadcasters who did not commence transmission on time forfeited their digital licence. This means that they are able to register with OFCOM as broadcasters but that they no longer have a legal entitlement to transmit. (See also "Broadcasting", page 29)

In French-speaking Switzerland, the procedure initiated in 2008 to award the digital broadcasting licences will shortly be concluded. Since then, the SRG has withdrawn its application for the DAB station RSR-Information for financial reasons. Of the original seven private candidates, only four remain in the race for a licence.

Using additional transmitter sites, the SRG has extended its digital broadcasting networks for radio (T-DAB) and television (DVB-T), expanded the regions covered and improved reception quality.

TELECOM SERVICES



2009 was characterised by numerous events which will have a major impact on the future development of telecommunications in Switzerland. The Federal Communications Commission, ComCom, took further decisions regarding the implementation of the rules which have been in force since 2007 concerning access to the network of the market-dominant provider, Swisscom. In addition, it initiated the process for reallocating all the mobile radio licences which expire at the end of 2013 and 2016 respectively. Together with OFCOM, it also continued the so-called "Fibre Round Table", which unites the driving forces behind the construction of optical fibre access networks (Fibre To The Home – FTTH). These activities are producing concrete results, not only at the technical level but also in terms of coordination of efficient development of FTTH which promotes competition. Of particular importance to consumers is the revision of the Telecommunications Services Ordinance, which was adopted by the Federal Council on 4 November 2009. In particular, this ordinance ensures better protection and more comprehensive information for end users. Among other things, this applies to the use of mobile telephones abroad and to the use of value-added services.

Philipp Metzger, Vice Director and Head of Division

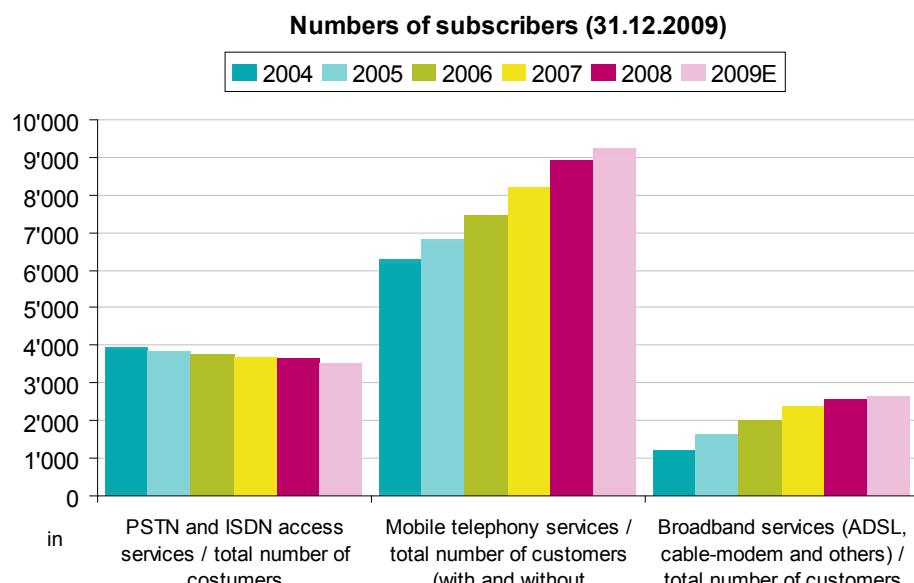
TELECOM SERVICES MARKET

The fixed network telephony market continued its slight contraction in 2009 as was evidenced by the falling number of fixed network connections. Charges for calls to the fixed network increased slightly in comparison to the previous year.

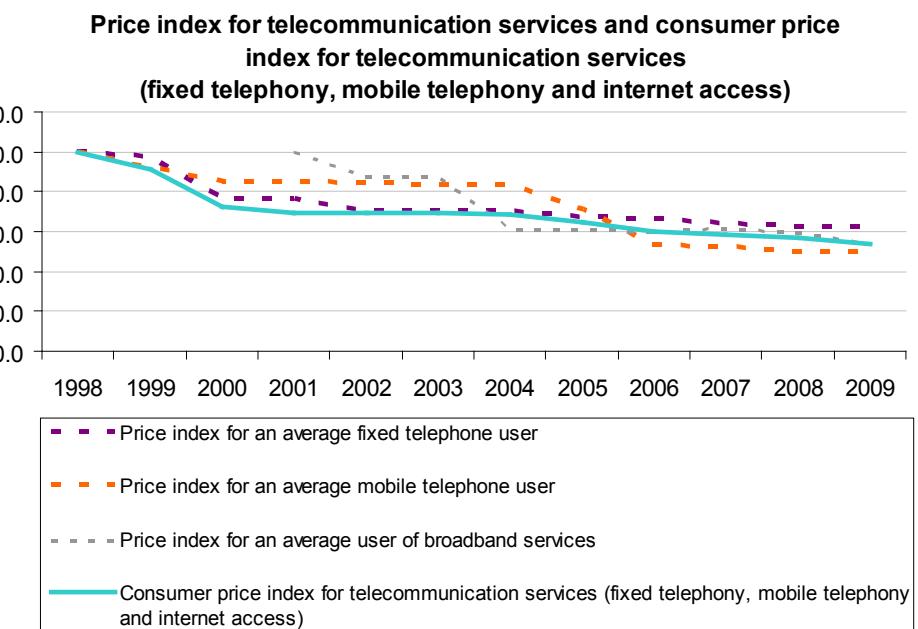
The number of mobile telephone contracts increased, with the total concluded at the end of 2009 standing at 9.25 million. This figure includes mobile broadband services, which are increasingly used as a result of the introduction of mobile data devices, such as smartphones, to the market. Charges for calls to Swiss mobile telephone networks increased slightly in 2009.

Similarly positive progress was also made in relation to broadband connections. We estimate that the number of broadband connections in Switzerland at the end of 2009 was over 2.6 million. Prices fell almost 9% compared to the previous year, suggesting that the unbundling of the local loop has had an effect on tariffs.

At the end of 2009, the Federal Statistical Office's overall price index for telecommunications services stood at around 53.9 (base year = 1998). This means that charges for telecommunications services have decreased by approximately 46% since the market was liberalised in 1998.



Source: OFCOM, E = estimation

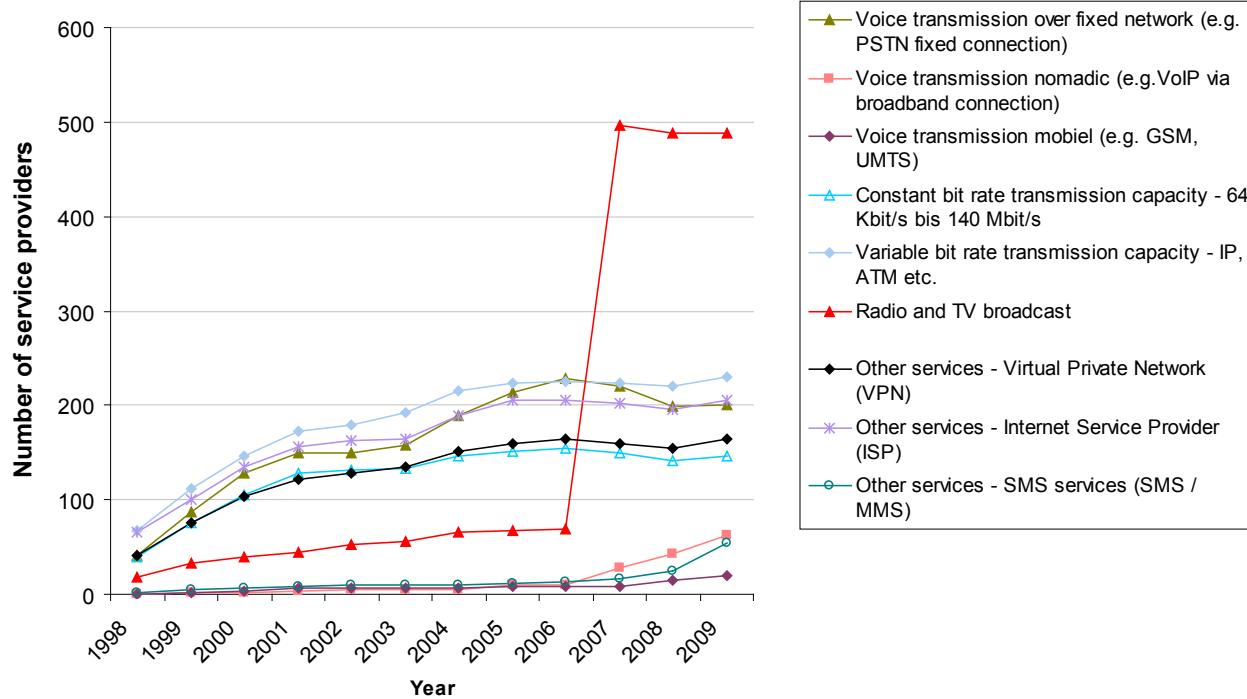


Sources: OFCOM and Swiss Statistical Office

MARKET ACCESS AND UNIVERSAL SERVICE

Service providers obliged to register

The statistics for 2009 indicate a slight upward trend in all service categories. In particular, the number of providers offering services based on the “Internet Protocol” (IP) increased (VoIP, SMS/MMS, variable bitrate). The number of radio and television service providers remained unchanged.



Universal service

There were no extraordinary events relating to the services of the universal service, apart from calls from telephone kiosks, which declined by 30% in the reporting year. The revision of the Telecommunications Services Ordinance (TSO) on 1 January 2010 allows municipalities to dispense with public telephones. In view of the low usage and the possibility to dispense with them, it can be assumed that a noticeable reduction in the current level of approximately 8000 telephone kiosks will take place in the coming years.

The level of coverage of DSL-capable broadband connections continues to be very high. The alternative connection technologies remain way below expectations. As of the end of December 2009, 1552 universal service customers had a satellite connection (1069 in the previous year) and 1149 used a mobile broadband connection (HSPA / 700 in the previous year).

Mobile radio licences

At the end of May 2008 the Federal Communications Commission (ComCom) had provisionally extended the expired GSM licences of Orange AG, Sunrise AG and Swisscom AG because of objections. At the conclusion of the procedures, in 2009, it definitively renewed the licences until the end of 2013. The new licences are designed to enable licensees to also use

UMTS technology in the allocated GSM frequencies.

