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1 Editorial

Ladies and Gentlemen

Securing the present and preparing for the future: this is what kept us busy in 2014, as you will discover when you read our annual report. Because we live in a rapidly evolving information society, we must help to put in place the framework conditions which enable Switzerland to take up tomorrow's challenges in relation to telecommunications, the media and the post. The stakes are high. It is therefore out of the question to take decisions without first having an overview of the current situation. This is what we have done in the two reports which we produced in 2014 for the Federal Council. They describe on the one hand the Swiss media landscape and on the other the state of the telecommunications market. They also open up routes for the future: it will be necessary to revise the Telecommunications Act and initiate a debate on public service in the media sector.

In relation to the internet too, the world is changing. So in 2014 we worked towards ensuring that .swiss domain names will be available from September 2015 and guaranteeing the sustainability of .ch addresses. But the efforts of OFCOM and Switzerland are not limited to the national frontiers. Within the International Telecommunication Union and the Governmental Advisory Committee of ICANN, the corporation which manages internet domain names, the Office's representatives occupy important positions which enable them to play the role of mediator and to defend Switzerland's interests.

The extent of the upheavals in the areas for which OFCOM is responsible certainly makes our job a difficult - but also very exciting - one. It is therefore essential for us to have internal processes which enable us to achieve our tasks efficiently. This is why we have also been working on the development of a new strategy for the Office. It provides us with the necessary processes to identify future developments while achieving our daily tasks.

Because from day to day, we were present in 2014 at a number of major events held in Switzerland, such as the International Geneva Motor Show, the AIR14 air show in Payerne and the European Athletics Championships in Zurich. Our mission, then: to guarantee that wireless communications have sufficient frequencies and to ensure that they function without interference. In terms of our surveillance activities, these concerned both devices and equipment and compliance with the rules on sponsorship and advertising on the radio or television, as well as the Swiss Post's offering in relation to payment transactions.

This annual report also presents an overview of my first year at the head of the Office. It has been an exciting year, during which I have been impressed above all by the expertise and commitment of the Office's personnel and by the wealth and diversity of our tasks. I think that you will agree with me as you peruse OFCOM's 2014 annual report. I wish you an enjoyable the read!

2 Information Society Business Office (GIG)

In 2014 the federal government – with OFCOM as coordinator – again gave serious attention to the question of what risks and opportunities are involved in an information society for Switzerland. Meanwhile, the Federal Council has now been fulfilling its task of pursuing and implementing an appropriate strategy for 18 years. Compared to 1996 the information society has become more diverse, more challenging and more complex, as the quantity of work performed in 2014 shows.

2.1 Ongoing development of the strategy

The Federal Council's strategy for an information society in Switzerland indicates guidelines for action by the federal administration in this area. The mandate of the "Interdepartmental Information Society Committee" (IISC) envisages an assessment of the strategy at the end of 2015 in terms of content, implementation activities and structures. This work had already begun in 2014. As a prelude, at a retreat in May 2014 the IISC defined and evaluated trends and developments in the information society. Among other things, it discussed the potential of Big Data for the Swiss economy and society and tackled the question of how expert knowledge could be more comprehensively incorporated into work on the information society and at the same in a more targeted way. The question of how the information society strategy is to be further developed will be dealt with in greater detail by the IISC with external experts in the first half of 2015. Data and data security will play a central role in this work.

The strategy is being implemented in a decentralised manner and coordinated under the chairmanship of the OFCOM Director. The Information Society Business Office (GIG), based within OFCOM, manages the operational business of the committee.

2.2 Monitoring and statistics

On behalf of the IISC, the Information Society Business Office (GIG) conducts half-yearly surveys on the status of the individual implementation projects of the strategy. The results are published on the OFCOM website in the form of a graphic project portfolio (a roadmap) with a brief description of the project. Of the 45 implementation projects, 29 are still in the execution phase; most of these are progressing according to plan.

Website on the information society in Switzerland <http://www.bakom.admin.ch/themen/infosociety/index.html?lang=en>

Statistical monitoring of the development of the information society in Switzerland is also part of the monitoring of the strategy's implementation. The GIG has therefore jointly funded an omnibus survey of Swiss households by the Federal Statistical Office (FSO). The first results of this survey were published in mid-December 2014:

The Federal Council's strategy – Monitoring the strategy www.bfs.admin.ch/bfs/portal/de/index/themen/16/04/key/ind48.html (only available in German and French)

The proportion of internet users in the population aged over 15 increased from 78 percent in 2010 to 84 percent in 2014. This proportion corresponded to approximately 5.8 million people in 2014. The increasing use of the mobile internet on smartphones and tablets is striking. Social networks are popular not only with young people: Almost half of 35-44 year-old internet users were also active on these networks. Since 2010, the proportion of those aged at least 15 who have used the internet in the last three months to obtain information on political campaigns, voting and elections has also increased greatly.

2.3 Conference cycle on sustainable ITC

The topic of new technologies and sustainability were at the centre of a series of conferences organised in 2014 by the Information Society Business Office, the French-speaking consumers' federation, Revue Durable and Label Vert in several cities in French-speaking Switzerland.

The first event, intended mainly for businesses and administrations, welcomed almost a hundred participants on 9 April 2014 at Lausanne's Maison de la Communication. Between May and December, seven conferences with debates increased public awareness of the issues of sustainable IT and offered solutions which everyone can apply. They were held in the main French-speaking towns at a rate of one a month and in particular enabled participants to discover that some fonts made it possible to reduce consumption of printer ink or that a wise choice of software could reduce energy consumption. They were also able to get advice on managing their smartphone's power consumption.

Particular emphasis was placed on the energy consumption generated by the use of the most popular internet platforms and services. For example, a Google search is equivalent to leaving a 60W bulb on for 17 minutes.

