Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Office of Communications OFCOM

Annual report 2010
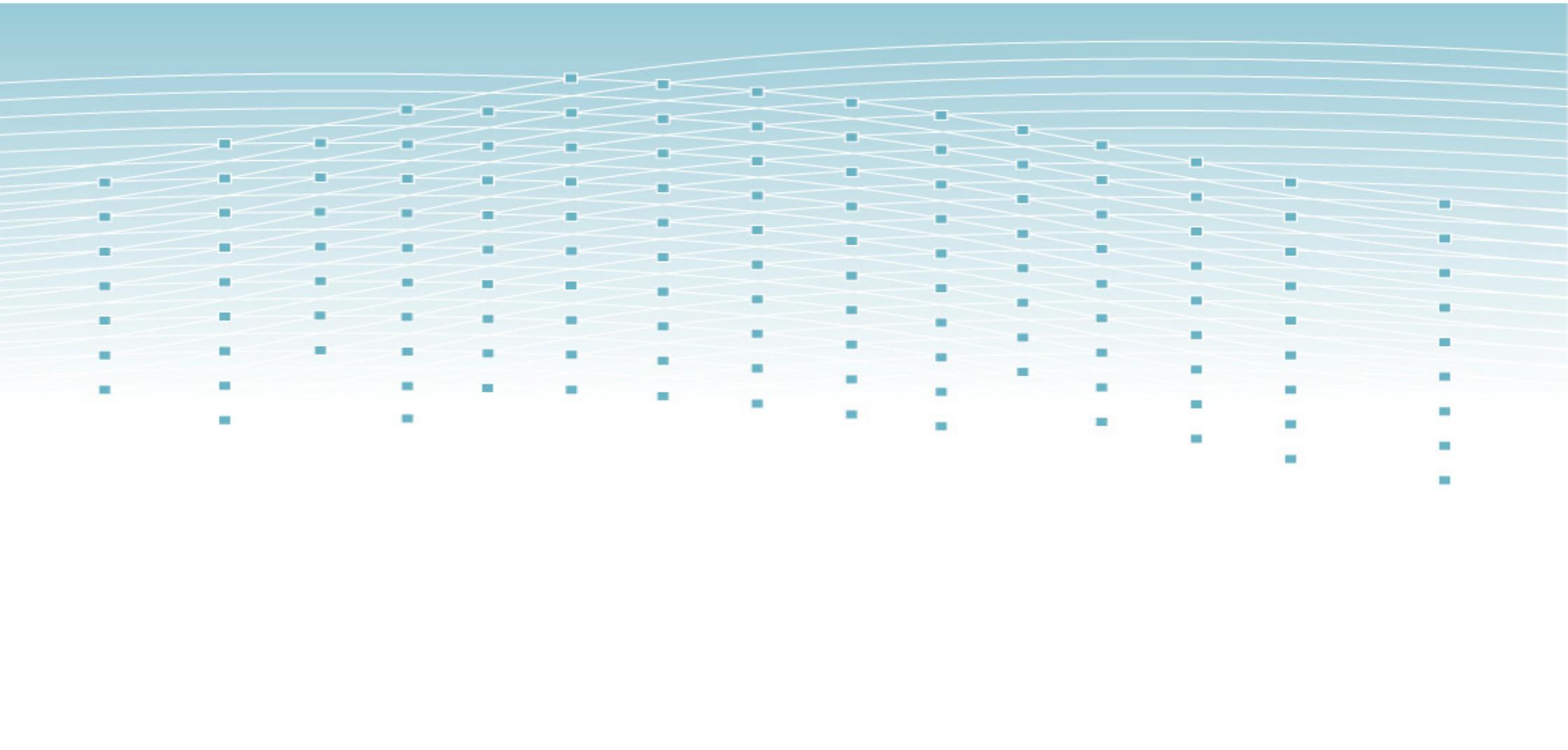
TABLE OF CONTENTS

EDITORIAL

In both the telecommunications and media sectors, questions are increasingly being posed which call for fundamental clarification. In accordance with a parliamentary mandate from last autumn, the Federal Council has analysed the telecommunications market and discussed the possible need to take action. The report has been drawn up within OFCOM. In 2011, the Federal Council will also submit a report on developments in the media, in fulfilment of a postulate from the National Council. In this context OFCOM has commissioned scientific studies and is currently engaged in evaluating the results and preparing the report.

The use of new technologies may sometimes be associated with unpleasant surprises for consumers. One instance is the use of mobile phones abroad or the purchase of devices on the internet or in other countries which can interfere with radio communications in Switzerland. To avoid unpleasant experiences, on 1 July regulations entered into force to improve transparency regarding roaming tariffs. OFCOM has also launched an information campaign to draw attention to the problems associated with the use of imported telecommunications equipment.

In the reporting year, the discussion about reception fees for radio and television has intensified. It sometimes creates the impression that the specific economic characteristics of the media landscape in Switzerland are being forgotten. For example, many people are apparently no longer aware that in the small Swiss markets, with their different languages, television in particular is not possible without substantial public funding. Out of 100 francs that are paid in fees in German-speaking Switzerland, almost 40 go to French-speaking or to Italian-speaking Switzerland. If we take only the proportion of fees paid for German-speaking Switzerland, these are lower than those paid in Germany or Austria, for example. The reception fees are an important contribution to solidarity, ensuring that all linguistic regions can be provided with the media services which are essential in a multi-lingual direct democracy.

Dumermuth Martin, Director

THE YEAR 2010 IN REVIEW

Chronology of major OFCOM, DETEC and ComCom decisions

14.12.2010 The Federal Communications Commission (ComCom) is again reducing the price for the unbundling of the last mile for the years 2009 and 2010, after this had already been reduced to a cost-based level in 2008. The price has been set at CHF 16.70 for the year 2010. Furthermore, ComCom is also reducing the prices for colocation and interconnection.

26.11.2010 ComCom launched the invitation to tender for the award of the currently free mobile radio frequencies and those which will become free in the future. On behalf of ComCom, OFCOM is responsible for preparing and holding the auction.

16.11.2010 Agencies of the Confederation and cantons – including OFCOM – have published a joint publication entitled "Stories from the internet - that no-one would like to live". The comic strips illustrate dangerous situations on the web and how they can be detected and avoided. The objective is to strengthen population's security and confidence in using information and communication technologies (ICT).

08.11.2010 In a letter to the Federal Council, ComCom welcomes the analysis and proposals contained in the Federal Council's evaluation report on the telecoms market. However, it cannot understand why the Federal Council has rejected selective amendments to the Telecommunications Act (TCA), despite its own proposals for action. To stimulate the market and provide better protection for consumers, ComCom is in favour of a revision of specific provisions of the TCA.

02.11.2010 OFCOM is highlighting the problem of radio interference caused by wireless devices purchased abroad or online. Buyers of devices such as cordless telephones, remote control units or baby monitors must ensure that labelling which indicates that the equipment is suitable for use in Switzerland is present.

26.10.2010 As part of the planned acquisition of Sunrise by CVC Capital Partners (CVC), ComCom has approved the commercial transfer of Sunrise's current mobile radio licences.

18.10.2010 The Federal Department of the Environment, Transport, Energy and Communication (DETEC) has licensed three new radio stations which will broadcast in future on DAB+ in French-speaking Switzerland. These are new offerings from Radio Rhône SA, Radio Fribourg/Freiburg SA and Soprodi Sàrl. The licences confer an entitlement to broadcast on the new DAB+ transmitter network but no entitlement to subsidies from the federal government.

13.10.2010 From 2011, bills for radio and television reception fees will no longer sent out quarterly but annually. The Federal Council adopted the corresponding implementing ordinance of the Radio and Television Act (RTA).

13.10.2010 The Federal Council granted the SRG authorisation to switch off the Sottens medium-wave transmitter in the canton of Vaud at the end of 2010. The Radio Suisse Romande "Option musique" programme service broadcast by the transmitter can be received throughout French-speaking Switzerland on DAB digital radio, via cable and via satellite. In addition, the Federal Council established the foundation in licensing law for a daily children's programme service on SF2.

12.10.2010 Switzerland will continue to sit on the Administrative Council of the International Telecommunication Union (ITU). It was re-elected on 11 October 2010, with the highest score in the group to which it belongs.

17.09.2010 The Federal Council adopted a report on the situation of the telecommunications market in Switzerland. It reaches a fundamentally positive conclusion, although there are some deficiencies,

which are recorded in the report. In light of the political uncertainties of a revision of the law, when it balanced the various factors it concluded that a revision of the Telecommunications Act cannot be proposed at present.

17.09.2010 Digital television viewers should be free to choose their set-top box. The Federal Council is recommending that parliament make appropriate revisions of the radio and television legislation.

15.09.2010 Regional television stations are fulfilling their performance mandates very differently. This is the result of a study by the University of Fribourg into thematic diversity, regional focus, topicality and diversity of opinion in the main news programmes of private television stations with a performance mandate.

26.08.2010 At its sixth Round Table, the players in the market discussed the work being done in Switzerland on extending optical fibre networks. The technical specifications are now available; it will soon be possible to gather initial experience of connecting customers via a common platform.

07.07.2010 What is the status of quality assurance in relation to private radio and television broadcasters and how are they fulfilling their performance mandate? What are the characteristics of the private radio and television programme services? OFCOM representatives and appointed researchers answered these questions at this year's media conference. The event also focussed on the Swiss telecommunications market and made comparisons with the countries of the European community.

OFCOM also described innovations in relation to consumer protection.

01.07.2010 The revised ordinance on the notification of prices enters into force: the mobile phone operators must inform their customers immediately of the maximum costs of using mobile phones abroad. In the case of Swiss SMS and MMS subscriptions, every message must include information on the code which customers can use to cancel the subscription.

18.06.2010 The Federal Council has decided not to increase the radio and television reception fees for the period 2011 to 2014. However, it recognizes the increased financial requirements of the SRG. These are to be met by savings within the SRG, liberalisation of advertising, efficiency gains in relation to fee collection as well as additional receipts as a result of an increase in the number of people paying fees.

05.05.2010 The association "Bilinguisme+" has awarded OFCOM the bilingual German-French label. This recognises OFCOM's efforts towards respectful communication with its contacts and between members of staff.

23.03.2010 In order to be able to evaluate the requirements of those interested in transmitting their TV programme services in digital quality in Switzerland, OFCOM is launching a public consultation.

12.03.2010 With the revision of the Radio and Television Ordinance (RTVO), the Federal Council

further improved the overall economic conditions for radio and television broadcasters by easing the conditions governing advertising and sponsorship and extending the possibilities of subsidies for investments in new technologies.

11.03.2010 ComCom is forcing Swisscom to offer its leased lines on the access network to all providers at cost-based prices. It has reduced the monthly wholesale prices for leased lines for the years 2007, 2008 and 2009 by up to 30%.

23.02.2010 The radio and television programme services of the SRG SSR idée suisse correlate very strongly to their own language region; there is hardly any reporting about the other language regions in Switzerland. This was revealed by the final reports on the scientific analysis of the SRG SSR's radio and television programme services.

10.02.2010 DETEC opened the public consultation on a change in the law that allows digital television viewers to use a set-top box of their choice.

09.02.2010 In terms of internet access from home, households in Switzerland favour high-speed connections on fixed networks. This was one of the findings of a survey of internet access and usage commissioned by OFCOM. The study also revealed that when it comes to choosing an operator the main criterion is service quality. Once a provider has been chosen, users generally remain loyal and are satisfied with the services provided. They enjoy excellent connections and use the internet intensively but relatively conventionally.

05.02.2010 The participants at the fifth Round Table on fibre-optic development discussed the models for cooperation which have recently arisen and took note of the progress in the discussions in the working groups which have been set up. The principles decided at previous round tables are being efficiently implemented in order to prevent duplication of infrastructure and to enable competition. One principle which is gaining acceptance is that the network operators will meet the FTTH installation costs for buildings, rather than their owners.

29.01.2010 DETEC awarded Tele Ostschweiz (TVO) and Radio Grischa a provisional regional television licence and FM licence respectively, with a performance mandate and a fee-splitting arrangement. These transitional licences remain valid until DETEC has re-assessed the previously awarded licences and they become legally binding. DETEC must carry out this re-assessment following a ruling by the Federal Administrative Court.

21.01.2010 The Federal Council is in favour of a new fee system to finance public service radio and television. In a report to parliament, it recommends the introduction of a universal fee for households and businesses. The new system would dispense with the existing issues of linking fees to the reception device. In addition, the costs of billing and collecting fees would be considerably reduced.

15.01.2010 DETEC approved the transfer of the FM licence from Music First Network AG (RMC Radio Züri) to Radio Z AG (Radio Energy Zürich).

14.01.2010 It is generally the municipal building authorities which issue construction permits for mobile telephone base stations. As part of their assessment, they must take into account many different interests. A new guide, entitled "Mobile radio for municipalities, towns and cities", provides practical assistance and also indicates ways in which municipalities can control the locations of new mobile radio antennas. Federal, cantonal, municipal and city authorities were all involved in drafting the guide.

01.01.2010 OFCOM has taken over the tasks of the Federal Inspectorate for Heavy Current Installations (ESTI) in the area of electromagnetic compatibility (EMC) of equipment and installations.

01.01.2010 Consumer protection is strengthened by an amendment to the relevant ordinance: mobile operators must inform their customers how they can find out about roaming tariffs and tariff options. Moreover, customers must confirm their subscription for SMS and MMS value-added services for each mobile phone and receive all relevant information on their mobile phone. In the case of value-added services, the telecom companies must indicate that the rates apply from the fixed network.