As part of the preparatory work for the licensing of various mobile radio bands which are currently free or which will become free at the end of 2013 and 2016, OFCOM carried out a public consultation. On the basis of the results of this consultation and after a discussion on the strategy for awarding mobile radio frequencies, ComCom instructed OFCOM to prepare the award of mobile radio frequencies which are currently free or which will become free in the foreseeable future. It is expected that these frequencies will put out to public tender in the course of 2010. These frequencies are in the GSM and UMTS mobile radio bands (900 MHz, 1800 MHz, 2100 MHz and 2600 MHz) and those which constitute the so-called "digital dividend" in the frequency band from 790 to 862 MHz. The award of frequencies is to take place by auction.

Licences for Wireless Local Loop (WLL) and Broadband Wireless Access (BWA)

In 2000, three national WLL licences in the 3.5 GHz and 26 GHz frequency bands and 45 regional WLL licences in the 26 GHz frequency band were awarded by auction. These licences expire at the end of May 2010. A survey has shown that the licences are hardly being used and that there is no need to continue to use these frequencies for WLL/BWA. It is therefore not envisaged to put these frequencies out to tender again. It is planned to make the corresponding frequencies in the 26 GHz frequency band available for point-to-point radio relay connections.

Network access

Implementation of the new legal provisions concerning network access which entered into force in spring 2007 continued.

In 2008, for the first time, in addition to the conditions for interconnection, the

conditions for fully unbundled access to the subscriber line, charging for this and the joint use of resources at the main distribution frame location (co-location) were defined. In 2009 ComCom, at OFCOM's request, took further access decisions and defined the conditions for co-use of cable ducts and spectrum management. At the beginning of 2009, the Federal Administrative Court rejected an objection by Swisscom and confirmed the obligation relating to the provision of fast bitstream access as decreed by ComCom. Apart from access to leased lines, decisions have therefore been taken in all the access cases provided for in law.

Swisscom objections to ComCom decisions dating from 2008 concerning non-discriminatory network access were still pending in the Federal Administrative Court. Some of the court's decisions have an effect on the procedures which ComCom had not concluded when the objections were lodged.

By the end of 2009, four new applications for regulation of access conditions had been received. Two of these relate to interconnection charges, one demands an examination and definition of charges for fully unbundled access to the subscriber line and co-location. The fourth application concerns the permissible level of mobile radio termination charges.

It is difficult to estimate whether the number of access applications lodged in future will increase or decrease. For the first time ComCom has defined the conditions for all forms of access – apart from leased lines. Consequently it has largely been possible to remove existing uncertainties for alternative providers. In addition, with the planned merger of Orange and Sunrise, one competitor which has in the past repeatedly submitted access applications would cease to exist. This would suggest there will be a drop in the number of access applications. Whether this prediction proves accurate will also depend on how Swisscom implements ComCom's guidelines. It must also be borne in mind that according to the law a competitor has to request that ComCom examines the offering from the market-dominant company. An ex officio possibility of intervention does not exist in Switzerland. Since pursuing a network access procedure is associated with considerable costs, this is generally not an option for smaller providers. Whether the definition of access conditions by ComCom will continue to be requested therefore depends to some extent on whether the larger providers can come to an agreement with Swisscom.

NUMBERING AND ADDRESSING

18xy short numbers: directory enquiry services

Following the opening of several procedures for non-compliance with the basic conditions, five number-holders relinquished their number or had it revoked which means that eleven-number holders share the market today. However, this market continues to be heavily dominated by two providers which share most of the calls to 18xy short numbers.

Short numbers for European harmonised services numbers (116xyz)

The main aim of European harmonised numbers is to facilitate access to public services by European citizens who are travelling. OFCOM has allocated the first two numbers of this type. They are expected to go into service by 31 August 2010 at the latest. The 116111 number has been allocated to Pro Juventute. It will provide access to its telephone helpline service for children, in parallel with the 147 number. 116123, allocated to the 'Main Tendue' (Samaritans) organisation will allow parallel operation with the 143 number for callers to access its emotional-support service.

LEGISLATION

Two and a half years after the entry into force of the amendment of the Telecommunications Act (TCA), several implementing ordinances have been amended on the basis of the experience acquired and in view of the latest developments in the market and the evolution of regulation at the international level. These amendments entered into force on 1 January 2010. In particular, they enhance protection and the provision of information when consumers use their mobile telephone abroad or when they consume

value-added-services. The existence of the telecommunications dispute resolution service (Ombudscom) must henceforth be mentioned on every bill or at every top-up of a pre-paid account.

Telecommunications service providers which transmit exclusively wire-bound radio and television programme services and which have fewer than 5000 customers have been exempted from the obligation to register. This means a lighter administrative burden for OFCOM, which can therefore devote more attention to its oversight tasks.

Domain name regulation has also been amended to allow the assignment of all or part of the surplus profit made by SWITCH on the management of ".ch" domain names to financing projects or tasks of public interest. Moreover, the amendments allow to combat cybercrime more effectively.

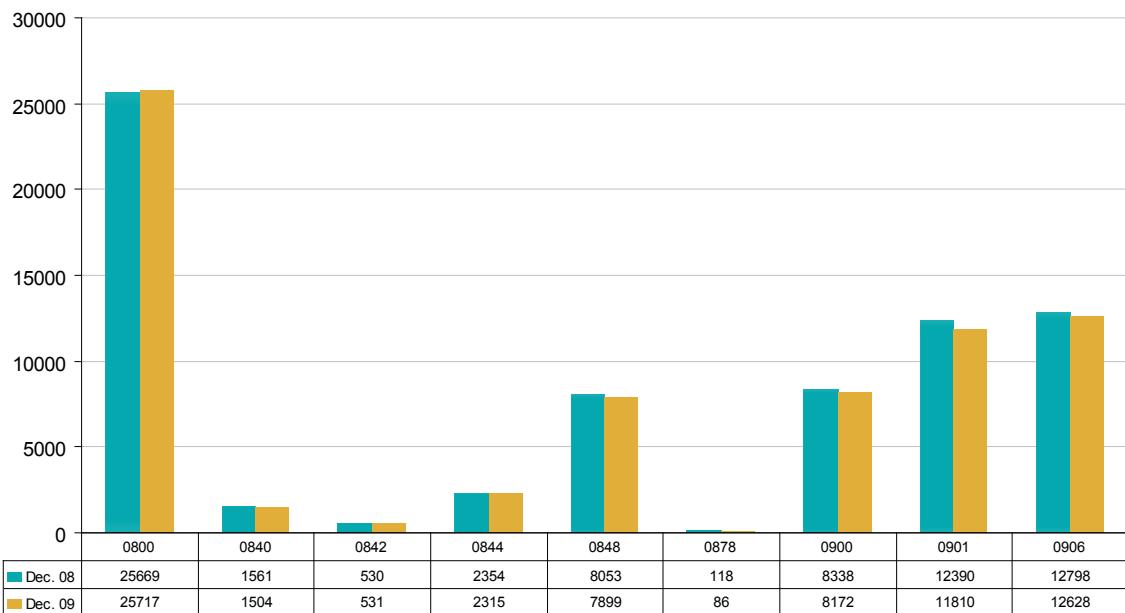
CONSUMER PROTECTION AND OVERSIGHT

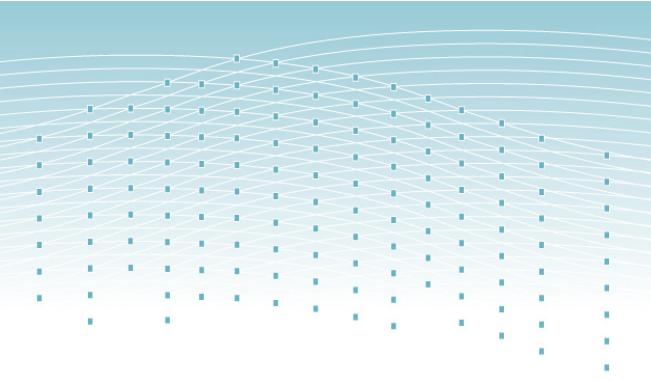
Proceedings against telecommunications service providers or value-added-service providers

The number of consumer complaints in the telecommunications sector doubled in 2009 compared with the previous year. Whilst complaints against value-added-service providers are falling, complaints by consumers targeted by telephone marketing have increased massively.

The number of procedures against value-added-service providers increased significantly in 2009, notably because of non-payment of administrative fees by number holders; this accounts for three-quarters of the total number of procedures.

Comparison of the allocation of individual numbers in service
in December 2008 and December 2009





THE INFORMATION SOCIETY IN SWITZERLAND

In January 2006, the Federal Council adopted its revised strategy for an information society in Switzerland. The strategy is being implemented in a decentralised manner. The Interdepartmental Information Society Committee (IISC), under OFCOM's chairmanship, is mandated to coordinate its implementation until the end of 2011. The Information Society Coordination Office (ISCO), based within OFCOM, supports the IISC in this task.

Véronique Gigon, Deputy Director and Head of the Information Society Coordination Office

KEY AREAS IN 2009

In December 2008, the Federal Council adopted new key areas for the implementation of its strategy for an information society in Switzerland from 2009 to 2011. These include issues such as how information and communication technologies (ICT) can be used by the various players when participating in political opinion-forming and the exercise of political rights (e-Participation). In addition, the acquisition of data on the information society has to be better coordinated and the implementation of measures for a Confederation archiving policy (Memopoly) has to be examined. The Memopoly deals with questions and requirements related to the preservation of the cultural heritage, its presentation and its use in relation to the information and communication technologies.

The Federal Council has mandated DETEC to draft a concept on the subject of "Security and confidence in the use of ICT", and to produce reports on "ICT and sustainable development" and "Securing the legal basis for the information society". Furthermore, DETEC will expand activities related to promoting digital integration and the information society. Detailed information on implementation of the Federal Council's strategy for an information society in Switzerland is provided in the IICS's annual report for 2009: <http://www.bakom.admin.ch/themen/infosociety/00695/01729/index.html?lang=en>.