2.4 The essentials in brief:

2.4.1 Protection from cyber risks: improving skills

The GIG is involved in the work on implementing the national "Strategy to protect Switzerland from cyber risks (NCS)". In co-operation with the Federal IT Steering Unit (FITSU), economiesuisse and the University of Fribourg's "international institute of management in technology" (iimt), it has conducted expert interviews on the question of which threats businesses, units of the administration and the broader population see themselves exposed to and what skills are need to deal with these threats. "Unauthorized penetration into a data processing system" and "unauthorised acquisition of data" (businesses), "data protection and intrusions into privacy" (the administration) and "fraud, rip-offs and phishing" (the broader population) were most often cited by interviewees. Among other things, those interviewed saw a need to catch up in terms of specific offerings for certain target groups and training in security culture generally.

[Summary report of the iimt \(only available in German and French\)](#)

2.4.2 Strategy to promote the use of freely accessible official data

The Federal Council adopted the Swiss Open Government Data Strategy (the OGD strategy) in April 2014. Its goal is to promote as far as possible the use of freely accessible official data.

Open Government Data Strategy for Switzerland <http://www.egovernment.ch/umsetzung/00881/00883/index.html?lang=en>

The GIG supported the units which were responsible for developing this strategy. It defines the orientation of the activities of the federal administration in the OGD area up to 2018 and is mandatory for the Confederation. The OGD strategy is being implemented in the relevant departments and federal offices. In the interest of coordinated implementation of OGD across the federal levels, the Confederation is promoting cooperation with cantons and municipalities. The aim is, among other things, to create an OGD culture among all those involved.

2.4.3 A package of measures for barrier-free access to the Confederation's websites

Since 2004, the Confederation has been obliged to ensure unrestricted use of its websites for people with disabilities. In June 2014 the Federal Council adopted a comprehensive package of measures; the GIG was closely involved in compiling these. The focus is on taking freedom from barriers into account in the procurement of information and communication technologies, the provision of aids and

support, and training and awareness-raising measures. A central advisory board, with a mandate limited to three years, is monitoring the implementation of the measures in the departments and assuring quality and coordination.

2.4.4 Participation in various working bodies, steering committees and international organisations

The GIG participated in various federal government working bodies and steering committees, for example the ch.ch steering committee or various bodies under the aegis of the national programme on “Young people and the media”. At the international level, the Business Office monitored developments in the information society by participating in various conferences and workshops and represented Switzerland's position in OECD and EU working groups.

3 Media

For the Media and Post Division (since 1 January 2015: the Media Division), 2014 was characterised by major items on the political agenda: on the one hand Parliament adopted the revision of the Radio and Television Act (RTVA) and on the other hand the referral of the report on support for media and the next debate on media policy were initiated by the Federal Council.

3.1 Partial revision of the Radio and Television Act

On 26 September 2014 Parliament adopted the partial revision of the Radio and Television Act. As a result of the changes to the RTVA, the current device-dependent radio and television reception fee is to be replaced by a universal fee.

Technological change means that today most households and businesses have internet access. Multi-functional devices such as smartphones, computers or tablets can receive radio and television programmes. Therefore in the future each household and each business will pay the universal fee. Exceptions include persons receiving supplementary benefits relating to old age, survivors and invalidity insurance and smaller businesses with an annual turnover of less than CHF 500,000. The change in the system does away with registration, deregistration, control measures and there will no longer be any unlicensed viewers or listeners. Collection costs can therefore be reduced. Most households and businesses will benefit from the change, paying a lower fee. Households which do not have radio and television will be able to be exempted from the universal fee for a period of five years.

In addition, with the change in the law the basic conditions for local radio and television stations are improved. Their portion of fees, currently CHF 54 million, can be increased by a maximum of CHF 27 million. Also, some of the fee revenue is available for training and education, as well as digitisation of broadcasting of radio programme services. The licensing procedure is being simplified.

A referendum against the partial revision of the RTVA will be held. The referendum took place on 14 June 2015.

Partial revision of the RTVA <http://www.bakom.admin.ch/dokumentation/gesetzgebung/00512/03026/04299/index.html?lang=de> (Only available in German, French and Italian)

Yes to the revision of the RTVA <http://www.bakom.admin.ch/dokumentation/gesetzgebung/04843/index.html?lang=de> (Only available in German, French and Italian)

3.2 Report on support for the media

On 5 December the Federal Council adopted the report resulting from a motion by the National Council's Political Institutions Committee (PIC) on “Ensuring the political and democratic functioning of the

media". An overview of the Swiss media landscape is presented and approaches for supporting the media are indicated.

The report comes to the conclusion that concentration of the media is increasing and the shift of advertising funds into online media continues to adversely affect the traditional newspapers available for subscription and purchase. This is putting smaller local and regional newspapers in particular under pressure. Local and regional online offerings are currently finding it difficult to establish themselves.

However, the Federal Council states in the report that the media industry can largely cope with the structural change on its own, so restraint regarding the introduction of new support measures is appropriate. In the event that Parliament considers accompanying support for the structural change appropriate, the report indicates options for action which can be implemented in the short term.

For example, there is the possibility of harmonising the VAT rates for print and online products, strengthening the commitment to educate and train media workers and supporting the basic service of the Swiss News Agency sda in French and Italian with an annual contribution. Furthermore, indirect press support should be retained for the time being.

In the medium and long term, the Federal Council considers it appropriate to conduct a debate on the definition of the public service in the media sector. Afterwards – taking future developments into consideration – it will be possible to examine whether support of the online media, alongside the established radio and television offerings which are already being supported, is appropriate.

[Ensuring the political and democratic functioning of the media \(only available in German and French\)](#)

3.3 Performance audit of the SRG

In 2014, OFCOM undertook the second phase of the audit of the management of the Swiss Broadcasting Company (the SSR/SRG), a phase which related to cost accounting, financial reporting and fixed assets. In parallel, it also submitted to DETEC its report on the first audit phase, which finds that overall the SSR/SRG has all the key control elements enabling it to ensure effective management and economical use of the resources at its disposal.