RADIO AND TELEVISION
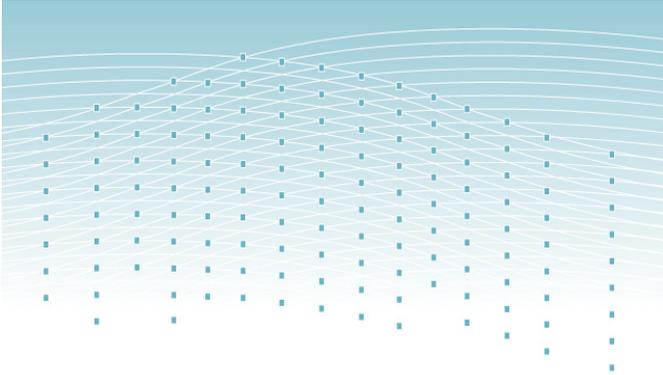
2010 was an eventful year both for the media industry and for our Division. In addition to the activities and events described below, this year we have performed some background work, of which the public are largely or completely unaware. For example, we have been reflecting intensely about possible and necessary amendments to the Radio and Television Act (RTVA). This work was initiated and is driven by the parliamentary mandate to reflect on a new concept for the system of radio and television reception fees. In this regard, a departure from the previous device-dependent licence fee to a levy which has to be paid by all households and businesses now seems to have become politically acceptable to a majority. In addition to the specification of this system, the definition of exceptions to the obligation to pay fees and the calculation of their financial repercussions in particular is very complicated.

Moreover, there is also a need for revision in other areas. For example, the ownership restriction on radio and television licences is obstructing the development of new technologies such as DAB for digital radio networks. Modification of the fee-splitting system is also essential because of the fee-splitting amounts which have been accrued and which cannot legally be paid out to local radio and television stations. In view of the stipulations imposed on the licensing procedures by the Federal Court, the legal licensing requirements must also be adapted.

Matthias Ramsauer, Vice Director and Head of Division

RADIO AND TELEVISION BROADCASTERS

Private broadcasters

In December 2009, the Federal Administrative Court (FAC) annulled the DETEC licensing decisions in three coverage areas and sent them back to DETEC for re-evaluation with a view to better clarification of the licensing requirements. The clarifications, which are to involve the Competition Commission (ComCo), are time-consuming, which is why the procedures were still pending at the end of 2010. However, in order to facilitate the spread of fee-financed public service programmes in these regions, in January DETEC issued a provisional licence to Radio Grischa and Tele Ostschweiz. In the third disputed area, Radio Argovia is continuing to transmit on the basis of its existing licence. In March, the FAC rejected the objection of Première Lune to the award of a licence to Radio-Region Arc Jurassien (Arc FM). In January, DETEC approved the transfer of the licence of Radio Monte Carlo (RMC) to Radio Energy Zurich.

In total, by the end of the year OFCOM had registered 129 programme services which were subject to the obligation to register (38 radio, 91 TV). By the end of 2010, the quality assurance systems of 45 licensed FM radio and regional TV stations were audited by external assessors for the first time. OFCOM has received the corresponding reports. They will be discussed in the annual meetings with the radio and TV broadcasters.

The Swiss Radio and Television Company (SRG)

On 18 May, the SRG board elected Roger de Weck as the new Director General. He assumes Armin Walpen's position from 1 January 2011.

The SRG will then have completed the structural and organisational prerequisites for the convergence of radio, television and online in all the linguistic regions. On 21 June, the board approved the merger of Schweizer Radio DRS und Schweizer Fernsehen to form the new company Schweizer Radio und Fernsehen (SRF) on 1 January 2011. At the same time it elected Rudolf Matter, the former editor in chief of SR DRS, as the director of SRF.

The Federal Council amended the SRG's licence on 13 October and authorised the SRG to switch off the Sottens medium-wave transmitter, in the canton of Vaud, at the end of the year. It also established a basis in licensing law for the SRF to broadcast a daily program for children on SF2 and to offer concurrent sporting events on SF info.

As one of her first official acts, the new head of DETEC, Swiss President Doris Leuthard, authorised the SRG to broadcast a new Italian-language regional radio journal in the canton of Graubunden.

Programme monitoring

Since 2008, OFCOM has arranged for the radio and television programme services of the SRG and the private radio and television stations which are subject to a performance mandate to be monitored by independent scientific institutions. The results of these investigations are presented to the public every year by OFCOM, at the summer media conference.

The summer media conference in 2010 was dominated by the results for the private radio stations in the cantons of Bern and Ticino and for all the private regional television stations subject to a performance mandate. There were some striking differences. Both private radio stations and private regional television stations subject to a performance mandate are obliged by their respective licences in their prime-time news programmes to broadcast up-to-date, relevant information in relation to politics, the economy, society and culture. This mandate is being implemented in different ways. For example, from OFCOM's viewpoint regional TV stations such as Tele Basel and Tele Ticino are fulfilling their mandates in an exemplary fashion, whereas the Aargau regional TV channel Tele M1 reports so-called "human touch" issues (accidents and crimes) with above-average frequency; this is not what the legislature or the licence require.

Financial supervision and statistics

As part of the Confederation's system of financial supervision of the SRG, OFCOM, on behalf of DETEC, has audited the annual accounts, budget

and financial planning of the SRG and addressed the recently introduced cost/benefit accounting system.

The SRG is largely financed through radio and television reception fees. The Federal Council determines the amount of licence fees, usually fixed for four years. When it does so, it takes into account the SRG's financial needs and the requirement to collect the fees, fee-splitting for the benefit of local radio and television stations, listener/viewer research and support for technology. The main area of work was the possible need for remedial action on the pension fund and the adequacy of the SRG's equity capital. The calculation of the expected revenue from fees – with the involvement of the parties concerned – was based on a newly developed forecasting tool, which had enabled a more accurate assessment of the evolution of fee-paying households and businesses. In view of the expected increase in fee-payers and the cost saving due to the switch to an annual bill from 2011 onwards, the Federal Council has decided not to increase the fee.

In the context of financial supervision of the private radio and television stations, OFCOM has conducted five on-site audits and completed one audit from the previous year. Because of the shortcomings identified, OFCOM has to bill a total of CHF 22,000 in additional license levies, which will eventually be used for media research, technology promotion and archiving. It should be noted that numerous shortcomings in accounting between associated and/or related companies were found during these audits.

LAW AND SURVEILLANCE (R)

Legislation
On 1 April 2010, the advertising and sponsorship provisions in the radio and television ordinance were relaxed for private broadcasters, to prevent inequality of treatment compared to broadcasters in neighbouring countries. In the case of sponsor references, some new additional advertising is possible, but as previously, no advertising messages may be placed in the transmissions themselves. In relation to product placement, the (more stringent) declaration rules of the EU have been adopted.

On 1 January 2011, the SRG's advertising options were also extended (commercial breaks, duration of advertising), after the Federal Council decided not to increase the licence fees in summer 2010. A decision is still pending on enhanced advertising opportunities for the SRG in its online service offerings.

The Federal Council submitted draft legislation to Parliament to guarantee the free choice of set-top boxes for receiving digital television programme services. The reason for this was the motion of Councillor Simonetta Sommaruga of the Commission on Transport and Telecommunications of the National Council (CTT-N), passed on by parliament in 2009. The Council of States as the first chamber did not espouse the proposal, because from today's perspective there is no longer any need for regulation.

Surveillance
As in previous years, information from OFCOM on advertising and sponsorship constituted an important part of the activities. We provided information in about 800 cases. As a result of liberalised advertising and sponsorship rules, which were laid down in the new OFCOM advertising and sponsorship guidelines, there was a significant decline in cases of surveillance.

OFCOM approved applications from two private television channels for the free connection of their programs to different cable networks. Objections to both decisions are still pending with the Federal Administrative Court.

In a procedure concerning the SRG's other editorial products (its online presence), OFCOM considered itself to be the competent supervisor - because no other authority appears to have competency in this area. This

decision is also pending with the Federal Administrative Court.

DIGITISATION

On 22 December, the Federal Council adopted the directive for the use of radio frequencies, thereby replacing the former VHF/UHF directive of 2 May 2007. This gives DETEC the possibility of releasing frequencies from the entire frequency spectrum for analogue or digital use.

In French-speaking Switzerland, the establishment of a second digital radio platform (DAB+) came a step closer: on 14 October, DETEC awarded three so-called broadcasters' licences with access rights to this platform. The radio licence for its operation is expected to be awarded in the first quarter of 2011. Thanks to sufficient spectrum resources, multiple new DAB+ platforms are also conceivable.

After the Federal Council established the legal basis in November 2009 for licensed local FM radio stations to broadcast their own additional programme services and an external radio programme service digitally on their analogue VHF frequencies, a project along these lines failed in the launch phase: HD Radio lacked the necessary backing from the private radio sector, even though the technical trials in central Switzerland had been successful.

The SRG has added to its digital distribution networks for radio (T-DAB) and television (DVB T) with additional transmitter sites, thereby expanding the areas covered and improving reception quality.

TELECOMMUNICATIONS
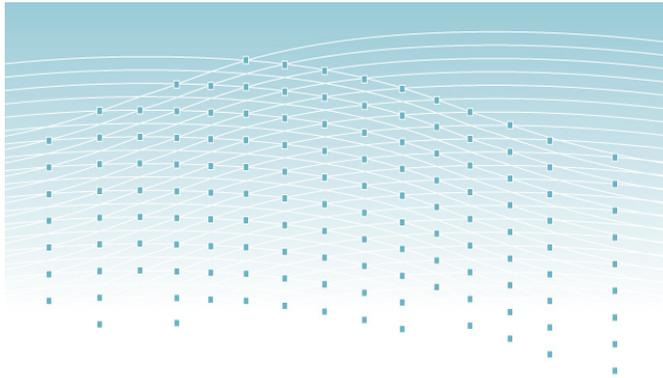
On 1 January 2010, the revised Telecommunications Services Ordinance (TSO) entered into force; it provides for better protection of consumers. For example, the telecom companies must inform their customers of the maximum cost of a call when they use their mobile phone abroad.

In addition, OFCOM prepared a report on the telecommunications market for the attention of the Federal Council and Parliament. In the report, the Federal Council reached a positive conclusion but did note several deficiencies in the Swiss telecommunications market. To remedy them, a revision of the Telecommunications Act would be necessary in most cases. Overall, the Federal Council came to the conclusion that the deficiencies are not sufficiently serious at this stage to justify a revision of the law which would be fraught with uncertainties. The Federal Council will monitor future developments closely and take any necessary measures.

The Federal Communications Commission (ComCom) has invited tenders for the mobile radio licences which are to be awarded by 2014. The corresponding frequencies will be awarded by auction. In the reporting year, ComCom has also organised round table discussions on "Fibre to the Home" (FTTH) in Switzerland, at which the main players discussed further aspects of the expansion of optical fibre access networks.

Philipp Metzger, Vice Director and Head of Division

TELECOM SERVICES MARKET

The fixed network telephony market continued its slight contraction in 2010 as was evidenced by the falling number of fixed network connections. Charges for calls to the fixed network remained at the level of the previous year.

The number of mobile telephone contracts increased, with the total concluded at the end of 2010 standing at 9.75 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 decreased slightly in 2010.

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 2010 was over 2.9 million. Broadband prices remained unchanged.

At the end of 2010, the Federal Statistical Office's overall price index for telecommunications services stood at around 53.2 (base year = 1998). This means that charges for telecommunications services have decreased by over 46% since the market was liberalised in 1998.

Numbers of subscribers (31.12.2010)
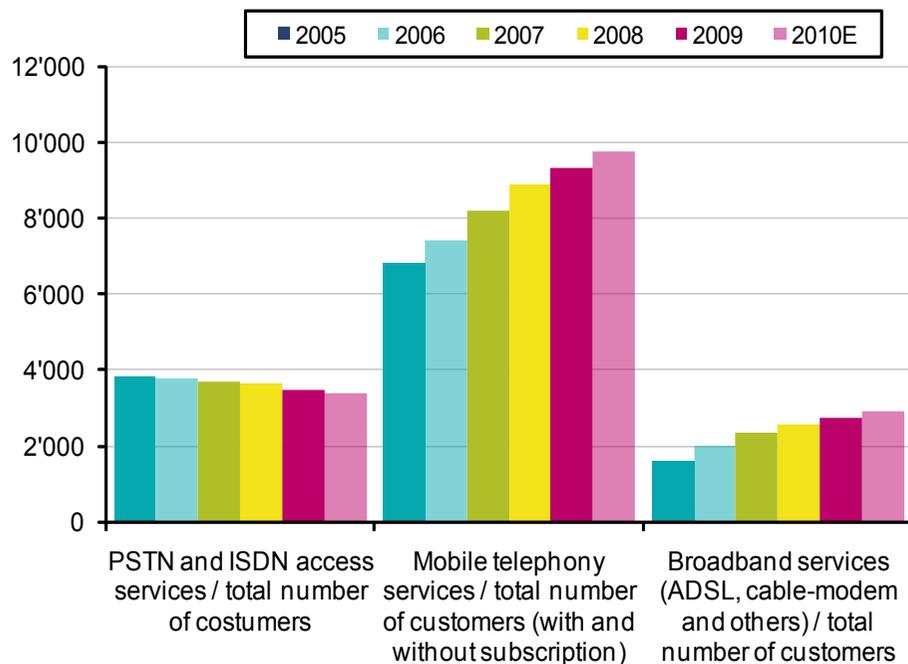
Source: OFCOM, E = Estimates

Price index for telecommunication services and consumer price index for telecommunication services (fixed telephony, mobile telephony and internet access)