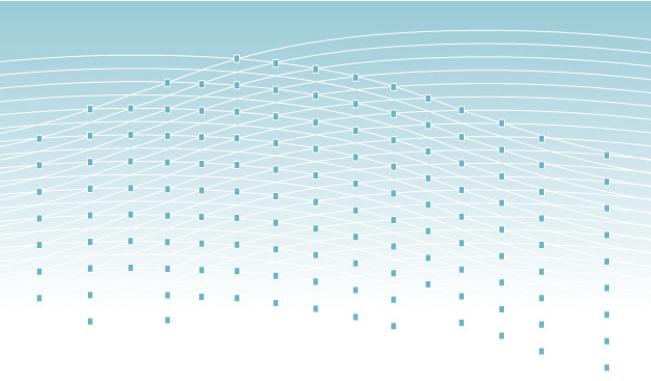
ACTIVITIES OF THE INFORMATION SOCIETY COORDINATION OFFICE

The Information Society Coordination Office has taken over the management of the Federal Council tasks assigned to DETEC. By the end of 2009, it had carried out the following work in collaboration with representatives of other federal agencies and outside experts:

- ◊ A fundamental report and a concept on raising the awareness of the population and of SMEs regarding safety-conscious, legally compliant use of ICT;
- ◊ An expert report on the subject of "ICT and sustainable development in Switzerland";
- ◊ An expert report on securing the legal basis for the information society.

It also provided support as required for the leading official agencies in implementing the other Federal Council tasks mentioned above.

In the area of digital integration ("e-Inclusion"), the Information Society Coordination Office applied itself to the development of the Digital Integration Switzerland network and organised a conference on 10 November 2009 in Solothurn entitled "Using the new media competently – prerequisites, needs and measures". At the conference the network's new barrier-free website: <http://www.einclusion.ch/en.html>. was presented to the public. During the event the winners of the "Knights of Communication" competition were also presented with their prizes. Federal councillor Moritz Leuenberger, in his capacity as patron of the competition, presented the awards for 2009. Information on the competition is available at: <http://www.bakom.admin.ch/comknight/index.html?lang=en>.



SURVEILLANCE AND RADIOPHONIC LICENCES

In November 2009, the Federal Council decided to transfer the responsibility for all issues related to electromagnetic compatibility to OFCOM. Our office was already responsible for the aspects related to telecommunications equipment and in particular for dealing with electromagnetic interference. The reason for this decision is to make better use of the available synergies and know-how, in order to deal more rapidly with interference due to parasitic electromagnetic fields caused by or affecting electrical equipment.

The system of radio and television reception fees was the subject of various parliamentary interventions and numerous discussions in the media throughout 2009. These have at their heart on the one hand the technological evolution of reception equipment – in particular multipurpose devices – which are currently subject to the obligation to pay fees. On the other hand, these discussions concentrated on the collection system, currently entrusted to Billag AG and reducing the associated costs. Parliament instructed the Federal Council to re-examine the current system and to formulate alternative solutions.

Véronique Gigon, Deputy Director and Head of Division

TELECOMMUNICATIONS EQUIPMENT

Amendments to the legislation

In 2009, OFCOM was very busy with work associated with the implementation of the European Directive on the electromagnetic compatibility of electrical equipment and installations, in collaboration with the Swiss Federal Office of Energy (SFOE).

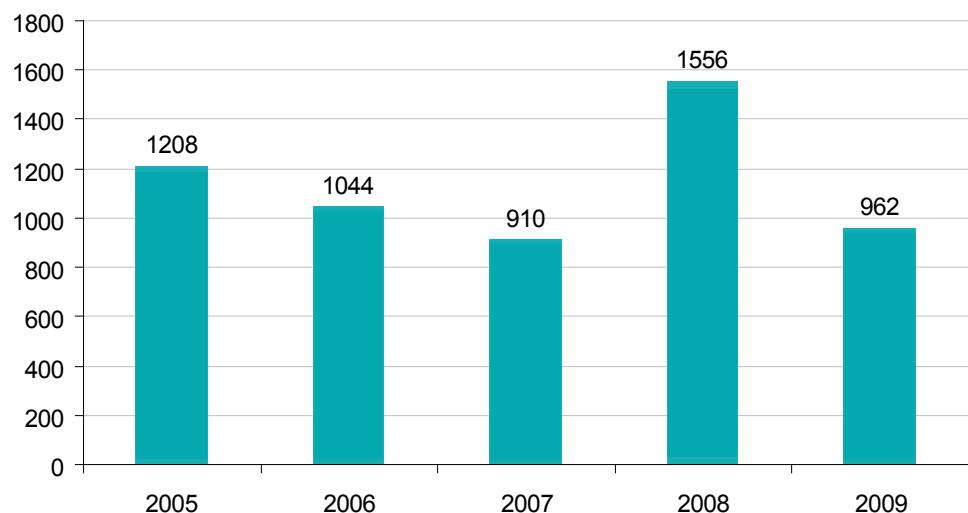
Since OFCOM is already responsible for issues of electromagnetic compatibility of telecommunications equipment and for research into and elimination of the interference which they may cause, it appeared logical for it to also have responsibility for protecting radiocommunication services from electromagnetic interference caused by electrical equipment. This is why the Federal Council decided on 18 November 2009 to transfer responsibility in this area from the SFOE and the Federal Inspectorate for Heavy Current Installations to OFCOM, with effect from 1 January 2010. (See also "Electromagnetic compatibility", page 28)

Notifications

In 2009, OFCOM dealt with 962 notifications of radiocommunication equipment (a drop of approximately 62% compared to 2008). After 2008, which was an exceptional year, the number of notifications returned to the 2007 level. The continuing harmonisation of frequency utilisation in Europe and the economic downturn probably represented the major causes of this fall. Some 10% of the equipment notified cannot be used in Switzerland or can be used only partially because it uses frequencies not allocated to it.

It should be noted that the success of the European single notification portal continues to grow (OSN - One Stop Notification: <https://webgate.ec.europa.eu/enterprise-portal/>) it is used in 99.4% of notifications.

Number of notifications of radiocommunication equipment



Market observation

In 2009, 81 new companies active in the area of placing telecommunications equipment on the market were visited by an OFCOM official who informed them in detail on the conditions for placing such equipment on the market. Seven specialised exhibitions were also visited. In this way, OFCOM was able to complete its database of telecommunications equipment importers which now contains over 800 companies.

The market observation activities in the telecommunications equipment sector enable OFCOM to inform the main players in the market and to target its inspections. They also fall within the scope of OFCOM's services mandate, according to which information and prevention measures must be taken to guarantee an acceptable compliance rate on the market.

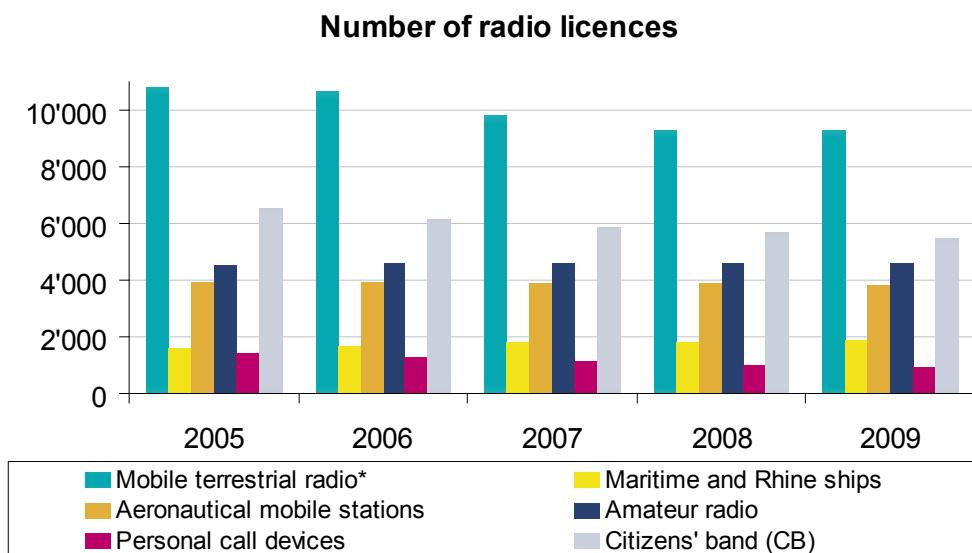
RADIOCOMMUNICATION LICENCES

The demand for radio licences for personal use continued to fall, but not to the same extent as in previous years. In the professional sector (mobile terrestrial radio), though the number of licences fell slightly, the number of licensed devices continued to increase.

As in recent years, the number of amateur radio, maritime and Rhine navigation licences rose slightly.

The continuing fall in the area of private, non-commercial citizens' band radio was in fact slightly less pronounced, but did continue, as was the case in the "personal call devices" (pagers) sector.

A slight downward trend is also apparent in the aeronautical mobile sector.



Registration of Beacons (PLB)

In the years from 2004 to 2008, we registered a total of 45 personal emergency radio beacons (PLBs) in the database for the centralised Swiss search and rescue centre (RCC Zurich). In 2009 alone, 118 registrations were made. The reason for this upsurge is that since 1 February 2009 the 121.5 MHz emergency frequency has no longer been received by COSPAS-SARSAT system satellites. Consequently, some non-commercial aircraft carry personal devices (PLBs) rather than the previous Emergency Locator Transmitters (ELTs).

e-Licensing: a one-stop shop

We were able to expand OFCOM's online presence in 2009 with various offerings in the areas of licences, registrations, examinations and queries.

For example, our customers can now apply for various licences for frequency class B mobile terrestrial radio, amateur radio licences, radio licences for demonstrations and satellite radio licences (SNG and VSAT). They can also apply to register PLBs.

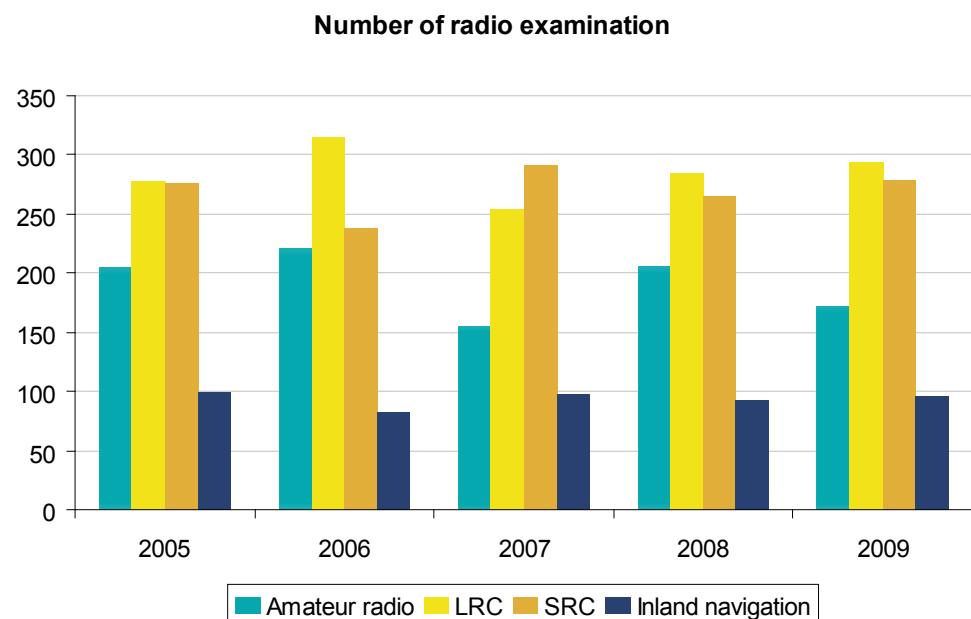
In addition, candidates for the amateur radio examination can now register online.