Efficiency of the management of the SSR <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=53523>

The SSR/SRG, for the most part funded by the reception fee, must organise itself to guarantee efficient management and appropriate use of the funds allocated to it. It is up to the Department of the Environment, Transport, Energy and Communications (DETEC) to verify, among other things, that the national broadcaster fulfils these conditions at all times. The last analysis of the economic management of SSR/SRG in 2005 was entrusted to the Swiss Federal Audit Office (SFAO). Since then, the many changes which have occurred, such as the implementation of a harmonised cost accounting system and the adaptation of processes and management instruments at the SSR/SRG, the ever growing requirement for information from licence fee payers or the revision of the federal Radio and Television Act (RTVA), meant there was a need for a fresh audit. In this context, DETEC wished to carry out a monitoring process which was broader than that envisaged in the federal Radio and Television Act (Art. 36 RTVA) and concluded an agreement with the SSR/SRG on three audit phases. It subsequently mandated OFCOM to carry out these audits.

The third and last phase, in 2015, will relate to verification of purchases and acquisitions of services, human resources and advertising acquisitions. The results of these audits are published on the OFCOM website in first six-month period of the year following the audit.

3.4 The essentials in brief

3.4.1 Digitisation of radio: the industry sets a course to phase out VHF

From 2024 onwards, all radio programme services in Switzerland are to be broadcast only in digital form, initially on DAB+ platforms. This is the common goal of the radio industry, which Federal Councillor Doris Leuthard presented at the end of 2014 in the form of a corresponding timetable.

According to the plan, the Confederation should open a timeframe by 2024 within which the SRG SSR and local radio stations will organise the digital migration independently.

3.4.2 Partial revision of the Radio and Television Ordinance

The partial revision of the RTVO facilitates the migration of local radio stations from analogue VHF to DAB+ digital technology. Anyone who covers an area digitally is freed from the obligation to broadcast there on VHF. In addition, support for new broadcasting technologies will be optimised. The condition imposed on some stations to broadcast specific programme windows for specific areas has been dropped. Additional relief for the stations concerns support for Swiss films, editing to meet the needs of disabled people, the obligation to register and annual reporting: these obligations now apply only from an annual operating expenditure in excess of CHF 1 million (previously CHF 200,000). The amendments entered into force on 1 January 2015.

More flexibility for regional radio and TV stations <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=55099>

3.4.3 Foundation for research into the use of radio and TV: Mediapulse

Whereas in 2013, when questions relating to the legislation on supervision had to be answered in the context of the events around the introduction of the new TV measurement system, the focus in 2014 was on organisational issues. On behalf the Department of the Environment, Transport, Energy and Communications (DETEC), Mediapulse initiated a reorganisation project and after the resignation of the president of the foundation Marco de Stoppani, Franziska von Weissenfluh succeeded him. In the radio sector, problems intermittently arose: the system was no longer able to clearly classify increasing simulcasting, when the same programme content is broadcast by multiple radio stations. At the end of the year, however, it looked as if the problem would soon be solved.

3.4.4 Extension of the Billag contract

DETEC mandated OFCOM to ensure the collection of the radio and television reception fees until the entry into force of the new universal fee system.

Since an invitation to tender for the mandate for collection of reception fees for only three years was not economically appropriate and would also have been a risk to the continuity of the system, the contract with Billag AG was extended. In view of the type of services as well as the particular features of the contract, it was possible to extend the contract without a tender procedure. The corresponding documents were published on 10 July at simap.ch, the information system for public procurement in Switzerland.

Extension of the collection contract with Billag AG: <https://www.simap.ch/shabforms/COM-MON/search/searchForm.jsf>

3.4.5 Statistics on the reception fee

OFCOM answered some 200 written inquiries from citizens relating to reception fees. 460 people submitted complaints against decisions by Billag AG. OFCOM dealt with a total of 462 complaints, 6 per cent of which were upheld. At the end of 2014, 184 complaint procedures were still outstanding.

Billag AG forwarded 1724 notifications to OFCOM based on suspected violation of the notification obligation. 4352 investigations were opened. 4128 administrative criminal procedures were concluded,

3458 of them using the abridged procedure. 258 penalty notifications were issued using the regular procedure. Two house searches were carried out.

4 Post

In 2014 the Telecom Services Division prepared to take over the tasks of the Post Division at the start of 2015, in order to also deal in the future with questions relating to postal legislation and the universal service for payment transactions.

In the area of indirect support for the press, in September 2014 the Federal Court took the basic decisions on the concept of subscription and rejected OFCOM's three objections concerning this matter. In accordance with the jurisdiction of the court of final instance, it is sufficient for a newspaper or magazine to prove that it has at least 1000 subscribers to charged-for editions for it to be deemed subscribed to in the sense of the legislation. OFCOM implemented this judgement immediately. Its effects on the number of the titles or copies entitled to support have been minor to date.

On 5 December the Federal Council approved the rebate for the year 2015. The rebate for the regional and local press is CHF 0.23 and is therefore CHF 0.01 more than in the previous year; membership publications and foundation publications continue to benefit from a rebate of CHF 0.14 as in 2014. Whilst membership and foundation publications exhibit a relatively stable trend in terms of quantities, the dispatch quantities of supported regional and local titles is tending to fall.

4.1 Universal service for payment transaction services

At the end of March 2014 Swiss Post submitted to OFCOM for the first time since the entry into force of the new postal legislation its annual report on the universal service for payment transaction services. The report was produced on the basis of a reference document which OFCOM compiled with the involvement of Swiss Post. An examination of the annual report showed that Swiss Post provided payment transaction services in accordance with the legal stipulations and met the Federal Council's accessibility criteria. The method to assess accessibility had been approved beforehand by OFCOM.