- - - Price index for an average fixed telephone user
- - - Price index for an average mobile telephone user
- - - Price index for an average user of broadband services
─── Consumer price index for telecommunication services (fixed telephony, mobile telephony and internet access)
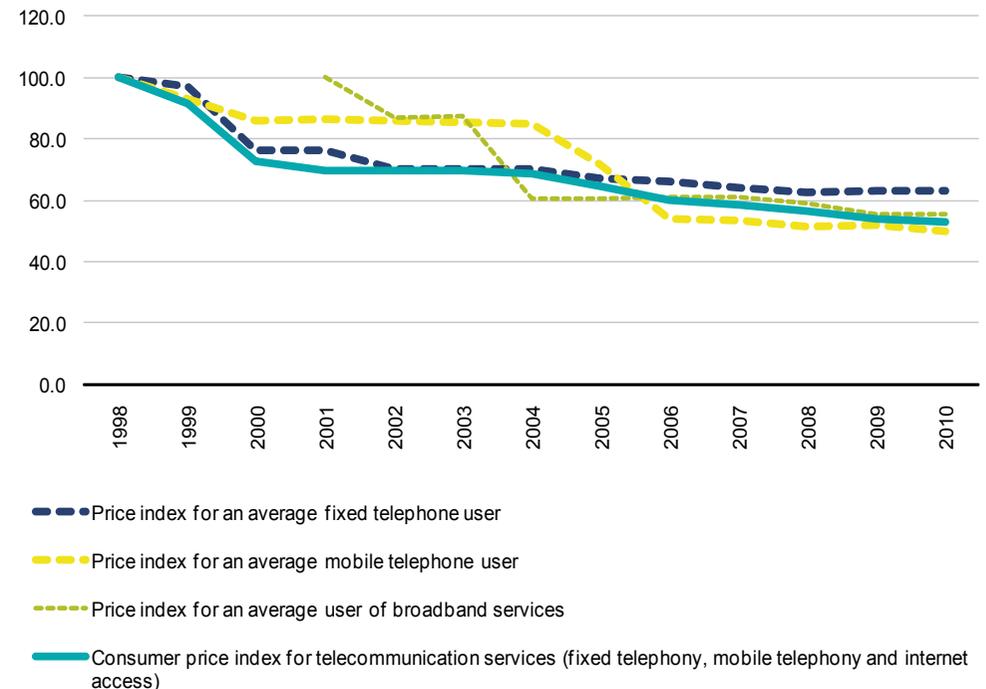
Source: OFCOM / Swiss Federal Statistical Office

MARKET ACCESS AND THE UNIVERSAL SERVICE

Telecommunications Service providers obliged to register

In 2010, new regulations concerning the registration obligation for telecommunications service providers entered into force. For example, pure cable-TV providers with fewer than 5000 customers were exempted from the registration requirement. In addition, we have revised the registration form with details of the service categories. The latest figures, according to new service categories, are as follows:

Ref.	Service category	2010
1.a	Telephone service via fixed-network connections	167
1.b	Telephone service nomadically accessible via Internet	146
1.c	Telephone service via terrestrial mobile networks	51
1.d	Telephone service via satellite mobile networks	9
1.e	Telephone service via access number (two-step dialing)	35
2	Transmission of radio/TV programme services	145
3	Internet access	243
4.a	Constant bitrate transmission capacity	139
4.b	Variable bitrate transmission capacity	211
5.a	SMS/MMS services	86
5.b	Hosting of individual numbers and/or short numbers	35
5.c	Other services	118

The number of providers subject to registration in the category of "Transmission of radio/TV programme services" fell from 352 to 137 in the 2009/10 period as a result of the exemption provision; during 2010 it went up again by 8, to 145 companies. Overall, 48 providers were newly registered, and in the same period 62 were de-registered. The higher number of de-registered companies does not necessarily mean a higher number of companies leaving the market. Rather, many providers – mainly inactive ones – decided to have their company removed from the list. There is also a definite trend to offer telephone services over the internet (Voice over Internet Protocol - VoIP); this service category now includes 146 providers (previous year: 63).

Universal service

The services forming part of the universal service have remained unchanged. As the following statistics show, more public telephone boxes have been taken out of service, with the permission of the Federal Communications Commission. This is primarily a result of the amendment to the Telecommunications Services Ordinance, according to which municipalities may elect to dispense with previously mandatory locations for public telephone boxes:

Telephone box statistics	2008	2009	2010
Telephone box locations in muncipalities in accordance with the universal service	4833	4813	4437
Telephone boxes on motorways	30	30	N/A
Communities without universal service telephone boxes	260	237	332

Since the public telephones on motorways are not part of the universal service, they are no longer listed in the licence.

The provision of broadband connections continued to increase; in particular, the coverage of VDSL-enabled connections increased from 75% to 80%. "Very High Speed Digital Subscriber Line" (VDSL), as the name says, provides very high speed broadband access. Consequently, a large number of consumers are now able to benefit from bandwidths in excess of 5000kbit/s, well above the required minimum universal service bandwidths of 600/100kbit/s. The two-way satellite solution offered under the universal service in areas where it is difficult to provide coverage is still only sparsely used; at the end of 2010, 1713 customers were being provided with broadband internet via satellite.

The annual report on the quality of the universal service confirms that Swisscom met or exceeded all targets.

Mobile radio licences
On behalf of ComCom, OFCOM prepared the invitation to tender for the award of currently free mobile radio frequencies and those which will become free in the foreseeable future. On 26 November 2010, bids were invited for the frequencies in the GSM and UMTS bands (900 MHz, 1800 MHz, 2100 MHz and 2600 MHz) and the so-called "digital dividend" frequencies, in the frequency band from 790 to 862 MHz. As regards the award procedure, ComCom has chosen a "combinatorial clock auction". The auction will be held in the course of 2011.

Broadcasting of television programme services via DVB-T
On the basis of various requests for the use of frequencies for digital regional broadcasting of television programme services via DVB-T (Digital Video Broadcasting-Terrestrial), we conducted a public consultation in the spring of 2010. This indicated that there is wide and concrete interest in DVB-T frequencies. In the Zurich area in particular there is high demand. On the basis of the results of the consultation, ComCom will decide in early 2011 on the future procedure for awarding the corresponding frequencies.

Multimedia services via radio: DVB-H
DVB-H (Digital Video Broadcasting - Handheld) enables multimedia services to be received, e.g. on mobile telephones. Following a request from Swisscom Broadcast, ComCom amended the corresponding licence: due to the low demand, Swisscom Broadcast is no longer required to maintain operation of the DVB-H network. However, it must continue to provide an offer to other telecom companies and must be able to put the network back into service within two months if there is a demand. If the network is not used by the end of 2012, the licence will end.

Network access
In March, ComCom set out the conditions for access to leased lines. Prices have therefore been set for all forms of access, with the exception of fast bitstream access. In December, ComCom concluded the procedures initiated in the previous year relating to interconnection, fully unbundled access to the local loop and the shared use of resources at the main distribution frame (co-location). No new fundamental issues were to be decided in these procedures. Rather, they involved the consistent implementation and detailed refinement of the methodology developed for the pricing decisions.

The applications submitted in 2009 and during 2010 for the setting of mobile termination prices were overtaken by events and required no decision, because in the meantime the providers concerned agreed on prices and withdrew the applications. Mobile termination charges are used by the telecom companies to compensate the costs of the external networks which are incurred when a call is made.

ComCom has been busier with related appeal procedures than with the above procedures. In early February, the Federal Administrative Court issued its rulings concerning the complaints lodged against ComCom decisions from 2008 relating to interconnection, full access to the local loop and co-location. The Federal Administrative Court, unlike ComCom, decreed that these access decisions do not directly affect other providers who are not involved in the procedures. The court held, however, that the ban on discrimination enshrined in the Telecommunications Act requires equal conditions for all telecommunications

service providers – even retroactively. However, non-discrimination and any claims for compensation against the market-dominant provider must be pursued in the civil courts. The decisions on leased lines and access to cable ducts taken in the previous year were also contested. For the most part, decisions have not yet been taken on the corresponding appeal procedures. In the case of leased lines, fundamental questions relating to market dominance and to the extent of the obligation to grant access remain unanswered. Furthermore, the method of cost calculation is once again in dispute.

The number of current access procedures decreased significantly in the reporting year. Apart from three suspended procedures, only one procedure was still pending at the end of the year. It is not possible to state with any certainty whether this trend will continue. Much will depend on the outcome of the current appeal procedures as to whether the alternative providers will accept the access prices which Swisscom has offered for the year 2011.

NUMBERING AND ADDRESSING

Telephone numbers for machine-to-machine (M2M) communication

Applications for M2M communications (such as smart metering, i.e. remote meter reading, fleet monitoring, tablet PCs, etc.) are expected to enjoy huge growth. In the vast majority of cases, the mobile networks, and therefore mobile phone numbers, will be used to make calls to all these terminal devices. A CEPT working group of European numbering plan administrators produced a report this year and, on the basis of model calculations for several countries, forecast that there might be a shortage of mobile telephone numbers. In the Swiss numbering plan, sufficient reserves to meet the needs of M2M applications can be provided. In addition, since 2002 it has been possible to use the number ranges beginning with the digit "0" and "1" after the dialling code. These number ranges were previously blocked because of local dialling. In 2010 OFCOM assigned such blocks of numbers for the first time; these numbers are primarily being used for

mobile terminals for data traffic (M2M applications such as e-books, USB modems, etc.).

Short numbers

Nine holders of 18xy short numbers share the market for directory enquiries information. With reference to the 116xyz short numbers for services harmonised at the European level, only the 116111 number has been put into service by Pro Juventute, in parallel with the 147 number. The Helping Hand organisation, for its part, returned the 116123 number, which had been allocated to it in 2009.

Barring of a domain name when abuse is suspected

OFCOM has recognised MELANI, the Reporting and Analysis Centre for Information Security, as the body responsible for combating cybercrime; it is authorised to demand the immediate barring of a ".ch" domain name by the SWITCH registry.

This possibility of intervention, based on art. 14f bis of the Ordinance on Addressing Resources in the Telecommunications Sector, is, however, limited to the names of domains suspected of being used for phishing and propagating malware. The holder of a name affected by a barring measure must, however, be informed immediately and may demand that the Federal Office of Police (fedpol) takes a decision which can be appealed as far as the Federal Court.

CONSUMER PROTECTION AND OVERSIGHT

Consumer complaints and procedures against providers of value-added services

The number of telecom-related consumer complaints lodged with OFCOM fell slightly compared to 2009. The large majority of complaints, as in the previous year, concerned telephone marketing and spam originating both in Switzerland and from abroad.

Furthermore, this year we had to initiate 213 number revocation procedures against holders of value-added service numbers. This is around 70% more number revocation procedures than the previous year, because the price notification requirements were not being met. In the frequent case of publication of 090x numbers it was often not mentioned that the price related to calls from landlines. The relevant provision has been in force since 1 July 2010.

THE INFORMATION SOCIETY IN SWITZERLAND

The Federal Council's strategy for an information society in Switzerland is being implemented within the federal administration in a decentralised manner. Up to the end of 2011, the Interdepartmental Information Society Committee (IISC) has a mandate to coordinate implementation under the chairmanship of OFCOM. The Information Society Coordination Office, based within OFCOM, supports the IISC in this task.

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

KEY AREAS IN 2010

In December 2008 the Federal Council set out new priorities for the implementation of its strategy for an information society in Switzerland. In this context, it instructed DETEC to draw up a concept on "Security and confidence in the use of information and communication technologies (ICT)" and a report on "ICT and sustainable development". In addition, it gave an instruction to continue promoting digital integration (e-Inclusion) and ordered the production of a "Report on securing the legal foundations for the information society".

Detailed information on implementation of the Federal Council's strategy for an information society in Switzerland is provided in the IISC's annual report for 2010:
http://www.bakom.admin.ch/themen/infosociety/00695/01729/index.html?lang=en.

The IISC's mandate is limited to successive periods of three years. With reference to the end of its mandate period in 2011, in 2010 the IISC therefore began to evaluate the implementation of the information society strategy and to identify areas where there is a need for future action in Switzerland. This work will be continued and intensified in 2011.

ACTIVITIES OF THE INFORMATION SOCIETY COORDI-NATION OFFICE

With regard to the Federal Council's directives to DETEC, the following reports were submitted to the Federal Council in 2010:

- External experts' report on "ICT and sustainable development in Switzerland": http://www.bakom.admin.ch/themen/infosociety/03451/index.html?lang=en.

Implementation of possible measures will take place within the framework of the revision of the "sustainable development" strategy: http://www.are.admin.ch/themen/nachhaltig/00262/00528/index.html?lang=en.

- Basic report and concept relating to "Security and confidence concerning raising the awareness of the population and SMEs with a view to safety-conscious, legally compliant use of ICT". http://www.bakom.admin.ch/themen/infosociety/01691/01710/index.html?lang=en.
As part of the implementation of the "Security and confidence" concept, the publication entitled "Stories from the internet – that no-one wants to experience" was produced. The comic strips illustrate hazardous situations on the web and how they can be recognised and avoided: http://www.storiesfromtheinternet.ch/.
As a further measure, the Information Society Coordination Office drew up the checklist entitled "SMEs' online presence". This provides support for SMEs on building a secure and trustworthy internet presence: http://www.kmu.admin.ch/publikationen/02143/index.html?lang=de (only available in German, French and Italian).

- Report entitled "Securing the legal foundations for the information society": http://www.bakom.admin.ch/themen/infosociety/01689/03487/index.html?lang=de (only available in German, French and Italian)
The work will continue under the aegis of the Federal Office for Justice.

In conjunction with the Access for All foundation, the Federal Chancellery, the Swiss Post Office and Swisscom AG, the Coordination Office drafted and published an "Accessibility Checklist" for barrier-free website design. http://www.ch.ch/hilfe/02164/index.html?lang=en

In addition, in conjunction with the State Secretariat for Economic Affairs (SECO), the Coordination Office organised a seminar in November 2010 on "Basic ICT skills for the workplace": http://www.bakom.admin.ch/themen/infosociety/02104/03514/index.html?lang=en.
(See also "Information society and internet governance", p. 32)

SURVEILLANCE AND RADIOCOMMUNICATION LICENCES
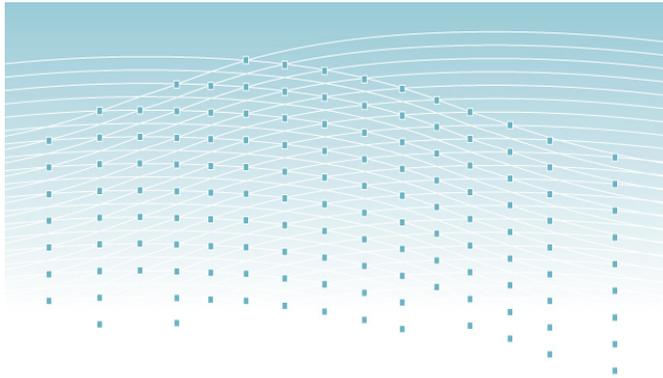
Throughout 2010, OFCOM placed special emphasis on educating consumers, to alert them to the problem of interferences caused by some telecommunications equipment. Our Office has in fact observed an increase in interference affecting the mobile telephone networks. At the root of this problem are cordless telephones from North America which operate on frequencies other than those prescribed in Europe. Interference can also be caused by remote controls, baby monitors, wireless microphones, etc. OFCOM provides practical information on its website and advises consumers to beware before they buy equipment abroad or on the internet.