The online band situation inquiry system for radio relay sites is likely to be an important and useful tool for operators of radio relay systems in the future.

Further applications will go online in 2010.

Radio operators' examinations

In the reporting year, 573 candidates successfully completed a maritime radio examination (SRC or LRC). This is the highest number to date. The number of candidates examined for amateur radio and radiotelephone service on inland waterways remained within previous ranges.



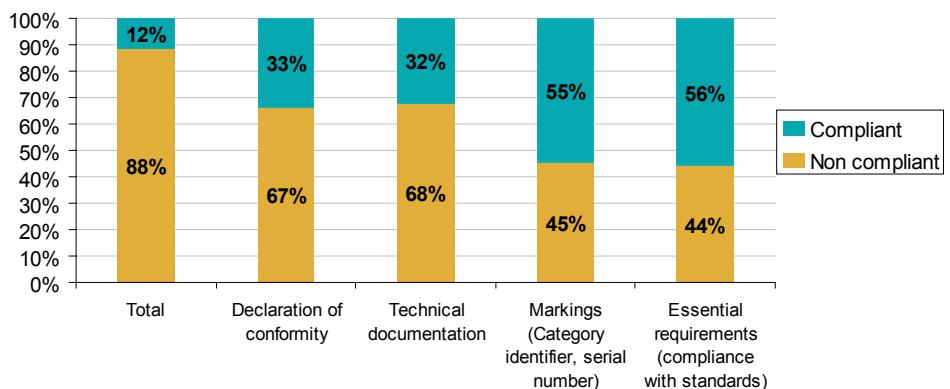
MARKET SURVEILLANCE OF TELECOMMUNICATIONS EQUIPMENT AND INSPECTION OF RADIO LICENCES

Surveillance of telecommunications equipment and information

Of the 74 models of GSM mobile telephones of Chinese origin inspected in 2009, only 4% complied with the conditions for placing such equipment on the market. These poor results led OFCOM to publish an information note in collaboration with the Federal Consumer Affairs Bureau to warn consumers who might be tempted to purchase such devices. An information campaign involving consumer organisations is planned for 2010.

In 2009, OFCOM also took part in the 3rd European market surveillance campaign. This targeted radiocommunication equipment in the professional and private sectors, such as maritime radiocommunication equipment, professional and private walkie-talkies, wireless cameras, etc. Only 15.8% of the 259 radio products examined met the applicable requirements. This result is comparable with the rate of conformity of equipment inspected in Switzerland (12% of 233 equipment items). Although these results are not necessarily representative of the market's general compliance level, they do give cause for concern ten years after liberalisation.

Most frequent non-conformity rates among equipment inspected

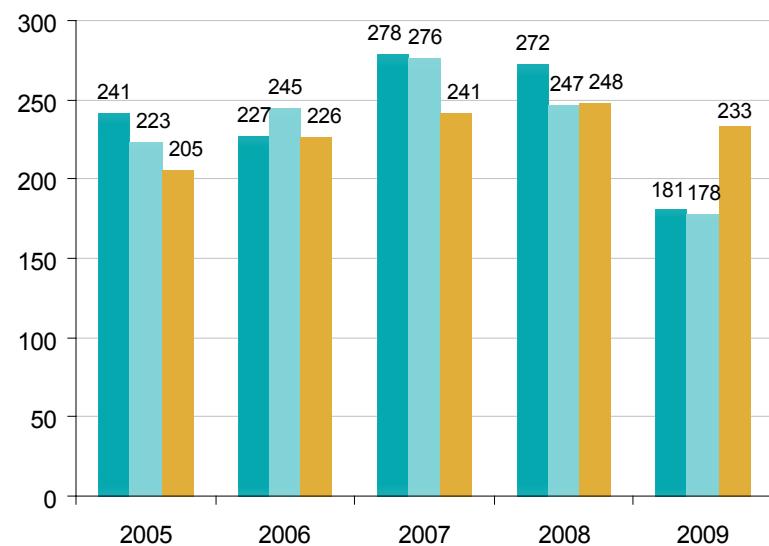


Of the 233 items of telecommunications equipment inspected in Switzerland in 2009, only 12% were in conformity, indicating that 88% did not comply with the regulations in force. 44% exhibited technical defects.

Compared with 2008, conformity with the essential requirements remained stable, but all the other conditions for placing equipment on the market saw a drop in the level of conformity. The two greatest variations were found in the technical documentation (-15%) and the essential requirements (-10%). The general level of conformity fell (-7%). It should be noted that these figures are representative of the conformity of the segments inspected and not of the whole market.

Administrative procedures relating to equipment

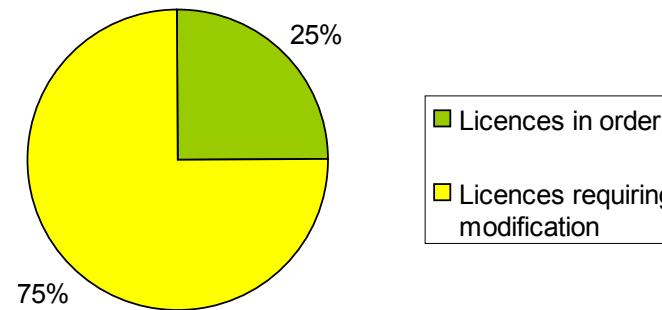
- █ Administrative procedures initiated
- █ Administrative procedures completed
- █ Number of equipment inspected



Inspection of radio licences and information

According to the performance mandate issued by the Federal Council, supervision in the area of licence inspections must ensure an adequate annual number of targeted inspection and prevention measures. In 2009 a total of 310 licences were inspected on site (cf. 296 in the previous year), mainly at aerodromes, tunnel radio installations and new channel spacings in the 400 MHz band. The high figure of 75% irregularities decreased slightly on the previous year (79%). Major violations, such as the use of additional radio frequencies contrary to a licence, were penalised within the framework of 79 administrative procedures and criminal administrative proceedings (cf. 66 in the previous year).

Results of licence inspections



Within the framework of the performance mandate, we carried out a special information campaign. In particular, we informed licensees of the following categories with an emphasis on the corresponding regulations: wireless microphones, professional mobile radio (PMR) and amateur radio.

Inspections of equipment operated without a licence and/or not compliant

In 2009, we carried out 280 inspections (cf. 252 in the previous year). The resulting 172 administrative and criminal administrative procedures (124 in the previous year) lead to a net increase of 110 new licences (108 in the previous year).

SURVEILLANCE AND COLLECTION OF RADIO AND TELEVISION RECEPTION FEES

Surveillance and collection of reception fees

In 2009 there were many parliamentary interventions concerning radio and television reception fees. On instruction from the Commission for Transport and Telecommunications (CTT), the Federal Council ordered us to produce a report on the fees situation and propose alternatives for collection. This in turn led to a distinct increase in the number of enquiries from citizens and businesses to which we responded in the reporting year.

In terms of financial supervision, the new contractual conditions in the agreement with the collection company (Billag AG), which entered into force on 1 January 2008, are beginning to take effect. The annual audit can now show the figures in a more transparent way.

In the past year, the requested improvement in Billag AG's IT structure was also implemented and this became operational on 1 January 2010.