4.2 Market evaluation

The Post Act mandates the Federal Council to evaluate the effects of the reduction of the letter monopoly to 50 grams in Switzerland and of the full market liberalisation in Europe. To this end it submits to Parliament, three years at the latest after the entry into force of the Post Act, a report with proposals on how to proceed in the future. In 2014, OFCOM carried out important preliminary work on the Federal Council's final report, scheduled for autumn 2015.

5 Telecommunications

2014 brought a number of legal changes to the Swiss telecommunications sector, which is undergoing technological and social upheavals. These concerned on the one hand the "traditional" regulatory issues of the telecommunications market and on the other the use of the internet, e.g. via the internet domain ".ch" and the new ".swiss" domain.

5.1 Telecommunications report 2014

Following publication in 2010 and 2012, with the Telecommunications Report 2014 the Federal Council has presented another analysis of the development of the Swiss telecommunications market. OFCOM was responsible for the preparation of this report.

The Federal Council thus planned a review of various topics in relation to the telecommunications market and finally concluded that action is required in some areas and that this justifies a revision of the Telecommunications Act. The main focal points of the ongoing revision efforts include international

roaming, issues of consumer and youth protection, legal aspects of market players' acquisitions, and the further optimisation of the conditions for a needs-based telecommunications infrastructure.

Although the Federal Council rejected setting price ceilings for international roaming, it endorsed measures which are likely to offer end customers improvements in billing options and allow them a wider choice of mobile data use abroad.

In relation to consumer and youth protection, regulations to combat the excesses of telemarketing are to be strengthened, with the specific aim of allowing more effective procedures against nuisance calls from abroad using false phone numbers ("spoofing"). It also aims to commit telecommunications service providers to educate customers about youth protection measures, particularly the use of filters to identify inappropriate content.

The Federal Council has instructed DETEC to draw up a proposal for a partial revision of the Telecommunications Act by the end of 2015. Regulation of individual issues which cannot currently be decided upon will be addressed later, in a second stage.

Telecommunications Report 2014 <http://www.bakom.admin.ch/dokumentation/gesetzgebung/00512/03498/index.html?lang=en>

5.2 New ".swiss" internet domain

Throughout 2014, OFCOM continued with preparations for the implementation of the new Swiss internet domain ".swiss". In particular, in the autumn it organised the signature of the contract which confers on the Confederation the right to operate ".swiss". The document was initialled by ICANN (Internet Corporation for Assigned Names and Numbers), the company which manages internet addresses worldwide, and the federal Department of the Environment, Transport, Energy and Communications (DETEC). In the autumn, the Office also launched a website which brings together all the information on the ".swiss" domain and offers the option of subscribing to a newsletter.



Launch of an information portal on the .swiss internet domain <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=55481>

In parallel, OFCOM has also drawn up the rules for management of the domain, laid down in the new Ordinance on Internet Domains (OID), adopted by the Federal Council on 5 November 2014.

Internet: higher data rates and new rules for domain names <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=55090>

Ordinance on Internet Domains <http://www.admin.ch/opc/fr/classified-compilation/20141744/index.html> (Only available in German, French and Italian)

These new legal foundations embody the Confederation's desire to ensure that the ".swiss" extension is reserved in particular for the country's businesses, culture and institutions, the aim being to serve and promote the interests of the Swiss community. Also, only those entities based in Switzerland or having a particular link with the country will be able to apply for the assignment of a ".swiss" domain name from autumn 2015 onwards. The Federal Office of Communications will then be responsible for examining the content of each application and assigning the requested domain names.

5.3 Management of the “.ch” domain, higher internet data rates and consumer protection

The year 2014 was also marked by the revision of several ordinances in the area of telecommunications. In spring, the consultation of the parties interested in the amendment proposals and the draft new Ordinance on Internet Domains received 83 comments. The Federal Council adopted these ordinances on 5 November 2014.

Internet: higher data rates and new rules for domain names <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=55090>

The new Ordinance on Internet Domains (OID) applies not only to the .swiss domain but also to the country code Top-Level Domain “.ch” and to the generic Top-Level Domains the management of which has been entrusted to Swiss public bodies other than the Confederation. In general, it envisages separating the registry function (administration of the database of internet sites) from that of the registrar (sale of domain names).

When it approved other changes, the Federal Council doubled the internet data rates which Swisscom must offer its customers as part of the universal service. It set the download speed (from the network to the user) at 2000 kbit/s and the upload speed at 200 kbit/s. It also improved consumer protection. Notably, for premium rate numbers, telecommunications service providers will no longer be able to charge extras in relation to the indicated prices, e.g. for the establishment of a call to a number of a premium-rate service or for the use of the mobile network. Calls to 0800 numbers will therefore be genuinely free, regardless of whether the call is made from a landline or a mobile.

Measures were finally taken to guarantee price transparency concerning calls to 058 numbers and to combat the misuse of Swiss telephone numbers to make advertising calls (“spoofing”).

The entry into force of the new provisions was fixed for 1 January and 1 July 2015 respectively.

5.4 The essentials in brief

5.4.1 New pricing for regulated network access

The price which Swisscom's competitors have to pay for access to its telecommunications infrastructure has fallen. This is due to a number of factors including a revision of the Telecommunications Services Ordinance by the Federal Council in March 2014: telecom operators are to pay cost-based prices, which are based on a modern calculation model, for access to Swisscom's network. The Federal Council has based the pricing of unbundled copper cables (local loop or last mile) on the most modern technology in each case. In the interests of continuing expansion of telecommunications structures, the Federal Council also stipulated that price calculations for the use of existing cable ducts should no longer be based on the model cost of creating a new network but on actual maintenance costs.