The Federal Council has decided to change the billing method for the fee for radio and television reception in order to reduce the costs of collection and thus avoid an increase in the fee. From 1 January 2011, this fee will be billed annually rather than quarterly. Persons wishing to retain quarterly billing will be able to apply to Billag AG, but will incur the additional costs associated with some methods of payment. OFCOM and Billag AG have drawn up the essential information relating to this change.

Véronique Gigon, Deputy Director and Head of Division

ELECTROMAGNETIC COMPATIBILITY OF ELECTRICAL EQUIPMENT AND INSTALLATIONS

Amendments to the legislation

From 1st January 2010, OFCOM is the federal office responsible for the electromagnetic compatibility of electrical equipment and installations. This year has been used to set up and consolidate the various processes associated with these new tasks. We have carried out checks on the market and placed a special emphasis on informing the stakeholders, among other things by organising information days.

OFCOM is also monitoring the work on the revision of the European regulatory framework in this area, which is expected to enter into force by 2012.
(See also "EMC ElectroMagnetic Compatibility", p. 28)

TELECOMMUNICATIONS EQUIPMENT

Amendments to the legislation

In 2010, OFCOM actively contributed to the revision of the European regulatory framework relating to telecommunications equipment by participating in various working groups. It is hoped that this revision will resolve certain problems identified in the current legislation and harmonise these provisions with the new regulatory framework for the marketing of products which entered into force within the European Community on 1 January 2010. Among other things, this harmonisation will allow simplification of the requirements for products subject to several legislations, such as toys, medical implants, home automation products, etc. It will also strengthen collaboration between the different national market surveillance authorities. The revised legislation relating to telecommunications equipment will enter into force in 2012 at the earliest.

Notifications

In 2010, OFCOM processed 730 notifications of radio equipment; this represents a drop of 25% from the previous year. This decrease is explained mainly by the reduction in the number of notifications for equipment exempted from this procedure and which people were still notifying in the past, such as RLANs (equipment for wireless data transmission networks), and remote controls for toys in certain frequency bands. Ten percent of the notified items of equipment are subject to restrictions on use in Switzerland because they use frequencies not assigned to them.

Number of notifications of radiocommunication
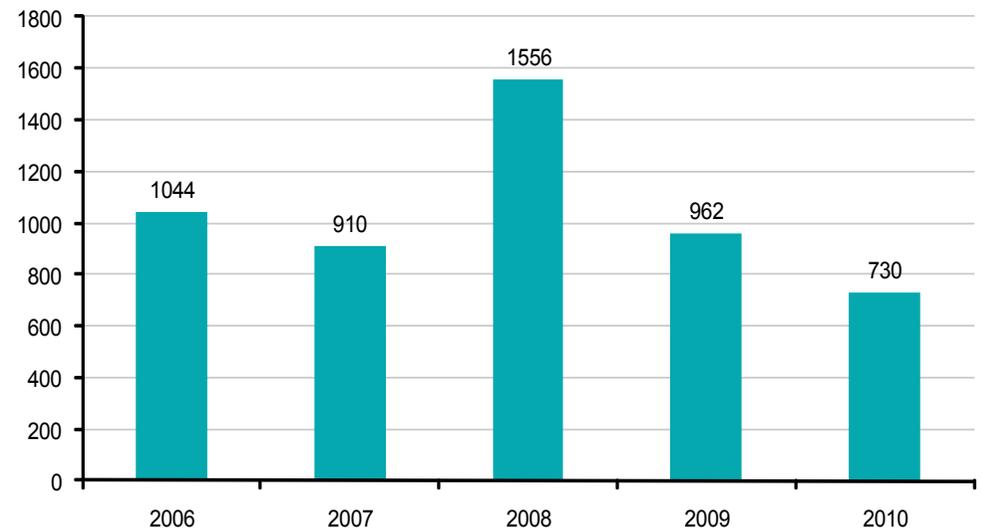
Market observation

In 2010, 59 new companies active in the field of marketing of telecommunications equipment and five specialist exhibitions were visited by an OFCOM official. In this way, OFCOM was able to provide targeted information and add to its database of telecommunications equipment importers which now stands at 960 companies.

RADIOCOMMUNICATION LICENCES

The trends in licences in the professional sector (mobile radio) have evolved differently depending on the application. For example, licences for the use of frequencies to be used in a particular domain by an unlimited number of licensees have increased significantly. In contrast, licences for the use of frequencies to be used in a particular domain by a limited number of licensees have fallen slightly. With the increasing expansion of the POLYCOM national safety network, the number of licences needed to use this radio network has also increased.

Overall, in the category of "mobile radio" and once again in the categories of "ocean-going and Rhine vessels" and "amateur radio" we have noted a slight increase in numbers. The increase in "amateur radio" in the reporting year is mainly attributable to the entry-level (HB3) licences.

The continuing decline in the "citizens' band" and "paging systems" categories has been confirmed once again.

In the "aeronautical mobile radio" category we have also seen declining numbers.

Number of radio licences

Legend: Mobile radio*, Maritime and Rhine ships, Aeronautical mobile stations, Amateur radio, Personal call devices, Citizens' band (CB)
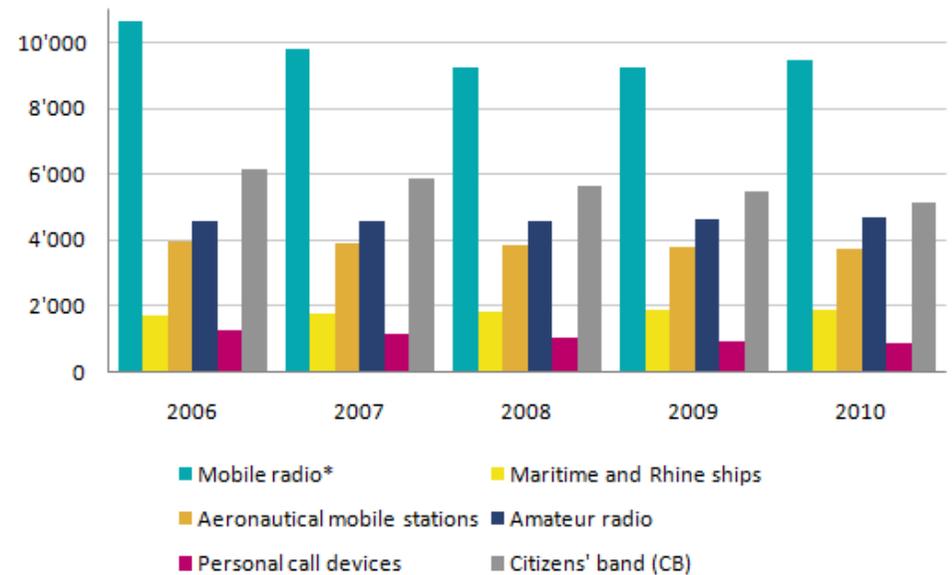
(*formerly professional radio)

Registration of Beacons (PLB)

PLBs are small, portable transmitters which can be activated in an emergency situation to transmit distress signals. As expected, the registration of these PLBs in the reporting year declined slightly compared to the previous year.

www.ebakom.admin.ch.; a one-stop shop

OFCOM's online offering is constantly evolving; for example, in the reporting year we also expanded the one-stop shop. We recommend to our clients that - whenever possible - they should use this online service; it is enjoying increasing

attention and use. Applications by candidates for the 2010 amateur radio examination were almost exclusively submitted online.

We shall be bringing further services online throughout 2011.

• www.ebakom.admin.ch
  https://www.eofcom.admin.ch/eofcom/public/welcome.do

Radio operators' examinations

In the reporting year, the number of candidates for all types of examinations rose once again. In all, 916 candidates passed the radio operators' examination required according to international standards.

Number of radio examination

Legend: Amateur radio, LRC, SRC, Inland navigation
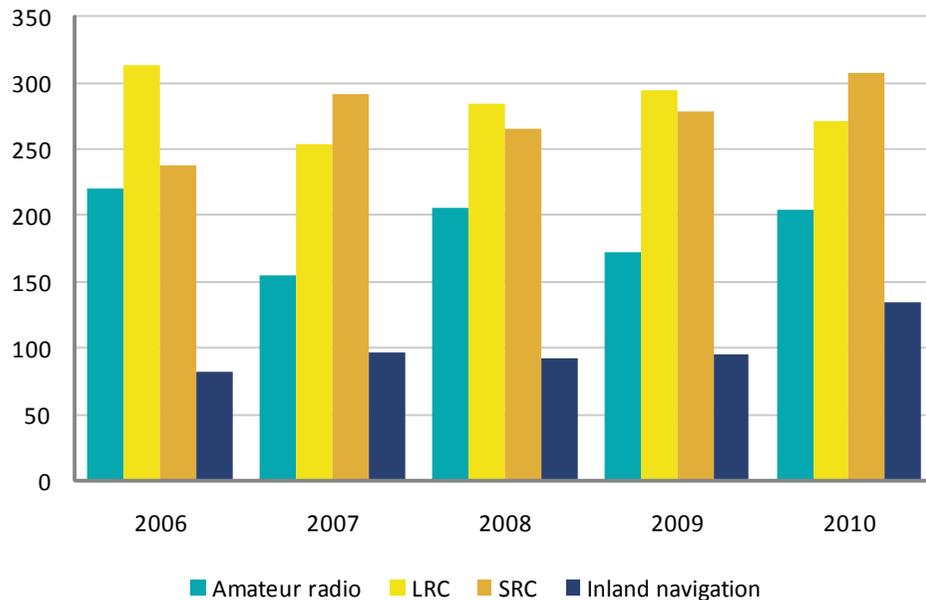
SURVEILLANCE OF THE MARKET FOR TELECOMMUNICATIONS EQUIPMENT AND PREVENTION MEASURES

Surveillance of telecommunications equipment

According to the performance mandate imposed by the Federal Council, the surveillance activities must include a sufficient annual number of control and prevention measures.

In 2010, 116 of the 117 types of mobile phone imported from China which were inspected by OFCOM did not meet the requirements for placing them on the market. This result confirms the trend already observed in 2009. These devices are sold in Switzerland through internet auction sites. In this area, OFCOM is continuing to educate the market, notably via the consumer organisations.

• **Warning, interfering DECT equipment on the rise!**

• **Beware of non-compliant mobile telephones**

• **Beware of non-compliant remote-controlled toys**

Only 7% of all the telecommunications equipment inspected by OFCOM in 2010 met the applicable requirements (12% in 2009). The declaration of conformity, technical documentation, marking and essential requirements (technical conformity) remain the most frequent causes of non-compliance. Non-compliance with the declaration of conformity, marking and the essential requirements increased by 10% from the previous year. Since OFCOM does not have the resources which would be needed for systematic checks on the market, it focuses its activities on monitoring the problem areas. This explains the high rate of non-compliance, which is not representative of the actual rate of conformity of the market.

Most frequent non-conformity rates among equipment inspected

Total: Compliant 7%, Not compliant 93%
Declaration of conformity: Compliant 23%, Not compliant 77%
Technical documentation: Compliant 31%, Not compliant 69%
Markings (Category identifier, serial number): Compliant 37%, Not compliant 63%
Essential requirements (compliance with standards): Compliant 46%, Not compliant 54%
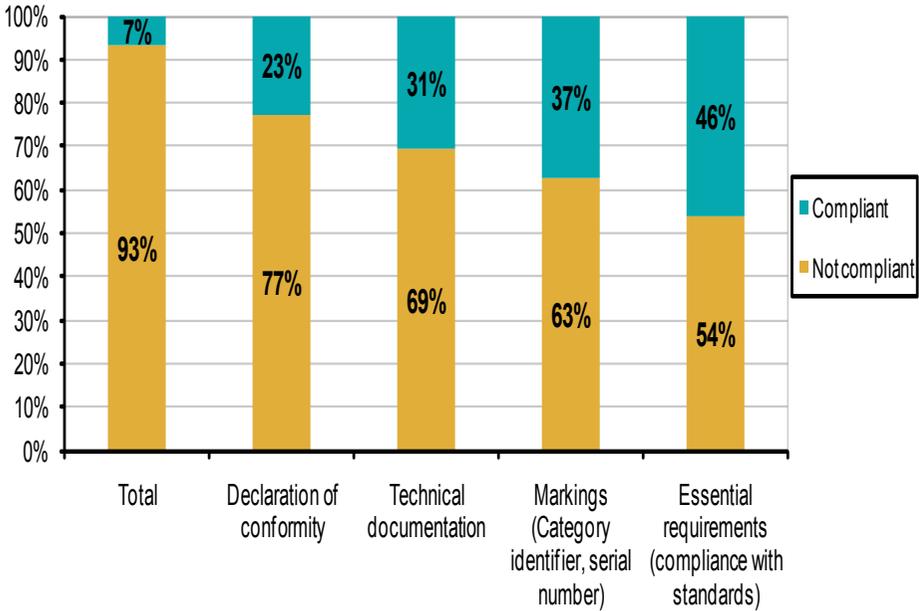
Administrative procedures relating to equipment