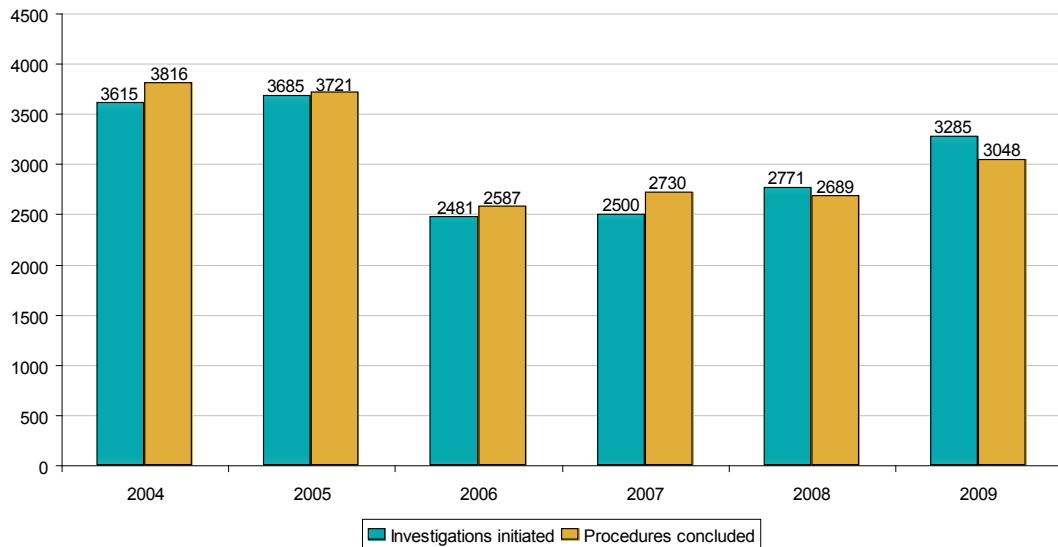
Complaints against Billag AG decisions

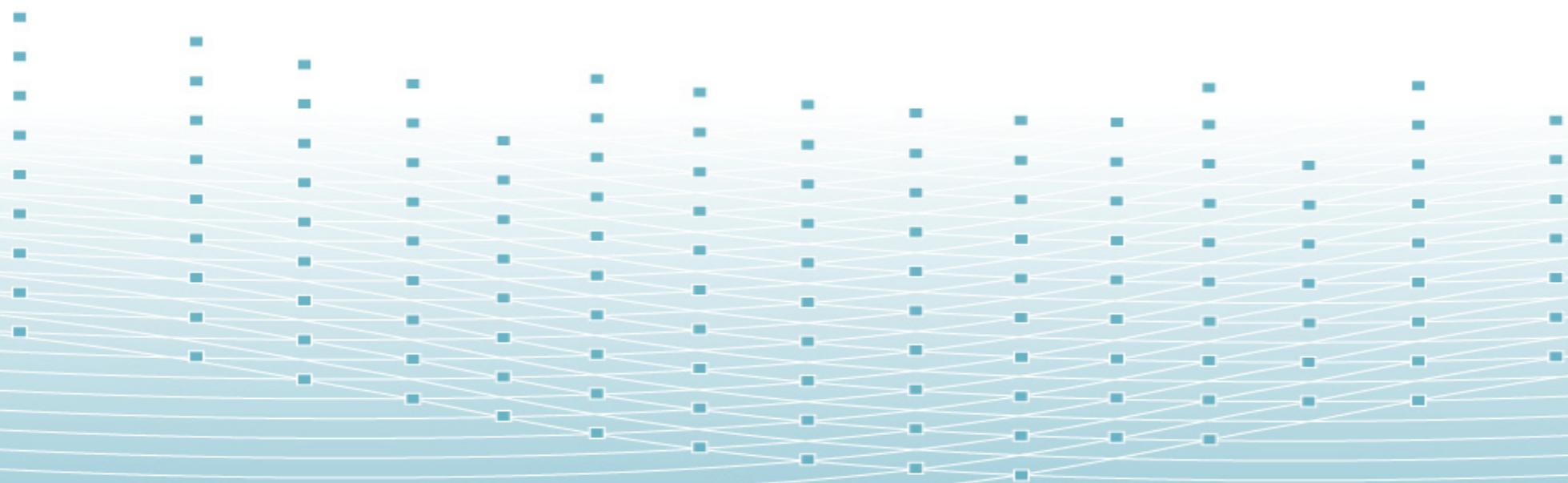
This year, complaints against decisions by Billag AG, at about 60 cases per month, were on average higher than last year. As of the end of 2009, approx. 240 complaints were outstanding, some 30% of which are procedures involving prosecutions. The remaining 70% of complaints predominantly concern disputed legal issues in connection with registration, cessation of operation of equipment or exemption from fees. In 2009 we issued decisions in 738 complaint procedures; 6% of the complaints were upheld.

Of the 738 complaint decisions, 4% were the subject of an appeal to the Federal Administrative Court. In one case, the Federal Administrative Court partially annulled our decision. In the other procedures it supported our decisions. Four Federal Administrative Court decisions were referred to the Federal Supreme Court. None of these were upheld.

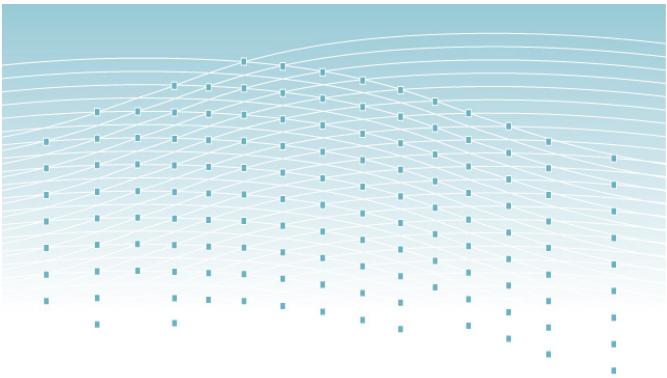
Infringements of the obligation to notify and pay radio and television reception fees

This year we concluded some 3050 penal administrative procedures for infringements of the obligation to register and to pay fees. The number of procedures is therefore 260 higher than last year. The number of cases reported by notifications via the collection agency (841) is distinctly higher. As usual, the overwhelming majority of cases, i.e. 2606, could be dealt with by applying the abbreviated procedure which is simpler for customers. 153 penalties had to be issued using the regular procedure; in three cases, transfer to a cantonal court was requested.
(See also "Financial supervision and statistics", page 9)

Criminal administrative procedures



FREQUENCY MANAGEMENT



This year the main focus of our frequency management activities was the implementation of decisions taken at national and international level regarding the future utilisation of the traditional UHF broadcasting band. After years of preparation on a global and European level, the scene has now moved to the national and bilateral level, with our neighbouring countries. In Switzerland, analogue terrestrial broadcasting – propagated by antennas – has been replaced by digital television. A great amount of cooperation and coordination has been and still remains necessary for the same change-over in our neighbouring countries. We have also been busy with the preparations for the introduction of mobile radio at the upper end of the UHF band in Switzerland and in Europe over the next few years. This task, along with the re-distribution of frequencies for mobile radio in Switzerland by the end of 2013 and 2016 respectively, will also be a core area for the frequency management in the coming years.

Peter Pauli, Head of Division

FREQUENCY PLANNING

At national level

In November, the national frequency allocation plan was approved by the Federal Council. The main changes affect the status of the upper part of the UHF band (790-862 MHz - band of the digital dividend) in which radio broadcasting passes from a primary to a secondary status, the enlargement of the band reserved for GSM-R (railway application) and the introduction of ITS (Intelligent Transport System) in the 63 to 64 GHz band.

The cable network television (CATV) operators approached OFCOM and expressed their concerns regarding possible interference associated with the introduction of mobile communications in the digital dividend band. Various studies and measurement campaigns conducted by OFCOM allowed to identify the critical elements and to assess the probability of interference. These investigations indicated that the probability of interference is low and that wiring in accordance with domestic installation standards should further reduce the risk of interference.

At international level

The Electronic Communications Committee (ECC) approved technical conditions for the use of the digital dividend band (790-862 MHz) for mobile communication systems. This acceptance marks the completion of numerous technical studies in which OFCOM was closely involved and responds to various mandates from the European Commission.

ELECTROMAGNETIC COMPATIBILITY

EMC (Electromagnetic compatibility)

Since 2003, OFCOM has been conducting investigations on the interference potential of PLC (powerline communications) systems. These investigations and the collaboration with the Vaud cantonal engineering college (HEIG-VD) came to an end this year.

We published our third and final report on this subject on our internet site: <http://www.bakom.admin.ch/dokumentation/zahlen/00545/00547/03193/index.html?lang=en>. It outlines solutions which, in the event of a complaint, make it possible to ensure cohabitation of the latest generation of PLC networks with radio systems, in particular those of amateur radio operators. This is the first international study to prove the effectiveness of so-called "EMC functionalities" specific to the latest generation of PLC equipment. The study has been cited in several international standardisation committees.

Thanks to the knowledge acquired in this area, this year OFCOM was also able to proceed with the implementation of the technical and administrative regulations: <http://www.bakom.admin.ch/org/grundlagen/00563/00575/03293/index.html?lang=en> which govern the operation of extended PLC networks covering more than one building.

OFCOM is the enforcing authority for the new Ordinance on Electromagnetic Compatibility, which entered into force on 1 January 2010. A lot of work has been performed by the "Surveillance and Radiocommunication Licences" and "Frequency Management" Divisions to prepare the Office to fulfill its new tasks, which have been split between the above-mentioned divisions according to their respective competencies. (See also "Amendments to the legislation", page 20)

EMF (Electromagnetic fields)

The EMC/EMF centre of competency collaborated within the Cercl'air (a group bringing together representatives of the cantons and the Swiss Federal Office for the Environment) with a view to amending the Ordinance on Non-Ionising Radiation (ONIR) and the relevant aids to implementation. This amendment related mainly to the definition of the perimeter according to which multiple adjacent mobile telephony stations must be considered together to calculate immissions in places with sensitive use (PSU).

RADIO TECHNOLOGY

Cognitive radio

Cognitive radio is an emerging technology recently proposed to implement a form of intelligence which enables a device or an entire network to interact with its spectral environment. This means that cognitive radio will be capable of perceiving its environment, modelling it and adapting to it. The development of frequency agile systems which would be capable of detecting white spaces in the spectrum (more precisely defined as an availability of frequencies at the geographical and temporal level) and of adapting their transmission characteristics to use such white spaces could provide a tool for optimising utilisation of the spectrum. The studies are being conducted by the CEPT to define the technical and operational parameters for the use of cognitive systems in white spaces in the 470-790 MHz band whilst evaluating the potential of interference to services who can seek for protection, such as the broadcasting services, wireless microphones and the radio astronomy service.

The digital dividend within the framework of the ITU-R Joint Task Group 5-6 (JTG 5-6)

It is the task of the JTG 5-6, in preparing the 2012 World Radiocommunications Conference, to conduct compatibility studies between mobile and other primary services in the 790 to 862 MHz band in order to ensure adequate protection of the services allocated to this band. The group, headed by Switzerland, has developed methods to be applied in order to take the measures appropriate to allow shared use of the band in question. The conclusions of the studies and their final analysis are expected in mid-2010.

FREQUENCY ASSIGNMENT

Broadcasting

The re-licensing of VHF radio stations in the metropolitan area of Zurich had a number of implications on our planning and implementation work. Together with the parties involved, we sought solutions which would ensure the efficient use of the frequencies. It has been confirmed that the occupancy of the VHF spectrum has to a large extend been exhausted. Additional radio programme services should be possible as a result of our work on basics for digitising the VHF band. (See also "Private broadcasters", page 8)

The implementation of the second coverage area for the new DAB+ digital technology has already taken place in German-speaking part of Switzerland. (See also "Digitisation", page 10)

In view of the increased density of use of the spectrum in the 470 - 790 MHz band and the frequency ranges freed up by the digitisation of broadcasting (the digital dividend), we have conducted extensive negotiations with neighbouring countries. We shall consolidate the initial results in the course of the next year.

Events

Events such as the Cycling World Championships in Mendrisio or the "ITU Telecom World" exhibition in Geneva present a special challenge in terms of flexibility, reaction time and protection from interference. The interaction of often incompatible radio systems in close proximity can be assured only by means of centralised frequency coordination. Positive feedback indicated that OFCOM performed this task very well and to the satisfaction of the organisers and that it gave good advice to the parties involved.

Wireless microphones are used at many events. In agreement with players in the market and the international field, we have, over the course of the year, found a practicable solution to offset the frequencies lost as a result of the digital dividend.

Other frequency ranges and radio services

We have met the requirement of many enterprises to have their own radio network by allocating hundreds of frequencies. In parallel with the increase of these professional radio networks, preparations are being made for the introduction of new mobile radio networks and technologies. We have developed frequency allocation scenarios from the viewpoint of compatibility.

The need for wireless feeds to base stations for mobile telephone networks can be met by opening up additional frequency ranges (e.g. 28 GHz and 42 GHz) for radio relay systems.