Calculating costs for the use of a telecommunications network <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=52301>

5.4.2 Net neutrality

One of the Confederation's goals in 2014 was to draw up a basis for a substantive discussion on network neutrality. To achieve this, OFCOM invited interested parties to participate in a working group, which discussed the various aspects of network neutrality during the course of the year. In October, OFCOM published a Working Group Report, which outlined the different views and the situation abroad.

At the centre of the discussion was the fact that internet data can now be transported in different qualities or rather at different speeds. The issue of the extent to which it is necessary and appropriate to treat all data equally became controversial. One side pointed to the need for prioritised transport for

certain data (“network management”) and called for freedoms in relation to the technical and commercial structure of their services on their networks. The other side wanted guaranteed equality of treatment of all internet data, at least to the extent of making it impossible to discriminate against applications of competing providers and transmitting their content more slowly than that of the network operator. The report contrasted the arguments of the opponents and proponents of possible rules for net neutrality.

The following organisations participated in the working group under the direction of OFCOM: asut, Swisscable and ICTswitzerland, Swisscom, Sunrise, Orange and upc cablecom, the Foundation for Consumer Protection (SKS), the SRG SSR, Internet Society Switzerland, /ch/open, Digitale Gesellschaft (Digital Society), Switch, the ComCom Secretariat, Dr. Simon Schlauri and occasionally Teleboy.

Net Neutrality <http://www.bakom.admin.ch/themen/internet/04810/index.html?lang=en>

5.4.3 Surveillance

To ensure that the rules of the telecommunications market are respected by all market participants, OFCOM regularly exercises its role as supervisory authority. A systematic supervisory campaign with regard to the obligation to make customer invoices available to the telecommunications dispute resolution service (ombudscom) revealed that the relevant requirements are generally complied with. Another campaign targeted the practice of “spoofing” (displaying false phone numbers). An investigation was initiated into how such practices can be regulated and, where appropriate, prevented, in relation to an amendment to the Telecommunications Act.

In the case of premium rate numbers (090x) there were 430 individual cases of intervention, compared to 380 in the previous year. These mainly concerned unpaid annual fees for the use of the numbers by the service provider as well as regulations on disclosing prices to customers. The mandatory telecommunications statistics resulted in four administrative penalties of between CHF 300 and CHF 6300 for telecommunications providers due to non-delivery of information.

5.4.4 Market access

The number of telecommunications service providers increased slightly in the reporting year, as in the previous year. Considering all categories, a total of 30 providers were deleted and 36 new registrations were recorded.

Designation	Service category	2010	2011	2012	2013	2014
1.a	Telephony services on the fixed network	167	181	180	189	193
1.b	Nomadic telephony services via the internet	146	125	129	141	147
1.c	Telephony services on the terrestrial mobile network	51	60	63	63	70
1.d	Telephony services via mobile satellite networks	9	11	11	14	14
1.e	Telephony services via access numbers (two-step dialling)	35	39	46	48	49
2	Transmission of radio/TV programme services	145	149	151	153	153
3	Internet access	243	257	266	277	292
4.a	Constant bitrate transmission capacity	139	149	147	159	162
4.b	Variable bitrate transmission capacity	211	216	216	222	225
5.a	SMS/MMS services	86	96	98	94	105
5.b	Hosting of access numbers and/or short numbers	35	41	45	49	52
5.c	Other services	118	118	138	145	143

5.4.5 Re-organisation of mobile phone frequencies (“refarming”)

In the context of the auction carried out in February 2012, all the available mobile frequencies were awarded anew. The implementation of the new allocation arising from the auction meant that the three mobile telephony operators Orange, Sunrise and Swisscom had to refarm their frequencies in the 900 and 1800 MHz range in 2014. In order to optimally use the existing frequencies and minimise interference, the three licensees drew up a proposal with the support of OFCOM, which was subsequently approved by the Federal Communications Commission (ComCom). The refarming work took place at night between 21 July and 16 August 2014. During the refarming work there were local short-term coverage failures. However, this had no significant impact on the quality of services for the customers of mobile telephony operators. Further frequency refarming in the 2.1 GHz band is planned for the year 2016.

Success of the operation to reorganise mobile telephone frequencies

<http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=54081>

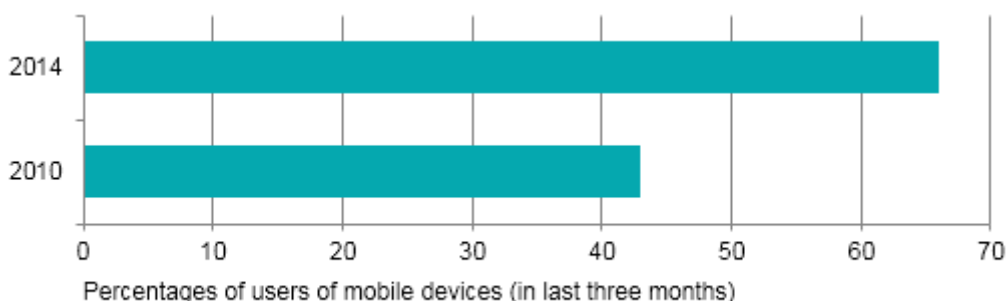
5.4.6 Mobile internet

According to a 2014 Federal Statistical Office survey, which was co-funded by OFCOM, the majority of internet use is now mostly outside of private homes and the workplace, i.e. mobile use.

Information society Business Office http://www.bakom.admin.ch/org/jahresberichte/04918/04926/index.html?lang=en#sprungmarke0_2

Users increasingly prefer smartphones to other communication terminals, because they have become cheap, efficient and easy to use. This usage trend has an impact on requirements for high-performance networks and also increases the significance of mobile radio networks.