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

Year	Initiated	Completed	Inspected
2006	227	245	226
2007	278	276	241
2008	272	247	248
2009	181	178	233
2010	197	202	244
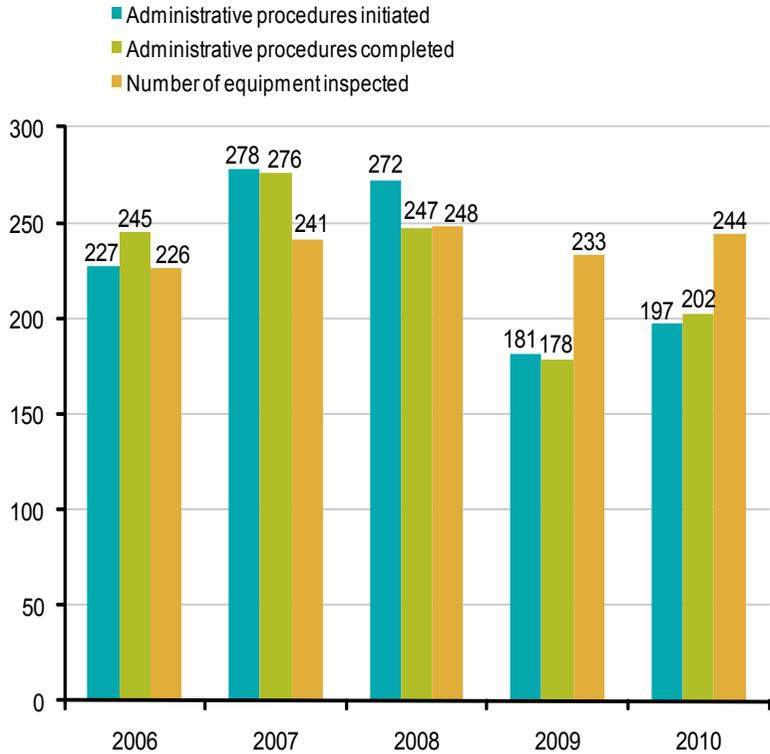
OFCOM's involvement in the area of market surveillance of telecommunications equipment at the international level increased in 2010. In fact, OFCOM assumed the presidency of the European Community's Cooperation Group relating to telecommunications equipment (ADCO R&TTE), which deals, among other things, with collaboration between the different national market surveillance authorities. OFCOM will undertake to promote information sharing in order to enhance the effectiveness of market surveillance.

Preventive measures (e.g. information)

In terms of prevention, OFCOM placed special emphasis on informing the general public (press conferences, information on our website and various articles relayed by consumer organisations) to warn consumers about the risks of buying radiocommunication equipment abroad or on the internet, especially cordless phones. The campaign follows an increasing number of cases of disruption of mobile phone networks by cordless phones intended for the U.S. and Asian markets and elsewhere.

SURVEILLANCE, FREQUENCY UTILISATION AND PREVENTIVE MEASURES

Licence checks

The performance mandate imposed by the Federal Council envisages that in relation to "Licence checks", surveillance will be ensured by means of a sufficient number of targeted inspection and prevention measures each year. In 2010, we checked a total of 241 licences (previous year: 310) on site, including, in accordance with a list of priorities, mainly those licences which had not

Results of licence inspections

- Licences in order
- Licences requiring modification
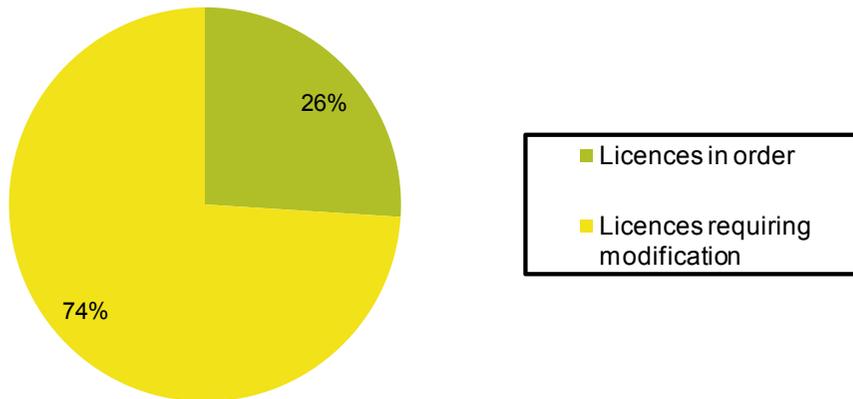
changed in five years. The high number of 74% complaints was practically unchanged from the previous year (75%). More serious infringements, such as the use of additional radio frequencies which are not stipulated in the licence were pursued within the framework of 49 procedures (79 in the previous year).

Other checks on utilisation of frequencies

In 2010, 275 inspections (previous year: 280) were carried out of equipment which was operated without a licence or which was non-compliant. The corresponding 216 procedures (previous year: 172) meant there was a net increase of 209 new licences (previous year: 110).

Preventive measures (e.g. information)

In the context of information operations, the emphasis was on the "wireless microphones" and "professional mobile radio" (PMR) categories in particular. In addition, an information sheet on radiocommunication licences was produced for the customs authorities for handing out to travellers.

SURVEILLANCE AND COLLECTION OF RADIO AND TELEVISION RECEPTION FEES

Surveillance and collection of reception fees

As in the previous year, in 2010 there were many parliamentary initiatives relating to the obligation to pay fees. This had an impact on the number of enquiries from citizens. We replied to significantly more enquiries than in the previous year with 421 letters.

In connection with the campaign by the main Swiss association of small and medium-sized enterprises, which is campaigning against radio and television reception fees for businesses, we answered 413 enquiries from companies.

Probably the greatest challenge was to prepare for the introduction of annual billing for radio and television reception fees by means of regulatory and organisational activity. Thus, in the course of the year several articles of the Radio and Television Ordinance (RTVO) were amended. From January 2011, annual billing will be introduced gradually by Billag AG.

- **Billag: annual billing**
  http://www.bakom.admin.ch/themen/radio_tv/00630/01618/index.html?lang=en
  (See also "Financial supervision and statistics", p. 8)

Complaints against Billag AG decisions

This year complaints against Billag AG decisions were stable, at around 60 per month. At the end of 2010, 410 complaints were pending, of which some 14% are debt collection procedures. The remaining 86% of the complaints are mainly about legal issues relating to registrations, de-registrations or exemption from fees. In 2010 we judged 711 complaints procedures; 8% of them were upheld.

Twenty-four decisions on complaints were taken to the Federal Administrative Court. In one case, the Federal Administrative Court partially reversed OFCOM's decision. In the other 23 procedures, the higher court confirmed the decisions of OFCOM. Three decisions of the Federal Administrative Court were taken to appeal at the supreme Federal Court. None of them were upheld.

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

In 2010, we concluded 1695 administrative penalty procedures for violations of the obligation to register and pay fees. The number of procedures was therefore lower than last year. Willingness to participate in the process decreased significantly. With that, the workload of a procedure was greater. As before, it was possible to deal with the majority of cases, i.e. 1342, using the short procedure. These procedures are simpler for customers. Using the regular

procedure we had to issue 97 penalties; in one case, transfer to a cantonal court was requested.

Criminal administrative procedures

Year	Investigations initiated	Procedures concluded
2006	2481	2587
2007	2500	2730
2008	2771	2689
2009	3285	3048
2010	1866	1695
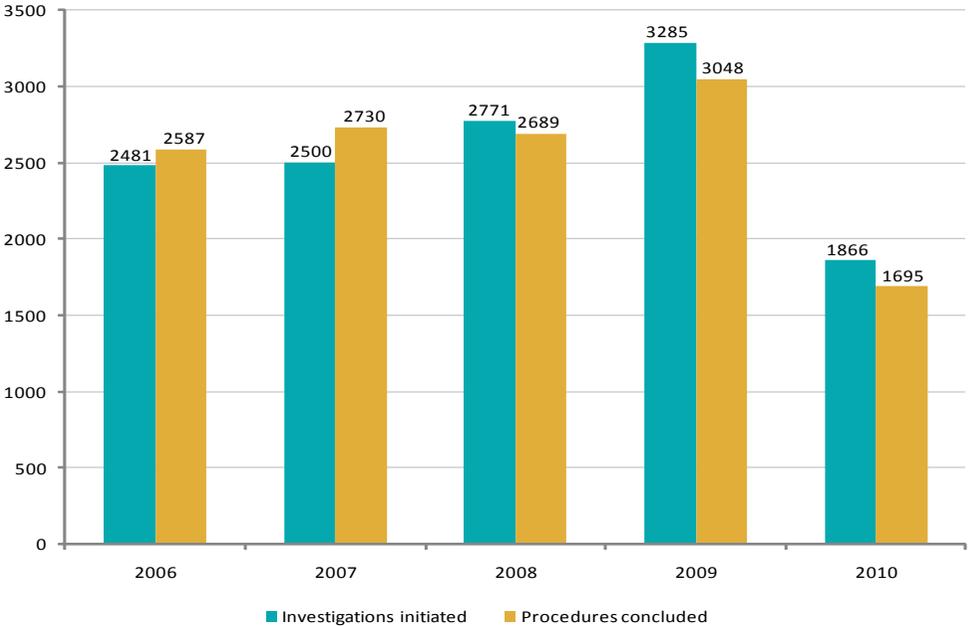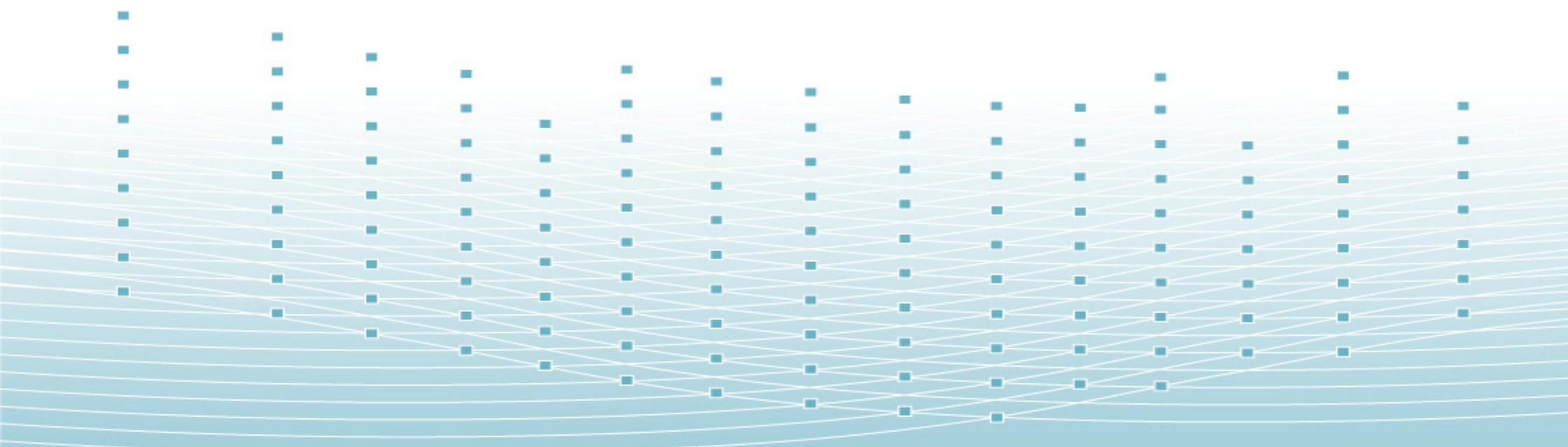
FREQUENCY MANAGEMENT
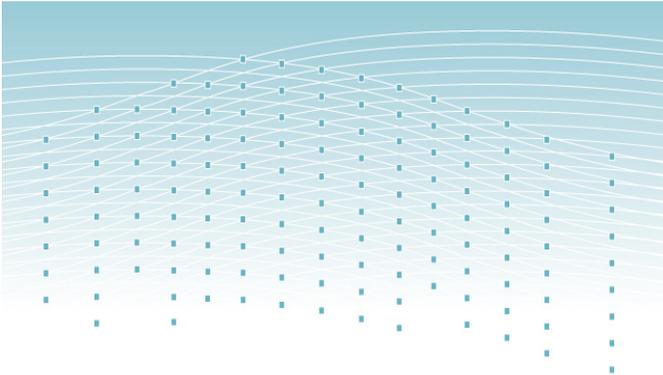
As a result of the digitisation of broadcasting services, frequencies were liberated – the "digital dividend"; these frequencies are now available for mobile radio services. For the Frequency Management Division it was crucial to prepare the introduction of mobile radio services in the frequencies of the "digital dividend" in Switzerland and in Europe for the coming years. Another key area was the technical preparation of the next year's planned re-assignment of the frequencies for mobile radio services in Switzerland.

With OFCOM's take over of the tasks from the Federal Inspectorate for Heavy Current Installations (ESTI) concerning the electromagnetic compatibility (EMC), OFCOM's portfolio of tasks was extended accordingly.

The acquisition of a new short-wave direction finder and new radio receivers for the Radio Monitoring Section represented a major investment for the future. Finally, it was possible to reconfigure the VHF landscape in the Zurich area with the technical support of OFCOM's frequency specialists.

Peter Pauli, Head of Division

FREQUENCY PLANNING

At national level

Based on frequency harmonisation decisions adopted at international level and after consultation of the national spectrum users, the Federal Council approved the updated National Frequency Allocation Plan (NFAP) on 10 November. The corresponding "Frequency Spectrum Strategy" part was completely revised. The new version may be consulted on OFCOM's website:
http://www.bakom.admin.ch/themen/frequenzen/00652/00653/index.html?lang=en

At international level

In 2010, the "Electronic Communications Committee" (ECC) of the European Conference of Postal and Telecommunications Administrations (CEPT) continued its work on utilisation of the "digital dividend". Various reports were finalised, including:

- Recommendation on the best approach to ensure the continuation of existing Program Making and Special Events (PMSE) services operating in the UHF (470-862 MHz),

- Measurements on the performance of DVB-T receivers in the presence of interference from the mobile radio service (especially from LTE),

- Rearrangement activities for broadcasting services in order to free the sub-band 790 - 862 MHz.