RADIO MONITORING

Radio Monitoring

Apart from everyday tasks (planning measurements in the VHF range, investigating

interference, licence surveillance and electromagnetic compatibility measurements), we were mostly preoccupied this year with the large amount of UMTS interference in the 1920 – 1930 MHz band. This interference is caused mainly by wireless devices (digital enhanced cordless telecommunications, DECT) from America and Canada. People who bring their cordless telephones into Switzerland from other countries are not aware that the frequencies for these devices are not harmonised worldwide.

Reporting centre for radio interference

Thanks to modern communication facilities our reporting centre for radio interference could be reached 24 hours a day, 365 days a year. We were able to clarify and for the most part rectify the cases of interference reported by the police, the rescue services and air traffic control within the agreed timeframe.

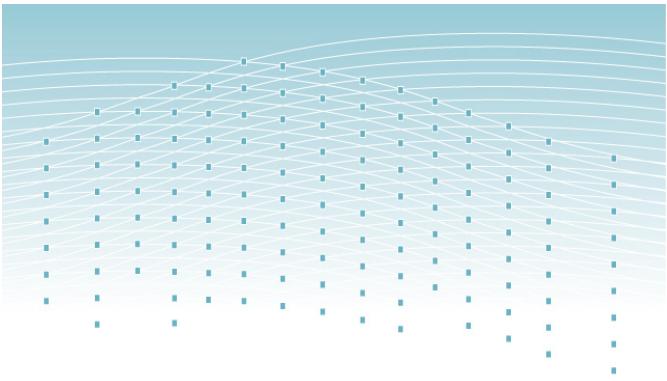
Sports events

The Ice Hockey World Championships in Bern and Zurich and the Cycling World Championship in Mendrisio meant that we had two major events to handle in addition to the usual large sporting events (Tour de Suisse, World Cup Skiing, etc.). Our previous experience enabled all the events to be held without any particular radio-related technical problems. In the area of wireless microphones and cameras, however, frequency congestion is increasing at such major events.

Notifications of interference dealt with by Radio Monitoring

Year	2009	2008	2007
Notifications of interference	271	331	335

INTERNATIONAL RELATIONS



At the second European Dialogue on Internet Governance (EuroDIG) in September 2009 in Geneva, more than 200 participants gave a clear yes vote for its institutionalisation as a European multistakeholder discussion platform. As the joint initiator and co-organiser of the conference, we contributed to the fact that after two years EuroDIG is already recognised as the European Internet Governance Forum.

The ITU's Telecom World 09 exhibition in October confirmed Geneva as the host for this event of global scope. Switzerland, who as a host country committed itself to successfully offering the best services of infrastructures of telecommunications, was represented by Federal Councillor Moritz Leuenberger at the opening ceremony. OFCOM took part on the Geneva regional stand with a live demonstration of access by partially sighted people to communication technologies.

Frédéric Riehl, Vice Director

THE INTERNATIONAL TELECOMMUNICATION UNION (ITU)

The council adopted the Union's budget for the 2010-2011 period on the basis of the value of the contribution unit, which remained unchanged and corresponded to CHF 318,000 per unit. It confirmed that Geneva would host the ITU Telecom World exhibition in 2011, to mark the 40th anniversary of the ITU in Geneva. Switzerland contributed to the work of the finance commission, notably in its role as external auditor of the ITU's accounts. With regard to climate change, the Council emphasized the importance of the role of the UN agency in relation to this issue, as well as in the internet sector for online protection of minors.

THE EUROPEAN UNION (EU)

Swiss participation in the EU's MEDIA programme to support the cinema is assured from 2007 to 2013. At the end of a broad debate, parliament came to an agreement. In fact, it removed the final obstacle to Switzerland's definitive participation in the MEDIA programme bypassing an amendment to the Radio and Television Act (relaxing the ban on television advertising for alcohol). Since September 2007, the agreement had been applied on a provisional basis. The Federal Council decided on 4 December to ratify it. (See also "Legislation", page 9)

TV5 MONDE

At Ottawa, ministers and TV5's managers (from France, Canada, Quebec, the French-speaking community of Belgium and Switzerland) warmly welcomed the results achieved during the first year of implementation of the four-year strategic plan (2009-2012). They stressed the evolution of the channel towards a global medium meeting new audience needs. They agreed on the need for a greater contribution for TV5 Monde for 2010 and on finance over several years within the framework of the strategic plan. OFCOM is seeking additional financial resources to ensure the additional Swiss contribution to TV5 Monde.

THE INFORMATION SOCIETY

In May 2009, the UN Commission on Science and Technology for Development adopted for the first time a substantive resolution to assess the implementation of the World Summit on the Information Society (WSIS). Switzerland was nominated to chair the commission for the 2009-2010 period.

In September, together with the European Broadcasting Union, we co-organized the second European Dialogue on Internet Governance (EURODIG) in Geneva. In November, federal councillor Moritz Leuenberger, as part of the Swiss presidency of the Council of Europe, took part in the fourth UN Internet Governance Forum (IGF) in Sharm el Sheikh, Egypt.

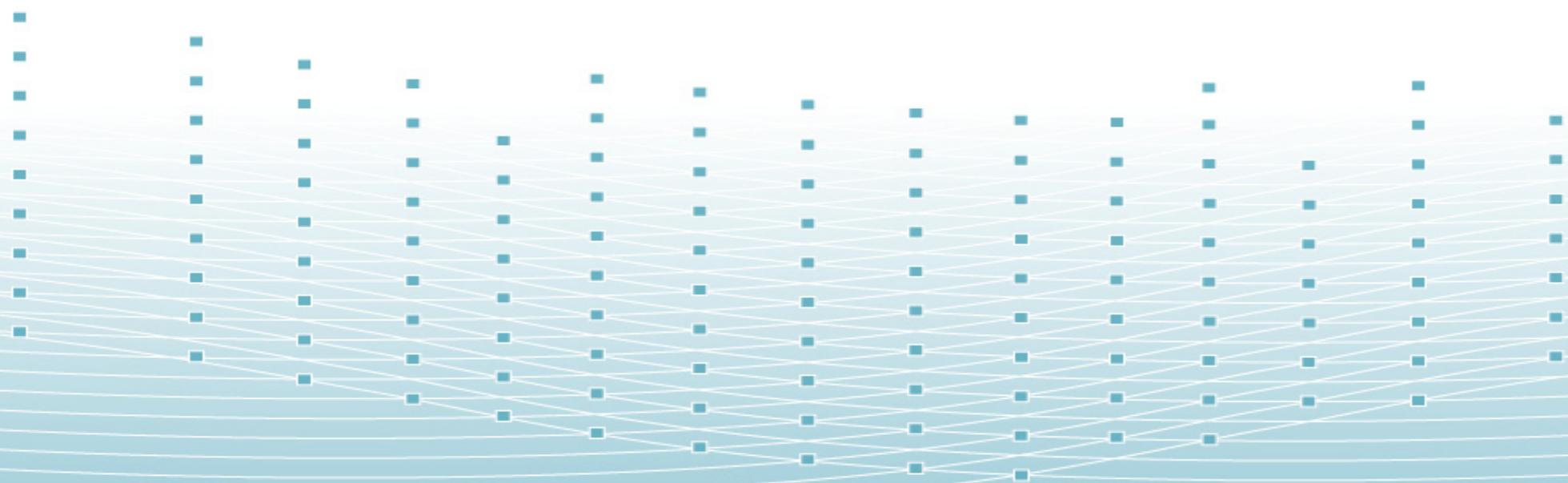
THE COUNCIL OF EUROPE

At the May 2009 conference in Reykjavik (Iceland), ministers and other representatives of the 47 member states adopted a policy declaration and an action plan. As a result, the Council of Europe is to analyse the changes in the media landscape and the use of the media resulting from new media and communication services. Ministers also adopted a declaration on the management of critical internet resources (e.g. IP addresses and domain names) and on the protection of freedom of opinion in connection with the fight against terrorism. We shall be taking part in the follow-up work within the framework of the steering committee for media and new communication services and shall be chairing the group of experts on the new media.

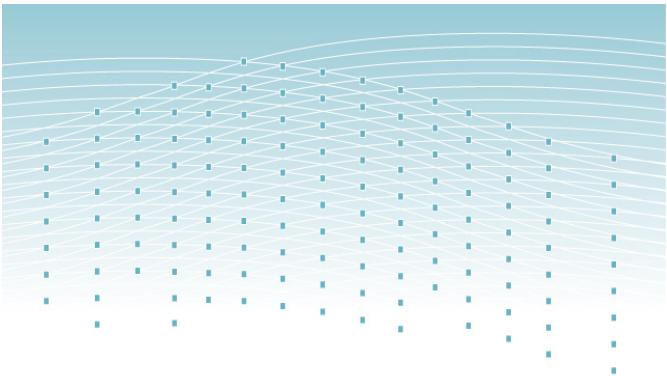
Revision of the Council of Europe convention on trans-frontier television, which is binding on Switzerland and which follows the liberalisation measures of the Directive on audiovisual media services, is almost complete. We participated in this work within the framework of the standing committee for trans-frontier television.

SATELLITE ORGANISATIONS

In May, the European Satellite Telecommunications organisation (Eutelsat) held its 36th Ordinary Assembly of the Parties. Switzerland was re-elected and will sit on the Consultative Committee for a further 2 years. In July, the International Telecommunications Satellite Organisation (ITSO) held its 33rd extraordinary meeting of the Parties in order to debate the obligations of the notifying administrations relating to the Parties' common heritage. The International Mobile Satellite Organisation (IMSO), in its capacity as coordinator of the system for identification and monitoring of long-distance vessels, carried out the tests necessary for the integration of more than 43 data centres on this system, which became operational on 1 July 2009.



RESOURCES AND ORGANISATION



In the reporting year we examined the organisational structure of the Resources and Organisation Division as part of a project and prepared a reorientation. In the process, a return to the former organisational structure prior to 2002 took place. In future, four independent sections – Finance, IT & Organisation, Human Resources and Logistics – will be combined under the management of a common divisional leadership. In addition, the divisional management will take over various tasks from the Director's Managerial Staff, such as, for example, overall internal management of the FLAG process (FLAG = management with a performance target and a global budget) and its external coordination with the various federal offices. The new organisational structure takes effect from 1 January 2010 and will be implemented without deploying any additional personnel resources.