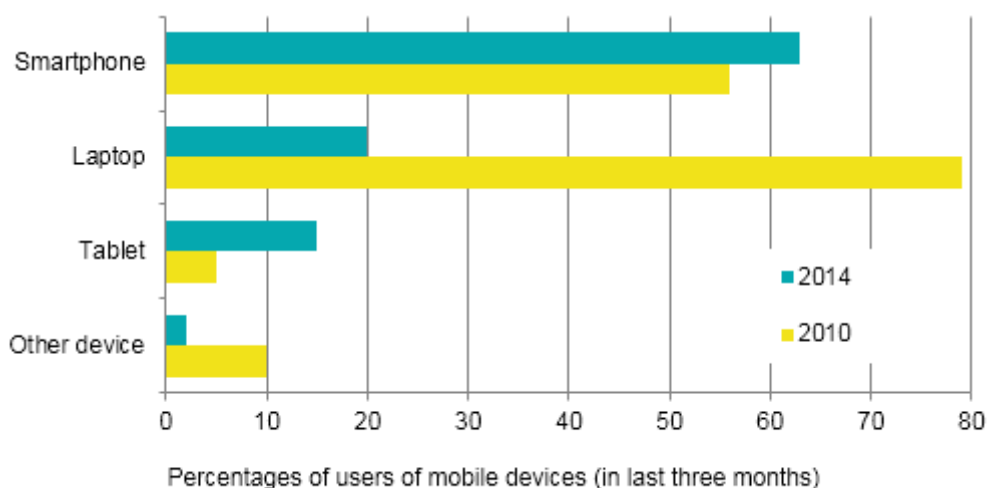
Internet usage outside of private homes and the workplace, 2010 and 2014



Source: FSO (Omnibus ICT 2014)

© FSO: Internet usage outside of private homes and the workplace, 2010 and 2014 (only available in German and French) http://www.bfs.admin.ch/bfs/portal/de/index/themen/16/04/key/approche_globale.indicator.30115.301.html?open=1#1

Mobile devices for internet use outside of private homes and the workplace, 2010 and 2014



Source: FSO (Omnibus ICT 2014)

© FSO: Households and population - Mobile devices for internet use outside of private homes and the workplace, 2010 and 2014 (only available in German and French)

http://www.bfs.admin.ch/bfs/portal/fr/index/themen/16/04/key/approche_globale.indicator.30115.301.html?open=350#350

6 Equipment and Frequency Management International

Work on new standards to enable the use of new devices, anticipating future spectrum requirements, avoiding interference between wireless devices and monitoring the market: the activities of the division make it possible to ensure the present, but also to anticipate the future. In order to better meet the challenges and further exploit synergies, the AFI and FNK divisions have been reorganised. Since 1 January 2015, the new Radio Monitoring and Equipment (RA) Division has brought together all activities on interference research and market surveillance, whilst the Licences and Frequency Management Division (KF) deals with all questions relating to frequency management and the granting of the majority of radiocommunications licences.

6.1 Market surveillance campaigns

In 2014, OFCOM took an active part in two European market surveillance campaigns.

In the radio sector, the checks concerned mobile telephony repeaters, which are the sources of multiple cases of interference. Initially intended for operators, these devices, which make it possible to extend the coverage of mobile telephone networks inside buildings, are now available to the general public on the market and are often sold on the internet. The results show that the majority are not technically compliant and that the purchaser is often not informed of their conditions of use. Indeed, the installation of a mobile telephony repeater requires prior authorisation of the mobile telephony operators whose signals are re-transmitted.

Report on the surveillance campaign on mobile telephony repeaters <http://ec.europa.eu/DocsRoom/documents/7718/attachments/1/translations/en/renditions/native>.

The second campaign, in the area of electromagnetic compatibility, related to converters for solar panels which transform solar energy into an electrical voltage (240 V). The number of these installed devices is in full expansion. Here too, the result is disappointing: less than 10% of devices complied with all the applicable requirements (33% complied with the technical requirements),

Report on the surveillance campaign on converters for solar panels <http://ec.europa.eu/DocsRoom/documents/8064/attachments/1/translations/en/renditions/native> .

6.2 Electromagnetic compatibility (EMC)

This year, OFCOM actively contributed to making the European bodies such as the Electromagnetic Compatibility Working Party experts' group and European Committee for Electrotechnical Standardisation (CENELEC) more aware of the need to re-examine certain hallowed principles concerning standardisations in relation to electromagnetic compatibility.

In order to continue to control the risk of interference and protect the radio spectrum when technologies are in rapid evolution, adaptations to electromagnetic compatibility at the European level are essential: it is a matter of unifying the standards which lay down the protection criteria for the spectrum to avoid inequalities in treatment. In addition, it is necessary to adapt the limit values for protection of digital signals and to fill gaps in the standards by fixing limit values in certain frequency bands or by standardising wiring and specific networks. It is now the case that digital radio signals are replacing analogue signals, high-speed signals are transmitted on wired networks not designed for this purpose, whilst some electrical equipment incorporates modules from different technologies and can communicate via the internet or radio waves.

6.3 The essentials in brief:

6.3.1 Market surveillance

In 2014, 31 new companies active in the area of placing telecommunications equipment on the market, plus seven trade exhibitions, were visited by OFCOM officials. In this way, OFCOM was able to provide information in a targeted way and update its database of telecommunications equipment importers; this currently includes 1095 companies.

6.3.2 Standard for radar

In 2014, in order to respond to market demand, OFCOM developed a technical standard relating to radar systems for the localisation of landslides, debris flows or avalanches, and for the detection of migratory birds. This standard – the first promulgated in this sector in Europe – facilitates the marketing of these devices as it simplifies the conformity evaluation procedure.