Switzerland took part in the elaboration of these reports, which are being used as a technical basis for utilisation of the digital dividend frequencies in the country.

Throughout 2010 the preparatory work for the 2012 World Radiocommunication Conference (WRC-12) intensified. The agenda items were prioritised on the basis of Swiss needs and various consultations with interested parties.

ELECTROMAGNETIC COMPATIBILITY

EMC (ElectroMagnetic Compatibility)

The "EMC/EMF" competency centre has implemented the various processes defined within the project for transferring the competencies in relation to EMC from the Federal Inspectorate for Heavy Current Installations (ESTI) to OFCOM and is now operational. Various workshops were organised in 2010 to provide information about the changes following this transfer of competencies.

The competency centre took part in the joint ETSI/CENELEC working group tasked with reviewing standardisation in relation to television and set-top box immunity in terms of the future use of the 790-862 MHz bands. The objective of this new standardisation is to prevent interference.

EMF (ElectroMagnetic Fields)

As in previous years, the competency centre provided collaboration and technical support to the cantonal and federal authorities in the application of the Ordinance on Non-Ionising Radiation (ONIR).

RADIO TECHNOLOGY

Mobile radio services in the UHF band – the "digital dividend"

In order to estimate the interference potential that can affect cable television reception (CATV) by the introduction of mobile radio services in the UHF band (the digital dividend), OFCOM carried out a statistical investigation using a computer simulation. The results of the investigation indicate that although interference cannot be excluded, the probability of interference is very low. These results were confirmed by other European authorities. The experience acquired helped to overcome one of

the difficulties for auctioning the mobile radio frequencies in 2011.

Towards exploitation of the digital dividend: Joint Task Group 5-6 of the ITU-R has completed its work

The JTG 5-6, under OFCOM's direction, completed its work in May 2010. The studies involve investigating how the mobile service could share the 790-862 MHz band – the "digital dividend" – with the broadcasting services, aviation radio navigation and fixed services. Some 180 participants took part in the five meetings of the JTG 5-6. This indicates the importance authorities and industry attach to the work of this group.

It will now be up to the World Radiocommunication Conference (WRC-12) to choose from the options developed by the JTG 5-6 to solve the problems associated with the various issues related to sharing.

Cognitive radio

Cognitive radio is an emerging technology recently proposed to implement a form of intelligence which enables a radio terminal to interact with its spectral environment. The preliminary CEPT studies to define the technical and operational parameters for the use of cognitive systems in the "white space" of the 470-790 MHz band were completed at the end of 2010; they show that the current spectrum-sensing techniques are not sufficiently reliable to guarantee non-interference of primary services, such as broadcasting, wireless microphones and radio astronomy, and that the use of a geo-localisation database is indispensable. This database also poses numerous regulatory questions which still have to be resolved at European level.

The technical studies, which have been managed by OFCOM since the end of 2010, will probably be extended to other frequency bands.

FREQUENCY ASSIGNMENT

Broadcasting

Digital broadcasting was characterised by the standardisation and optimisation of existing networks. At the same time, in 2011 we established the foundations for the operation of new digital radio and TV networks (DAB+ and DVB networks).

The negotiations with Switzerland's neighbouring countries for additional spectrum are on the way to be successful: despite a reduction in the available bandwidth – because the "digital dividend" frequencies are now designated for mobile communication services – it was possible to increase the number of coverages in the border areas with France and Germany.

Analogue sound broadcasting was again caught in the dilemma of the shortage of frequencies and uncertain technical development. After extensive preliminary work, it was possible in the middle of the year to assign frequencies for HD radio – a digital enhancement of the analogue VHF frequencies. Since the operators of radio transmitters have made no use of them, we are assuming that VHF will probably not undergo any technical evolution for several years. Since important radio sites became unavailable, we have had to carry out extensive re-planning in central Switzerland.

Mobile communication

In due time for the invitation to tender for mobile radio frequencies, OFCOM concluded agreements with neighbouring countries on how the 800 MHz and 2500 MHz frequency ranges can be used in border areas: on this basis the mobile communication operators will ensure coverage right up to the national borders. In other ranges (e.g. 400 MHz) we were also able to secure frequencies for private radio networks through agreements.

It is still difficult to estimate the frequency requirements for short term events: for example during the Francophone summit – contrary to expectations – there was

rather low demand whereas at the draw for the football World Cup there was record level demand for an event of this size. Thanks to exemplary cooperation of all the agencies involved, it was possible to meet all the needs.

Fixed radio services

Thanks to its flexibility, point-to-point radio technology continues to be used successfully. Dense networks and technological development made it essential for OFCOM to revise the assignment conditions. Using simulations, we determined and confirmed the optimal range for automatic transmit power control (ATPC). We were able to pass on the knowledge acquired to interested persons at various workshops. Laying the foundations for the introduction of links with Adaptive Coding and Modulation (ACM) means that in the course of 2011 a new but highly complex technology will be at hand to further increase the spectrum utilisation efficiency.

RADIO MONITORING

Radio Monitoring

We once again have been confronted with a great number of interference cases in the UMTS band. These interferences in the UMTS frequency range from 1920 to 1930 MHz are caused mainly by cordless telephones (DECT devices) which have been brought back from America and Canada. By means of a media event, we informed the public about the problems which arise from the use of electronic equipment which people import themselves.

In addition to the francophone summit in Montreux and the FIFA draw for the next football World Cup, we were present at a variety of other important events. All the events took place without any notable frequency interference.

Reporting centre of radio interference

We were able to ensure that our reporting centre of interferences was 100% available over 365 days. As committed, we identified and for the most part suppressed the unwanted interferences in due course reported by the police, the rescue services, air traffic control and other spectrum users.

Notifications of interference handled by Radio Monitoring			
Year	2010	2009	2008
Notifications of interference	436	271	331

Acquisitions

In the Biel region, OFCOM put into service a new direction finder to locate short-wave transmissions. Thanks to European cooperation, in future we will be reliant on only one short-wave direction finder instead of four.

It was possible to complete the invitation to tender for approximately 55 receivers, organised in accordance with the World Trade Organisation (WTO), without major delays or legal objections.

INTERNATIONAL RELATIONS
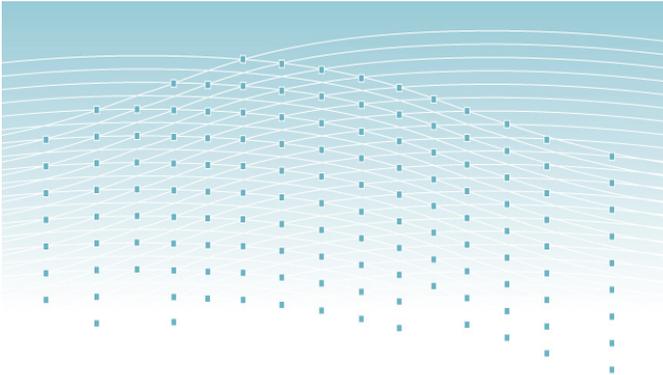
In 2010, Switzerland was again able to help set the tone in international telecommunications and broadcasting policy. The welcome re-election of Switzerland to the Council of the International Telecommunication Union (ITU) at its Plenipotentiary Conference in October in Guadalajara, Mexico, is of note. This means that Switzerland will continue to enjoy a special status in the future in the ITU as one of 48 member states on the Council and will be able to play a crucial role in determining the strategic planning of ITU telecommunications policy.

Another challenge was the chairmanship of the UN Commission on Science and Technology for Development (CSTD) by the Deputy Director of OFCOM's International Relations Service. The CSTD is responsible for reviewing and assessing the implementation of the outcome of the UN World Summit on the Information Society (WSIS) throughout the entire UN system. In this context, it was tasked in 2010 with drawing up an interim assessment of the WSIS implementation and initiating major decisions of the UN in relation to internet governance.

Frédéric Riehl, Vice Director

THE INTERNATIONAL TELECOMMUNICATION UNION (ITU)

Two major ITU conferences were held in 2010: the World Telecommunication Development Conference (WTDC-10) and the Plenipotentiary Conference (PP-10).

The WTDC, which is held every four years, is the conference of the development sector of ITU (ITU-D). WTDC-10 took place in Hyderabad, India, and adopted an action plan and framework which defines the activities of ITU-T sector for the period 2011-2014. The Swiss delegation chaired the Conference and assumed the role of European coordination (CEPT).

The Plenipotentiary Conference also takes place every four years and PP-10 was held in Guadalajara, Mexico. The management team of the ITU, the 48 member states of the ITU Council (including Switzerland) and the 12-member Radio Regulation Board (RRB) were elected. With the adoption of the final acts of the Conference, the Union's activities in the 2011-2014 period were defined, including the Union's financial plan for the period 2012-2015. The Swiss delegation took part in the chairing of the Conference.

THE EUROPEAN UNION (EU)

In August, the European Commission adopted a comprehensive strategy for the information society in the EU, named "A Digital Agenda for Europe". The "Digital Agenda" was launched because information and communication technologies (ICT) are still important factors for the development of economic growth and for improving the quality of life of citizens in the EU.

There are eight Action Areas, in which the European Commission lays down several objectives: the digital single market, interoperability and standards, trust and security, fast internet access, research and development, digital literacy, benefits to society, and international aspects.

To achieve the ambitious goals of the "Digital Agenda" on time, the European Commission established a group with senior representatives of EU Member States and other European states with observer status. Switzerland is allowed to participate as an observer in the meetings of this group and speak with the attending countries.

TV5MONDE

In Paris, at their annual meeting, the senior officials from the countries participating in TV5Monde mandated the finance commission to present, at the next ministerial conference in 2011, ways to maximise funding in the context of the strong pressure on the public finances of the stakeholder governments. In parallel, TV5Monde was mandated to identify strategic development scenarios and their financial impact for the years 2013-2016.

Internally, OFCOM addressed the issue of Swiss funding for TV5 for 2011 and subsequent years. It is also important to amend the service agreement between the Confederation and the SSR, dated 4 July 2007 and relating to international news services, which expires at the end of 2011. The matter is currently the subject of extensive discussion between DETEC and the SSR.

INFORMATION SOCIETY AND INTERNET GOVERNANCE

Chaired by Switzerland, the CSTD - which is responsible for the UN system-wide review and assessment of implementation and follow-up process of the World Summit on the Information Society (WSIS) - adopted in Mai a resolution on the mid-term assessment of WSIS implementation (2005-2015). In this resolution, it notes that great progress has been made in terms of the global availability of information and communication technologies (ICTs), particularly in relation to mobile telephony, whilst at the same time the gap in broadband internet access has increased.

(See also "Activities of the information Society Coordination Office", p. 18)

The CSTD resolution further proposes that the UN General Assembly should extend for at least five years the Internet Governance Forum (IGF) established by the WSIS - a global exchange platform for different interest groups on internet use and governance (a multi-stakeholder platform). The CSTD also proposes that a working group be established on the future evolution of the IGF. The UN Secretary-General is to hold consultations with all stakeholders on the issue of "enhanced cooperation" between governments on internet governance.

The CSTD resolution was approved in July by the UN's Economic and Social Council (ECOSOC) and confirmed in the autumn by the General Assembly. The establishment and the chairmanship of the CSTD working group on the future evolution of the IGF were again entrusted to OFCOM's Deputy Director and Head of the International Relations Service.

OFCOM contributed to the preparation and holding of the 5th IGF in Vilnius, Lithuania in September and was one of the organisers of 3rd European Dialogue on Internet Governance (EuroDIG), which took place in April in Madrid.

In the Governmental Advisory Committee (GAC) of the American ICANN Foundation, which is responsible for the overall management of the core resources of the internet, OFCOM has primarily devoted itself to further improving the transparency and accountability of ICANN to the international community and to ensuring that the proposed opening-up of domain names meets the needs of all internet users worldwide, as far as possible.

THE COUNCIL OF EUROPE

OFCOM coordinates the participation of Switzerland, represented ad personam, in four working groups established by the Council of Europe's Steering Committee on the Media and New Communication Services (CDMC) to implement the results of the 2009 Reykjavik Ministerial Conference:

The Expert Committee on New Media (MC-NM), under the chairmanship of an OFCOM colleague, drew up a recommendation on network neutrality, draft recommendations and guidelines for self-regulation on the protection of human rights for search engines and for providers of social networks. In addition, the committee began its work on developing a concept for a new notion of the media which is the key task for the implementation of the Reykjavik conference. Swiss experts are also involved in the three advisory groups which focus on the governance of public service media (MC-S-PG), the cross-border internet (MC-S-CI) and the protection of neighbouring rights of broadcasting organisations (MC-S-NR).

OFCOM has also participated in the work of the Standing Committee on Transfrontier Television (T-TT), which has also drafted a document on the future of the revised European Convention on Transfrontier Television, the ratification of which has remained blocked since an intervention by the European Commission in October 2009 which forbids its members from signing.

SATELLITE ORGANISATIONS

In its capacity as a member of the Consultative Committee of the European Telecommunications Satellite Organisation EUTELSAT IGO, Switzerland assisted the Executive Secretariat of this organisation.

OFCOM also represented Switzerland at the 34th Assembly of the Parties to the International Telecommunications Satellite Organisation (ITSO) in June 2010. During this meeting, the Parties notably took many decisions on the operation of the Organisation (rules of procedure, personnel manual, strategic plan, budget presentation model, etc.) and directed the advisory committee to address all issues relating to the Organisation's future beyond 2013. It will be expected to submit its findings to the next meeting in 2012.