In relation to IT, we have among other things worked on the "OFCOM e-licensing" application, in conjunction with various technical specialists within the Office. We shall be continuing the work in 2010 and into 2011. Within the framework of the complementary "e-billing out" project (electronic payment transaction system) of the Federal Finance Administration (FFA), OFCOM was also selected as a pilot office. Through our commitment to these projects we aim to contribute to implementing the strategic demands of e-Government within the federal administration.

Christine Fuchs, Head of Division

FINANCE

Income and expenditure account

The income and expenditure account for 2009 shows total expenditure of CHF 85.4 million. Of this, 68% related to functional expenditure and 32% to transfer expenditure. Functional expenditure includes OFCOM's financial expenditure on personnel and resources, cost allocation for the services of other federal offices and non-financial depreciation of assets. Transfer expenditure includes the subsidies in the radio and television sector and contributions to international organisations.

The income which can be allocated to the 2009 financial year amounts to CHF 59.8 million. Of this 44% related to functional revenue and 56% to revenue outside the global budget. The functional revenue corresponds to OFCOM's administrative fees. The revenue outside the global budget includes the radio licence fees (at CHF 30 million, i.e. 90%, this represents the largest part), the licence fees of the licensed radio and television broadcasters for special financing in the radio and television sector, plus the revenue from violations of the law (fines and surrender of profits).

In 2009, total expenditure was CHF 25.6 million (30%) higher than total income. In the transfer area, there was surplus income in relation to expenditure (27.7 million) and revenue (32.7 million). In the functional area, the functional expenditure (57.7 million) exceeded the functional revenue (administrative fees: CHF 26.3 million) by CHF 31.4 million (55%).

Income

Total income in comparison with the previous year was up CHF 7.4 million.

CHF 7.7 million surpluses can be allocated to administrative fees and licence fees, respectively. These are essentially attributable to regular additional receipts relating to administrative and licence fees, the liquidation of provisions for time credits and an extraordinary receipt for 2008 amounting to CHF 3.8

million in relation to licence fees.

Lower revenue of CHF 0.6 million was attributable to licence fees in relation to radio and television.

Expenditure

Total expenditure in comparison with the previous year was up by CHF 4.4 million.

Of this, OFCOM's functional expenditure (global budget area) was up by CHF 3.4 million on the previous year.

Above all, this is attributable to the fact that personnel costs rose by CHF 2.6 million owing to several personnel measures (+1.1% inflation allowance; +2.5% for management salaries from salary category 24 to 29 and +5% from salary category 30; payments for flexitime of 5%; bonuses of CHF 230,000 plus the normal salary increases for employees with assessment grade 3 who have not yet reached the maximum; new family allowances and risk contributions (for invalidity and death) to the federal pension fund (Publica). Operating expenditure increased by CHF 1 million – primarily due to consultancy services, studies, maintenance work and infrastructure replacement.

Expenditure outside the global budget for subsidies was CHF 1 million higher than in the previous year. Above all, this is attributable to the fact that for the organisation of the world telecoms fair (ITU Telecom World 2009 in Geneva) the cost for contributions to international organisations increased by CHF 1.35 million within the framework of a supplement. The additional requirement for resources was met from OFCOM's global budget.

Moreover, various reduced costs balanced the above-mentioned extra expenditure. In this context, it is worth mentioning the reduced expenditure for the foreign offering of the SRG SSR idée suisse (swissinfo, 3sat and TV5) to the value of CHF 0.6 million.

Investment account

The investments of CHF 1.5 million were within the normal range.

Operating account (costs and services account)

Compared with the previous year, cost recovery for the total of all three product groups fell only marginally by 2% to 45%.

With revenue practically unchanged, the costs in all product groups increased primarily due to higher personnel costs.

Special finance, radio and television

The income relating to special finance for radio and television was CHF 1.7 million above expenditure; the balance of the fund being earmarked for media research, new technologies for dissemination of programme services and archiving of programmes increased to CHF 5.5 million.

FINANCIAL DEVELOPMENT IN THE PERIOD 2007-2009

(according to the Confederation's New Accounting Model NAM)

1. Profit and loss account (revenue, expenditure)	2007 (CHF mill.)	2008 (CHF mill.)	2009 (CHF mill.)	Change on previous year (CHF mill.)	%
1.1 Revenue					
Function revenue – global budget	-28.2	-25.4	-26.3	-0.9	4%
Administrative fees + resolution of reserves holiday/overtime credits	-28.2	-25.4	-26.3	-0.9	4%
Revenue outside global budget	-33.2	-27.0	-33.5	-6.5	24%
Radio licence fees	-26.0	-23.2	-30.0	-6.8	29%
Revenue from administrative penalty procedures	-0.6	-0.5	-0.8	-0.3	60%
Fee-splitting, local and regional broadcasters	-3.4	0.0	0.0	0.0	0%
Licence fees, radio and television	-3.2	-3.3	-2.7	0.6	-18%
Total revenue	-61.4	-52.4	-59.8	-7.4	-14%
1.2 Expenditure					
Function expenditure – global budget (incl. Comcom)	57.3	54.3	57.7	3.4	6%
Personnel costs (effective on financing)	38.4	38.4	41.0	2.6	7%
Material expenditure (effective in financing)	7.5	6.2	7.2	1.0	16%
Withdrawal from reserves for specific purposes	1.1	0.1	0.4	0.3	300%
Depreciation (not effective on financing)	2.3	1.5	1.4	-0.1	-7%
Confederation, cost allocation	8.0	8.1	7.7	-0.4	-5%
Expenditure outside global budget (subsidies)	33.3	26.7	27.7	1.0	4%
Contributions to international organisations	6.0	3.9	5.1	1.2	31%
Contribution to SRG offering for foreign countries	16.5	20.1	20.0	-0.1	0%
Training of programme-makers (up to 2006 incl. media research)	0.7	0.9	0.9	0.0	0%
Contribution to media research	1.0	1.0	1.0	0.0	0%
New broadcasting technology	0.0	0.0	0.0	0.0	0%
Programme archiving	0.0	0.0	0.1	0.1	0%
Contribution to broadcasting of programmes in mountain regions	0.5	0.6	0.6	0.0	0%
Contributions to local and regional broadcasters (fee-splitting)	8.6	0.2	0.0	-0.2	-100%
MEMORIAV contribution					
Total expenditure	90.6	81.0	85.4	4.4	5%
1.3 Balance (revenue + expenditure = financing requirement)	29.2	28.6	25.6	-3.0	-10%

2. Investment account (revenue, expenditure) - global budget	2007 (CHF mill.)	2008 (CHF mill.)	2009 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue	0.0	0.0	0.0	0.0	0%
Expenditure	2.0	1.8	1.5	-0.3	-17%
Thereof withdrawal from reserves for specific purposes	0.4	0.1	0.0	-0.1	-100%
Balance (revenue – expenditure)	2.0	1.8	1.5	-0.3	-17%
3. Operating account (revenue, costs)	2007 (CHF mill.)	2008 (CHF mill.)	2009 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue (administrative fees)	-27.7	-25.4	-25.7	-0.3	1%
Costs	56.2	53.9	57.7	3.8	7%
Balance (revenue + costs)	28.5	28.5	32.0	3.5	12%
Level of cost coverage	49%	47%	45%	0.0	-5%
Special finance, radio and television	2007 (CHF mill.)	2008 (CHF mill.)	2009 (millions CHF)		
1. Fee-splitting, local and regional radio and television broadcasters					
Revenue, related to specific purposes	-8.6	0.2	0.0		
Proportion of fees from radio and television reception fees	-3.4	0.0	0.0		
Additional withdrawal from reserves for specific purposes	-5.2	0.2	0.0		
Expenditure, specially financed	8.6	0.2	0.0		
Contributions to local and regional broadcasters (fee-splitting)	8.6	0.2	0.0		
Deposit into funds for specific purposes (end of year)	0.0	0.0	0.0		
Balance of funds for specific purposes (end of year)	0.2	0.0	0.0		
2. Licence fees, radio and television broadcasters					
Revenue, related to specific purposes	-3.2	-3.3	-2.7		
Licence fees, radio and television	-3.2	-3.3	-2.7		
Additional withdrawal from reserves for specific purposes	0.0	0.0	0.0		
Expenditure, specially financed	1.0	1.0	1.1		
Training of programme-makers					
Contribution to media research	1.0	1.0	1.0		
New broadcasting technology	0.0	0.0	0.0		
Programme archiving	0.0	0.0	0.1		
Deposit into funds for specific purposes (end of year)	1.6	2.3	1.7		
Balance of funds for specific purposes (end of year)	1.6	3.9	5.6		

EMPLOYEES

Number of staff

In the reporting year, we employed 290 people, including 104 women. In the preceding year we employed 293 people (100 women). This corresponds to a female proportion of 35.5%, 1% more, compared to the previous year.

Linguistic distribution

About 60% of OFCOM employees speak German as their mother tongue; 33% speak French and 4% Italian. Other languages, such as Arabic, English, Laotian, Portuguese, Russian, Spanish and Thai represent approximately 3%.

Average age

The average age is 45 years.

Apprenticeships

Two apprentices successfully completed their training as media technicians (including the vocational baccalaureate). One trainee was awarded a special commendation for a very good final mark of 5.3. One trainee successfully concluded his commercial training. Regrettably, one media technician in training withdrew from her apprenticeship after just a year, as the formation did not meet her expectations.