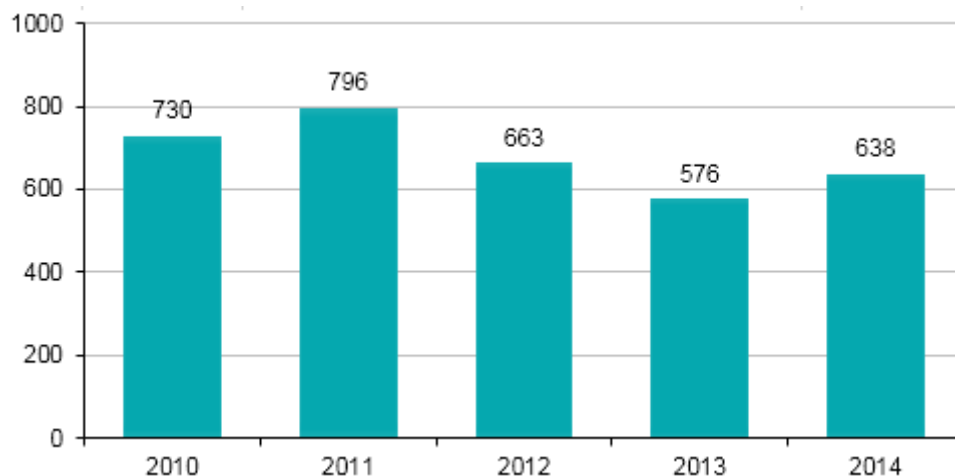
NT-3004 – Technical standard concerning radar intended for monitoring landslides and debris flows, detecting avalanches and other similar safety applications, and for detection of migratory birds

[NT-3004 – Technical standard](#)

6.3.3 Notifications

In 2014, OFCOM processed 638 notifications of radio equipment, i.e. an increase of 10% on the previous year. A quarter of these (compared to 13% in 2013) concerned equipment subject to restrictions on use in Switzerland – because it uses frequencies not assigned to it.

Number of notifications of radiocommunication equipment



6.3.4 World Radio Conference 2015 (WRC-15)

The preparatory work on the 2015 World Radio Conference, which will take place from 2 to 27 November 2015 in Geneva, was a focal point of OFCOM's frequency management activities. The national interests were presented and represented in the relevant committees of the CEPT (European Conference of Postal and Telecommunications Administrations) and the ITU (International Telecommunication Union). These included, among other things, Switzerland's commitment to harmonised European frequency ranges in support of disaster prevention and protection of the population.

6.3.5 Electronic Communication Committee

In November 2014, OFCOM hosted the 38th meeting of the ECC (Electronic Communication Committee) in Montreux. 80 delegates from 30 European countries debated various issues in relation to the harmonised use of the frequency spectrum in Europe.

6.3.6 National frequency allocation plan 2015

The national frequency allocation plan was approved by the Federal Council on 5 November and entered into force on 1 January 2015. The plan serves as a planning basis for frequency utilisation in Switzerland and is revised annually.

National frequency allocation plan 2015

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

6.3.7 Mobile radio in the 700 MHz band: changes for radio microphones and digital television

At the 2015 World Radio Conference the 700 MHz band will be opened up for mobile radio applications. This will reduce the spectrum available for wireless microphones. With the remaining part of this so-called UHF band it will therefore become increasingly difficult to meet the increasing demand for frequencies for microphone transmissions. In addition to the cooperation in international bodies (the ITU, the ECC Electronic Communication Committee), in which alternative frequency bands are sought, in 2014 OFCOM, in an internal study, examined the extent to which the spectrum requirement of wireless microphones might be reduced by the use of digital technology. In co-operation with the IT'IS (Information Technologies in Society) – an ETH Zurich foundation – a further study analysed the extent to which higher frequency ranges could be considered for wireless microphones. The results of the study are expected by the beginning of 2015.

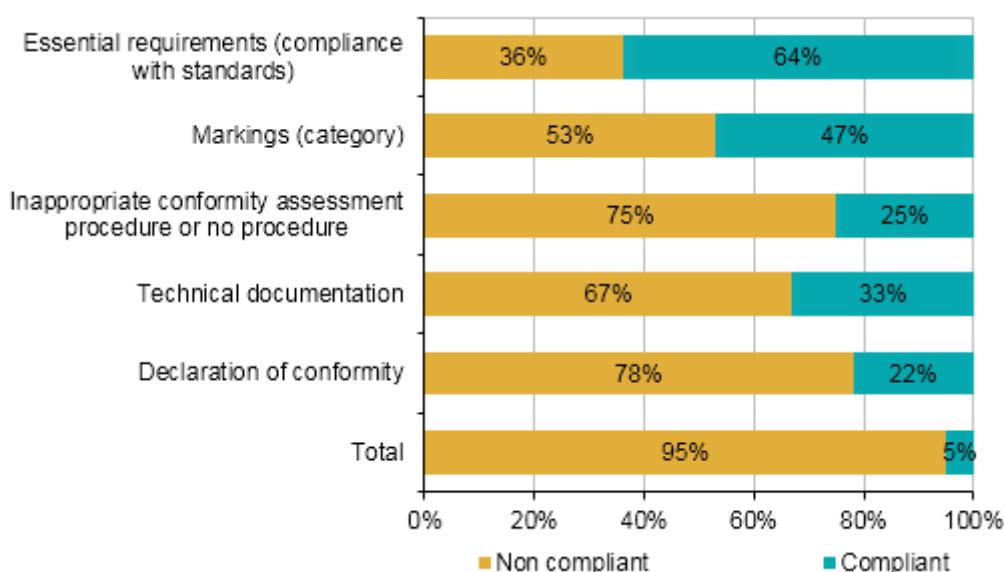
OFCOM also held discussions with the SRG regarding the future use of the 700 MHz band. It was agreed with the SRG that the DVB-T transmitters currently being operated (for digital terrestrial televi-

sion) will be gradually migrated by the end of 2018 to the lower 470-694 MHz band. It is therefore possible for Switzerland to keep to the schedule envisaged at the overall European level in order to prepare the 700 MHz band so that it is available by 2020 (+/- 2 years) for mobile radio applications.