OFCOM defended Switzerland's position at the 21st Assembly of the Parties to the International Mobile Satellite Organisation (IMSO) in July 2010. At this meeting, the Parties re-elected the incumbent Director-General, Esteban Pacha (Spain) for a further term of four years from 15 April, 2011.
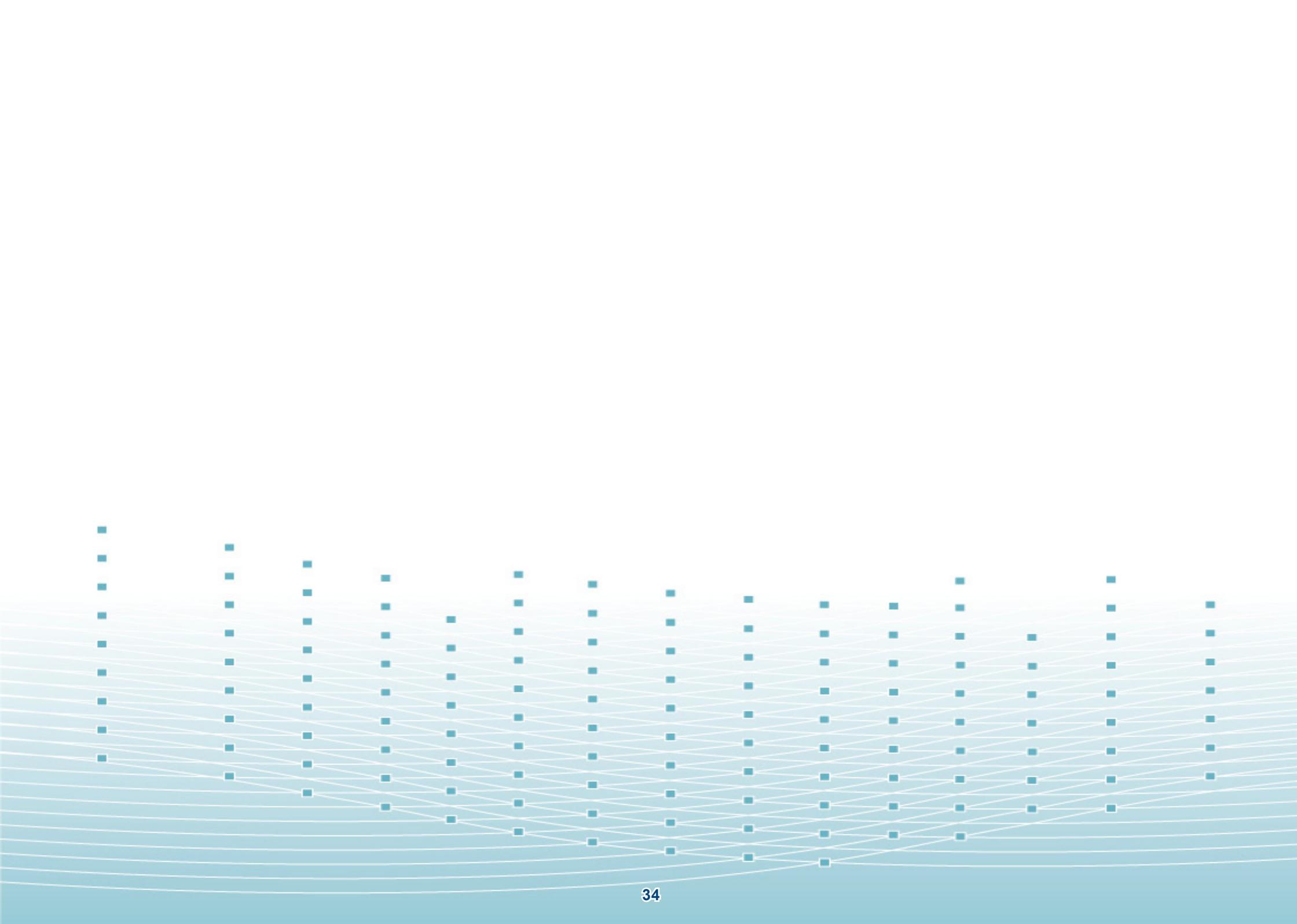
RESOURCES AND ORGANISATION
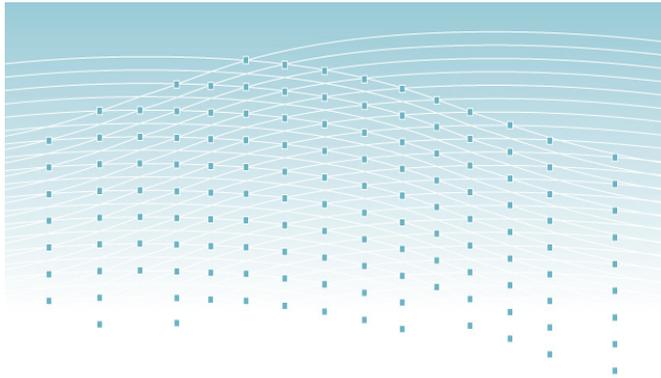
Last year the organisational structure of the Resources and Organisation Division was examined within the framework of a project which decided on a re-orientation. In the process, it was decided to continue to combine four distinct sections – Finance, Computing and Organisation, Human Resources and Logistics – under the leadership of a joint divisional management in the future. In addition, the divisional management was to take over a number of tasks from the Director's staff, such as the overall internal management of the entire MPM process (management by performance mandate and global budget) and the external coordination of this process with the various federal offices. The new organisational structure came into effect on 1 January 2010. In the reporting year, it was therefore a matter of implementing and consolidating the new organisational structure in our daily work – in addition to the usual day-to-day business.

In the area of IT, OFCOM's e-Government applications were expanded. In conjunction with the Office's various specialist departments, we put the online applications for additional products and services onto the "OFCOM online" web platform. Acting as a pilot office for the entire federal administration, OFCOM also laid the foundations for the implementation of a future e-Government module in the area of "e-billing out" (electronic billing). This will go live in the spring of 2011. Through its commitment to these projects, OFCOM wishes to contribute to the implementation of the strategic requirements for e-Government within the federal administration.

Christine Fuchs, Head of Division

FINANCE

Income and expenditure account

The income and expenditure statement for 2010 shows a total expenditure of CHF 85.6 million. Of this, 68% was attributed to operating expenses and 32% to transfer 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 fixed assets. The transfer costs include subsidies in the radio and television sector and contributions to international organisations.

The revenue which can be allocated to the 2010 accounting year amounts to CHF 56.1 million. Of this, 45% was attributed to operating revenue and 55% 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 – which constitute the major part at CHF 28 million (91%) – the licence fees of the licensed radio and television stations for special financing in the radio and television sector and the revenue from violations of the law (fines and confiscated profits).

Total expenditure in 2010 was CHF 29.5 million (34%) higher than total revenue. A revenue surplus was reported in the transfer area, with expenditure of CHF 27.3 million and revenue of CHF 30.2 million. In the operating sphere, operating expenditure (CHF 58.3 million) exceeded operating revenue (administrative fees: CHF 25.3 million) by CHF 33.0 million (57%).

Income
Total revenue was CHF 3.7 million lower than in the previous year.

The shortfall in operating revenue is attributable to reduced revenue from administrative fees (supervision of recognised telecommunications service providers down CHF 0.4 million; administration of non-harmonised mobile land radio down CHF 0.4 million) and to lower write-offs for provisions of holiday and overtime credits (down CHF 0.2 million).

In the case of radio licence fees, it should be noted that in 2009 we billed an extraordinary amount of more than CHF 3.8 million which it was not possible to bill in 2008 owing to a pending procedure. If this amount, which actually relates to the year 2008, is left out of account in 2009, the result is, as would be expected, higher revenue (some CHF 1.8 million higher) compared to the previous year, instead of the reported CHF 2 million revenue shortfall. These additional revenues derive from licences for harmonised land mobile radio and radio relay systems.

The revenue from administrative procedures also fell slightly, by CHF 0.2 million.

The revenue from licence fees was lower, primarily because of the SRG's lower advertising revenue and hence its lower taxes compared to the previous year.

Expenditure
Total expenditure was CHF 0.2 million higher than in the previous year.

OFCOM's operating expenditure (global budget) increased year on year by CHF 0.6 million. This was because of the increase in personnel costs of CHF 0.4 million (1% cost-of-living adjustment), the removal of CHF 0.1 million from assigned reserves, and higher depreciation of CHF 0.1 million. General expenditure was cost neutral, with CHF 1.3 million of financial resources transferred to the Federal Office of Information Technology, Systems and Telecommunication (FOITT) and the Federal Office for Buildings and Logistics (FOBL); this then re-appears in the expenditure as a service agreement overhead. The amount of CHF 1.3 million is made up of FOITT IT services (CHF 1 million) – in particular for the migration to Windows 7 – and for maintenance and cleaning by the FOBL (CHF 0.3. million).

Expenditure outside the global budget for subsidies was some CHF 0.4 million lower than the previous year. This was because the contributions to international organisations were CHF 1.3 million lower – in 2009 this amount appeared as an extraordinary item in the accounts for the hosting of the Telecom exhibition in Geneva. Apart from these lower expenditures, however, the amounts to the SSR for other countries (up CHF 0.5 million) and media research (up CHF 0.4 million) were higher.

Investment account

The additional expenditure of CHF 0.3 million over the previous year is attributable to the purchase of three vehicles including technical specialist equipment for the "Radio Monitoring" section.

(See also "Acquisitions", p. 30)

Operating account (costs and services account)

The extent to which costs were covered fell only slightly from the previous year for the total of all three product groups, by 2% to 43%.
This was because costs increased (wage costs) and revenues fell slightly.

Special finance, radio and television

The revenue for special finance of radio and television was CHF 0.7 million higher than the costs. Since the unused revenue is placed in the special fund for media research, new technologies in programme service broadcasting and programme archiving, this balance increased by CHF 0.7 million to CHF 6.2 million.

(See also "Financial supervision and statistics", p. 8)

FINANCIAL DEVELOPMENT IN THE PERIOD 2008-2010 (according to the Confederation's New Accounting Model NAM)

1. Profit and loss account (revenue, expenditure)	2008 (CHF mill.)	2009 (CHF mill.)	2010 (CHF mill.)	Change on previous year (CHF mill.)	%
1.1 Revenue					
Function revenue – global budget	**-25.4**	**-26.3**	**-25.3**	**1.0**	**-4%**
Administrative fees + resolution of reserves holiday/overtime credits	-25.4	-26.3	-25.3	1.0	-4%
Revenue outside global budget	**-27.0**	**-33.5**	**-30.8**	**2.7**	**-8%**
Radio licence fees	-23.2	-30.0	-28.0	2.0	-7%
Revenue from administrative penalty procedures	-0.5	-0.8	-0.6	0.2	-25%
Fee-splitting, local and regional broadcasters	0.0	0.0	0.0	0.0	0%
Licence fees, radio and television	-3.3	-2.7	-2.2	0.5	-19%
Total revenue	**-52.4**	**-59.8**	**-56.1**	**3.7**	**-6%**
1.2 Expenditure					
Function expenditure – global budget (incl. Comcom)	**54.3**	**57.7**	**58.3**	**0.6**	**1%**
Personnel costs (effective on financing)	38.4	41.0	41.4	0.4	1%
Material expenditure (effective in financing)	6.2	7.2	5.9	-1.3	-17%
Withdrawal from reserves for specific purposes	0.1	0.4	0.5	0,1	15%
Depreciation (not effective on financing)	1.5	1.4	1.5	0.1	10%
Confederation, cost allocation	8.1	7.7	9.0	1.3	16%
Expenditure outside global budget (subsidies)	**26.7**	**27.6**	**27.3**	**-0.4**	**-1%**
Contributions to international organisations	3.9	5.1	3.8	-1.3	-25%
Contribution to SRG offering for foreign countries	20.1	20.0	20.5	0.5	2%
Training of programme-makers (up to 2006 incl. media research	0.9	0.9	1.0	0.1	11%
Contribution to media research	1.0	1.0	1.4	0.4	40%
New broadcasting technology	0.0	0.0	0.0	0.0	0%
Programme archiving	0.0	0.1	0.1	0.0	36%
Contribution to broadcasting of programmes in mountain regions	0.6	0.6	0.5	-0.1	-11%
Contributions to local and regional broadcasters (fee-splitting)	0.2	0.0	0.0	0.0	0%
Total expenditure	**81.0**	**85.3**	**85.6**	**0.2**	**0%**
1.3 Balance (revenue + expenditure = financing requirement)	**28.6**	**25.5**	**29.5**	**3.9**	**15%**

2. Investment account (revenue, expenditure) - global budget	2008 (CHF mill.)	2009 (CHF mill.)	2010 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0%**
Expenditure	**1.8**	**1.5**	**1.8**	**0.3**	**20%**
Thereof withdrawal from reserves for specific purposes	0.1	0.0	0.0	0.0	0%
Balance (revenue – expenditure)	**1.8**	**1.5**	**1.8**	**0.3**	**20%**

3. Operating account (revenue, costs)	2008 (CHF mill.)	2009 (CHF mill.)	2010 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue (administrative fees)	**-25.4**	**-25.7**	**-25.1**	**0.6**	**-2%**
Costs (incl. calculated interests and insurances)	53.9	57.7	58.5	0.8	1%
Balance (revenue + costs)	**28.5**	**32.0**	**33.3**	**1.3**	**4%**
Level of cost coverage	47%	45%	43%	0.0	-3%

Special finance, radio and television	2008 (CHF mill.)	2009 (CHF mill.)	2010 (millions CHF)
1. Fee-splitting, local and regional radio and television broadcasters			
Revenue, related to specific purposes	**0.2**	**0.0**	**0.0**
Proportion of fees from radio and television reception fees	0.0	0.0	0.0
Additional withdrawal from reserves for specific purposes	0.2	0.0	0.0
Expenditure, specially financed	**0.2**	**0.0**	**0.0**
Contributions to local and regional broadcasters (fee-splitting)	0.2	0.0	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)	**0.0**	**0.0**	**0.0**
2. Licence fees, radio and television broadcasters			
Revenue, related to specific purposes	**-3.3**	**-2.7**	**-2.2**
Licence fees, radio and television	-3.3	-2.7	-2.2
Additional withdrawal from reserves for specific purposes	0.0	0.0	0.0
Expenditure, specially financed	**1.0**	**1.1**	**1.5**
Contribution to media research	1.0	1.0	1.4
New broadcasting technology	0.0	0.0	0.0
Programme archiving	0.0	0.1	0.1
Deposit into funds for specific purposes (end of year)	2.3	1.6	0.7
Balance of funds for specific purposes (end of year)	**3.9**	**5.5**	**6.2**

EMPLOYEES

Number of staff

On the reporting date 31.12.2010, OFCOM had 278 employees (permanent staff - excluding apprentices, trainees and ComCom), which corresponds to 251 FTE (full time equivalents).