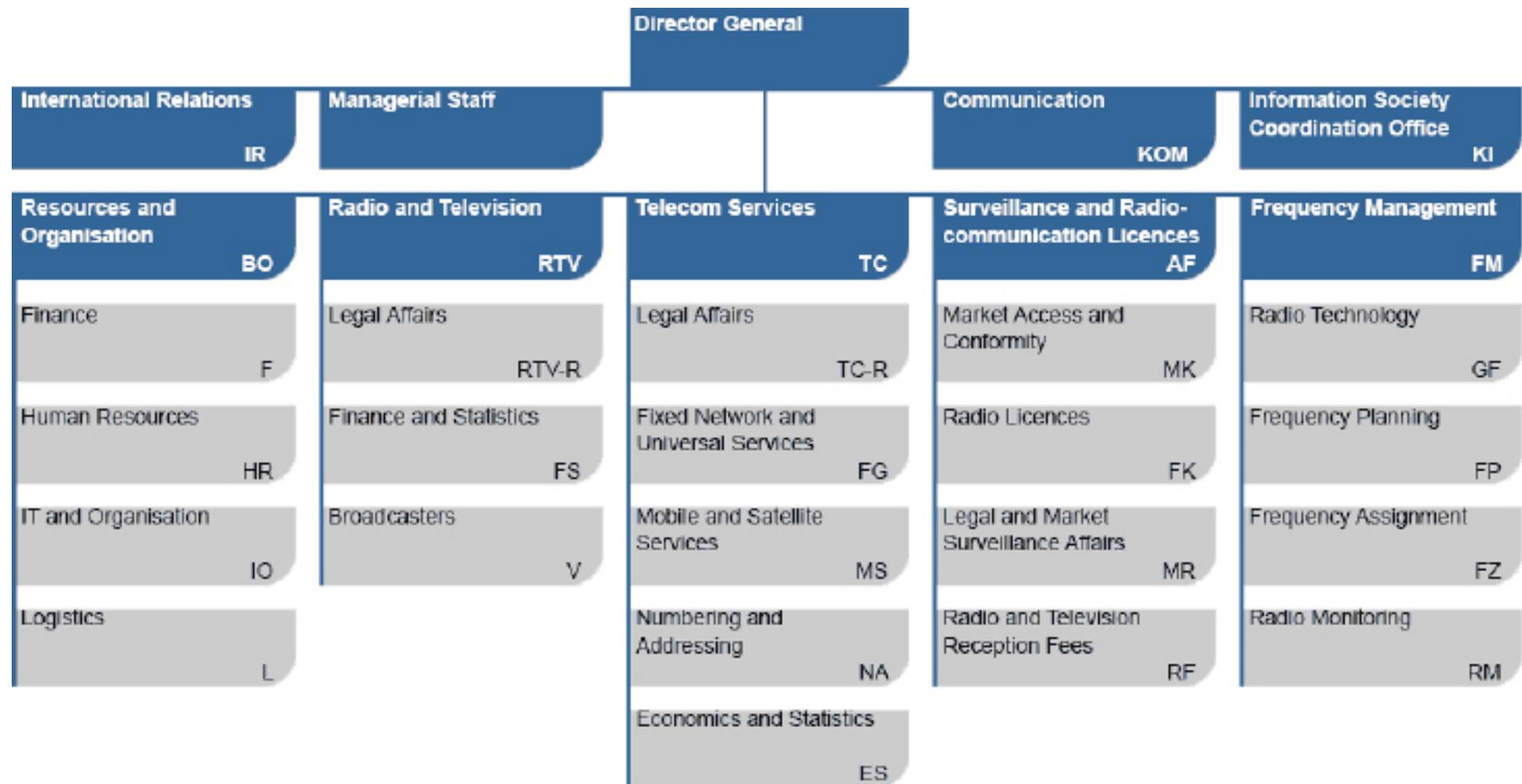
The equal opportunities commission

The Equal Opportunities Commission supports OFCOM in ensuring that all employees enjoy the same working conditions and development opportunities. In 2009, for example, OFCOM defined processes which guarantee gender-neutral recruitment. OFCOM is committed to family-friendly working conditions through its flexible working models. Equal opportunities are also a key issue at management level; all employees are kept informed on a regular basis.

DIRECTION

The management of OFCOM consists of: the Director Dr. Martin Dumermuth, the Deputy Director and Division Head Licences and Equipment Véronique Gigon, the Vice-Director and Division Head Radio and Television Matthias Ramsauer, the Vice-Director and Division Head Telecom Services Philipp Metzger, the Division Head Frequency Management Peter Pauli; the Division Head of Resources and Organisation Christine Fuchs; the Vice-Director, International Relations Service Frédéric Riehl, the Managerial Staff Head Andreas Sutter, and the Head of Communications Dr. Roberto Rivola.

ORGANISATION CHART

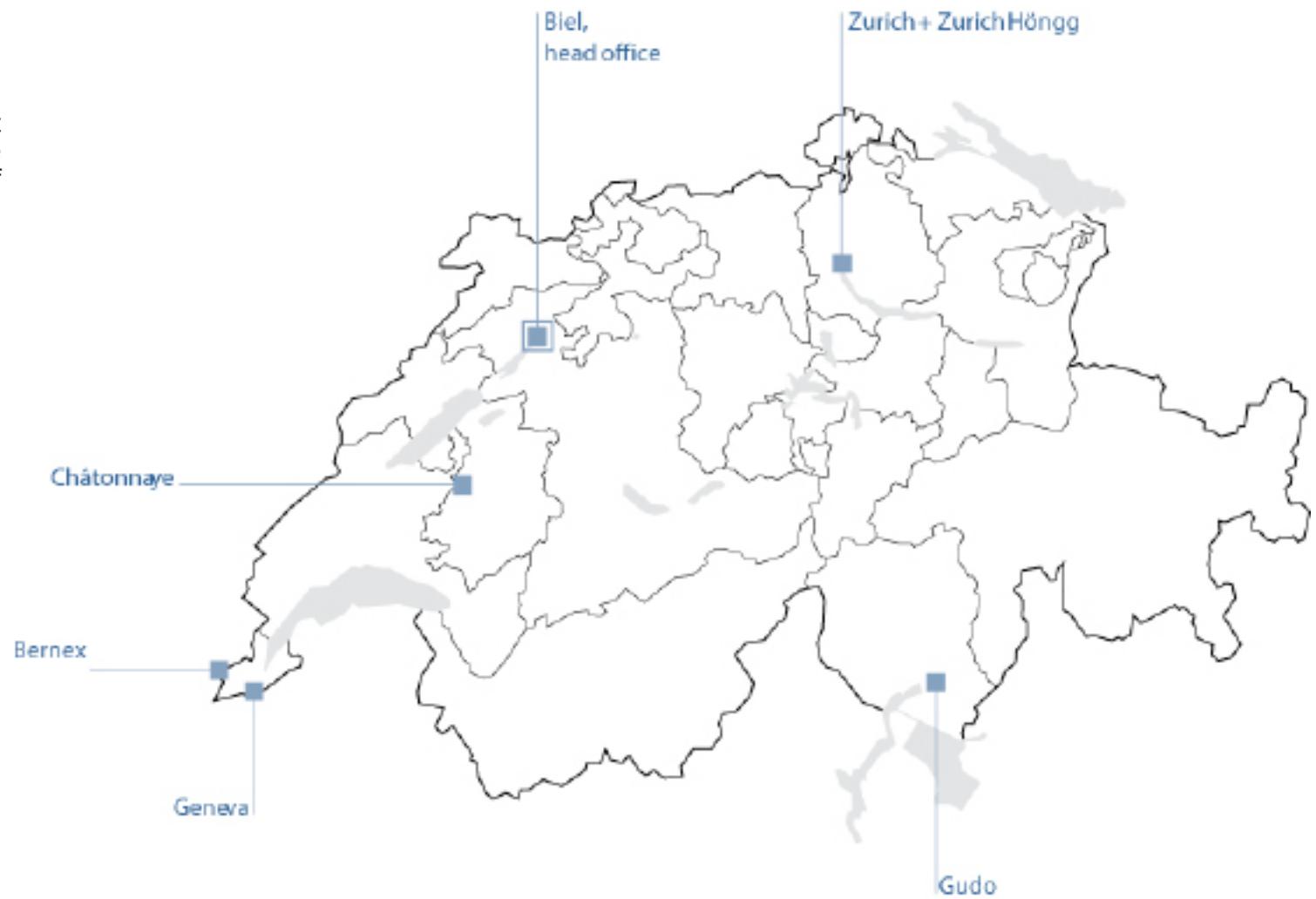


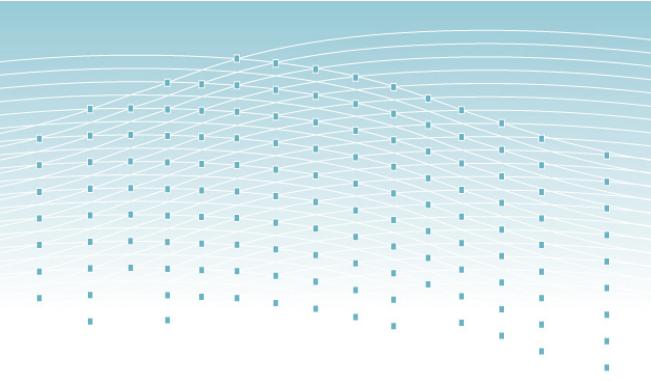
PERSONNEL

Organisational unit	Name	Telephone	Organisational unit	Name	Telephone
+41 32 327					+41 32 327
Management					
General Director	Dr. Martin Dumermuth	5501	Vice-Director and Head	Philipp Metzger	5599
Head of managerial Staff	Andreas Sutter	5503	Legal Affairs	Annalise Eggimann	5582
Head of Communications	Dr. Roberto Rivola	5650	Fixed Network and Universal Services	Armin Blum	5579
Deputy Director and Head of Information Society Coordination Service	Véronique Gigon	5448	Mobile and Satellite Services	Urs von Arx	5856
International Relations					
Vice-Director	Frédéric Riehl	5454	Numbering and Addressing	François Maurer	5576
Deputy Head	Anja Siebold Bucher	5595	Economics and Statistics	René Dönni	5543
Resources and Organisation					
Head of Division	Christine Fuchs	5707	Surveillance and Radiocommunication Licences		
Finance	Urs Liechti a.i.	5843	Deputy Director and Head	Véronique Gigon	5448
Human Resources	Brigitte Moser	5514	Market Access and Conformity	Gerhard Käser	5565
Computing and Organisation	Bruno Frutiger	5520	Radio Licences	Beat Scheidegger	5830
Logistics	Peter Lendenmann	5456	Market Surveillance and Law	Olivier Pauchard	5430
Radio and television					
Vice-Director and Head	Matthias Ramsauer	5510	Radio and television Licence Fees	Daniel Büttler	5445
Legal Affairs	Susanne Marxer Keller	5948	Frequency Management		
	Carole Winistorfer	5449	Head	Peter Pauli	5700
Finance and Statistics	Peter Marti	5544	Radio technology	Daniel Vergères	5720
Broadcasters	Marcel Regnotto	5535	Frequency Planning	Philippe Horisberger	5411
			Frequency Assignment	Konrad Vonlanthen	5583
			Radio Monitoring	Silvio Rubli	5730

LOCATIONS

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





CONTACT

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<http://www.ofcom.admin.ch/index.html?lang=en>

A map and directions to our location, Zukunftstrasse 44 in Biel can be found at
<http://www.bakom.admin.ch/org/adresse/index.html?lang=en>