Of the 278 employees, 100 were women (36%).

We also employ 12 apprentices.

Linguistic distribution

About 62% of OFCOM employees speak German as their mother tongue; 31% 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 47 years.

Apprentices

Two business management and two mediamatics apprentices successfully completed their three-year, respectively four-year, apprenticeships within OFCOM.

We have agreed with the BAND association that in 2011 we will provide practical trainings to their electronics apprentices. The association works for the professional integration of people with mental and physical disabilities.

## The equal opportunities commission

All OFCOM employees must enjoy the same opportunities for optimal professional development. Flexible working conditions and the implementation of gender-neutral personnel recruitment contribute to this. In 2010, the internal equal opportunities commission promoted and monitored such processes. It also continued to raise equal opportunities issues at management level and kept all employees regularly informed.

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

		Director General		
International Relations IR	**Managerial Staff**		**Communication** KOM	**Information Society Coordination Office** KI
Resources and Organisation BO	**Radio and Television** RTV	**Telecom Services** TC	**Surveillance and Radio-communication Licences** AF	**Frequency Management** FM
Finance F	Legal Affairs RTV-R	Legal Affairs TC-R	Market Access and Conformity MK	Radio Technology GF
Human Resources HR	Finance and Statistics FS	Fixed Network and Universal Services FG	Radio Licences FK	Frequency Planning FP
IT and Organisation IO	Broadcasters V	Mobile and Satellite Services MS	Legal and Market Surveillance Affairs MR	Frequency Assignment FZ
Logistics L		Numbering and Addressing NA	Radio and Television Reception Fees RF	Radio Monitoring RM
		Economics and Statistics ES		
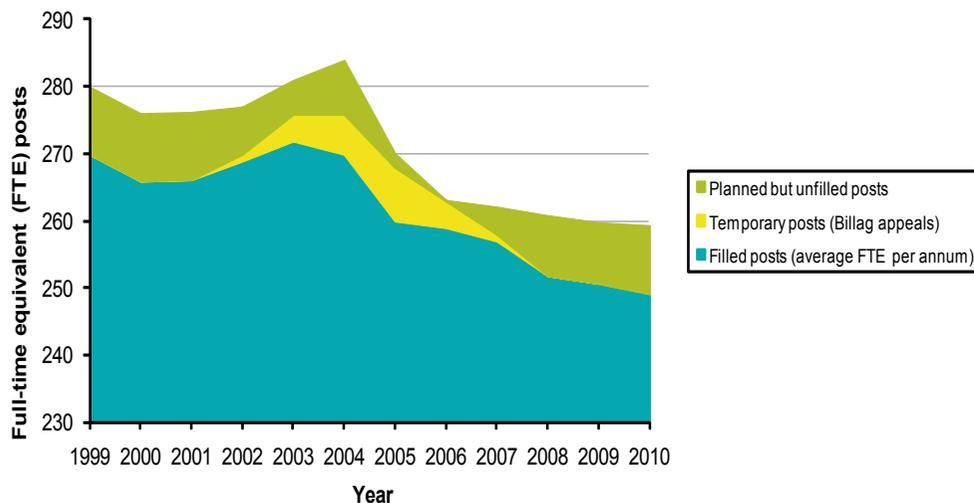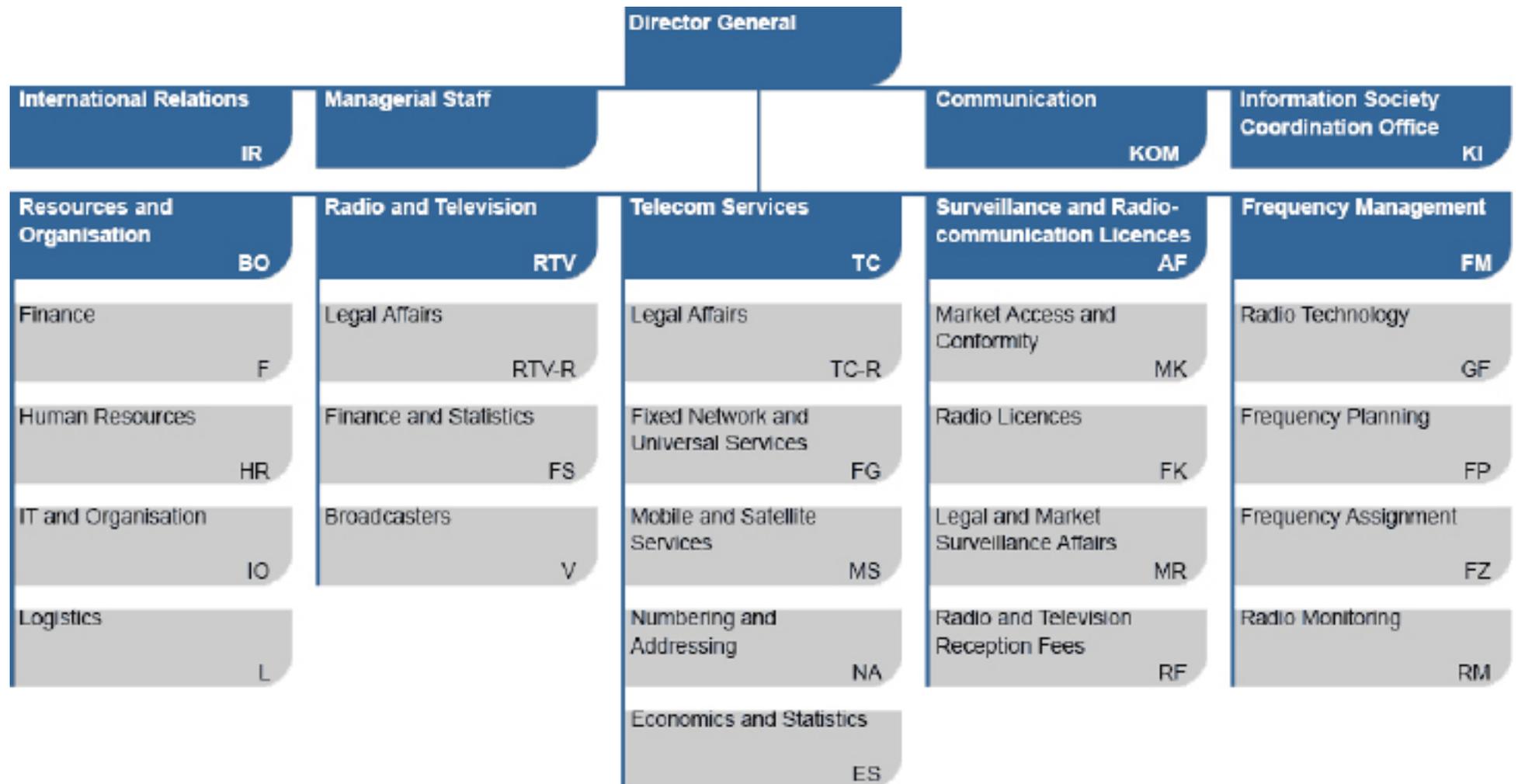
PERSONNEL

Organisational unit	Name	Telephone
		+41 32 327
Management		
General Director	Dr. Martin Dumermuth	5501
Head of managerial Staff	Andreas Sutter	5503
Head of Communications	Dr. Roberto Rivola	5650
Deputy Director and Head of Information Society Coordination Service	Véronique Gigon	5448
International Relations		
Vice-Director	Frédéric Riehl	5454
Deputy Head	Thomas Schneider	5635
Resources and Organisation		
Head of Division	Christine Fuchs	5707
Finance	Urs Liechti	5843
Human Resources	Brigitte Moser	5514
Computing and Organisation	Bruno Frutiger	5520
Logistics	Peter Lendenmann	5456
Radio and television		
Vice-Director and Head	Matthias Ramsauer	5510
Legal Affairs	Susanne Marxer Keller	5948
	Carole Winistörfer	5449
Finance and Statistics	Peter Marti	5544
Broadcasters	Marcel Regnotto	5535

Organisational unit	Name	Telephone
		+41 32 327
Telecom services		
Vice-Director and Head	Philipp Metzger	5599
Legal Affairs	Annalise Eggimann	5582
Fixed Network and Universal Services	Armin Blum	5579
Mobile and Satellite Services	Urs von Arx	5856
Numbering and Addressing	François Maurer	5576
Economics and Statistics	René Dönni	5543
Surveillance and Radiocommunication Licences		
Deputy Director and Head	Véronique Gigon	5448
Market Access and Conformity	Gerhard Käser	5565
Radio Licences	Beat Scheidegger	5830
Market Surveillance and Law	Olivier Pauchard	5430
Radio and television Licence Fees	Daniel Büttler	5445
Frequency Management		
Head	Peter Pauli	5700
Radio technology	Daniel Vergères	5720
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.

Biel, head office

Zurich + Zurich Höngg

Châtonnaye

Bernex

Geneva

Gudo
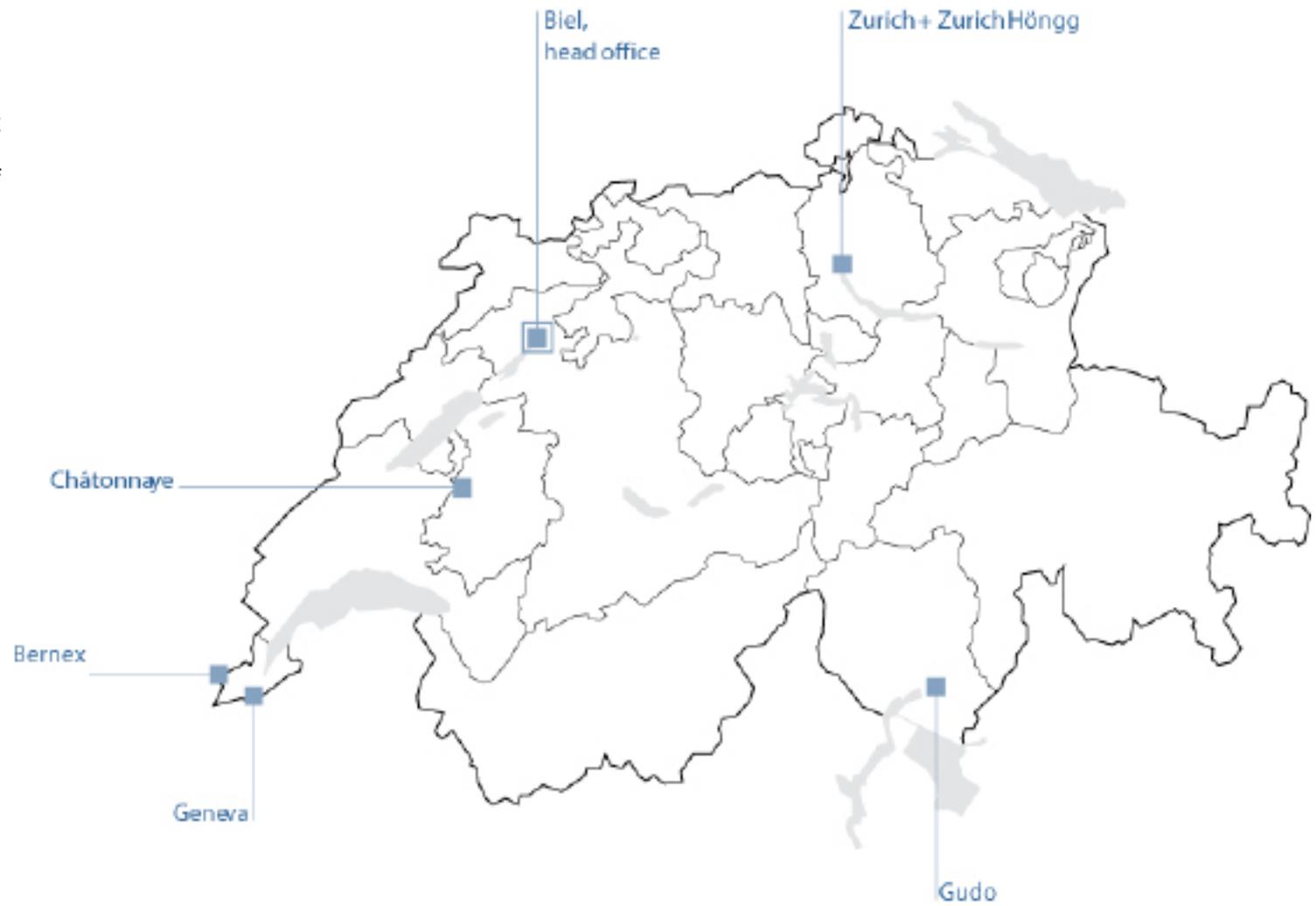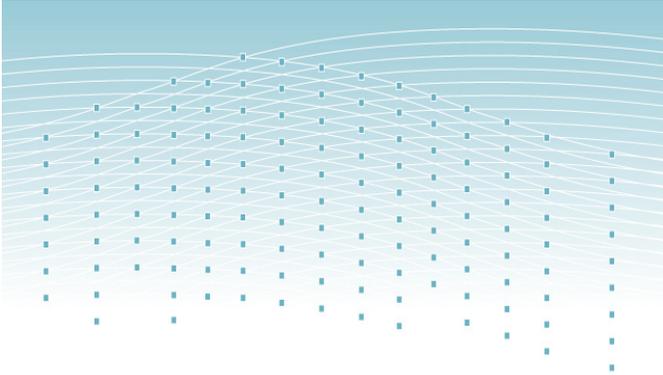
CONTACT

Do you want to contact us? Dial +41 32 327 55 11 (exchange),
send a fax to +41 32 327 55 55
or an e-mail to 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

Webadresse
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

© OFCOM 2011