6.3.8 Surveillance of devices and equipment and preventive measures

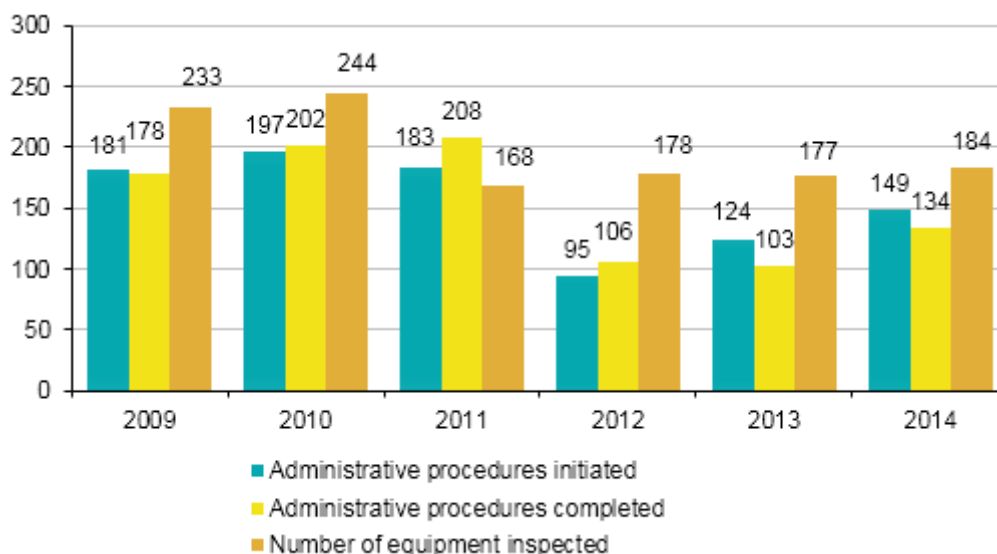
In 2014, the inspections focused on 166 items of telecommunications equipment and 18 devices in the area of electromagnetic compatibility. The rate of non-conformity of the equipment inspected in 2014 remains high (95%): 174 equipment items out of 184 did not meet the applicable requirements (92% in 2013). The most problematic areas are the same as in the past: the declaration of conformity (78% non-conformity compared to 77% in 2013), the technical dossier (67% compared to 78% in 2013), characterisation (53% compared to 56% in 2013), and the essential requirements (36% compared to 48% in 2013). 138 items of equipment (75%, compared to 71% in 2013) had not been subjected to a conformity assessment by the manufacturer or had undergone an inappropriate procedure.

Most frequent rates of non-conformity of inspected equipment



In 2014, 149 procedures were initiated, compared to 124 in 2013; 19 (compared to 12 in 2013) involved market surveillance in the area of electromagnetic compatibility (EMC) and 137 (compared to 105 in 2013) that of telecommunications equipment. Within the same period, OFCOM was able to complete 20 procedures in the EMC area (3 more than a year earlier) and 114 in the area of telecommunications equipment (compared to 86 in 2013), some of which related to multiple items of equipment. OFCOM was able to close 134 procedures in total (103 in 2013).

Administrative procedures concerning equipment



6.3.9 Preventive measures

In 2014, OFCOM continued to publish on its website a list of telecommunications equipment which is not in technical conformity and whose use may cause interference with radio traffic or the reception of radio and television programme services. The Office issued a ban on the sale of such items, which means that the equipment included in this list cannot be offered, sold or even given away. This database included 112 items of equipment at the end of 2014 (compared to 63 at the end of 2013).

Non-compliant equipment

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

In 2014, OFCOM continued the briefings on the legal framework in relation to electromagnetic compatibility. With the help of other players in the industry (suppliers of measuring equipment, laboratories, consultants...), OFCOM organised an information day on electromagnetic compatibility. This event took place in January 2014 and, given the success it enjoyed, was repeated in January 2015.

Information day on electromagnetic compatibility (available in German only) <http://archiv.swisstmeet-ing.ch/EMV2015.jpg.html>

OFCOM concentrates its market surveillance efforts on problem areas. In 2014, on the one hand it published the priorities that it set for checks relating to market surveillance of telecommunications equipment and on the other hand published the annual results obtained. However, checks in other areas are not excluded.

Priorities for checks on telecommunications equipment <http://www.bakom.admin.ch/themen/geraete/00639/01636/index.html?lang=en>

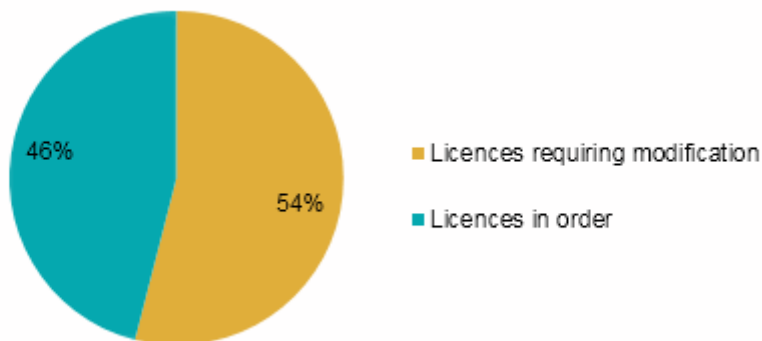
Telecommunications equipment surveillance results <http://www.bakom.admin.ch/themen/geraete/00639/03908/04772/index.html?lang=en>

6.3.10 Monitoring of radio licensees

The performance mandate imposed by the Federal Council envisages that in the area of "licence inspections" surveillance will be ensured by means of a sufficient number of targeted inspection and prevention measures each year. In 2014 a total of 179 licences (153 in the previous year) were checked on site, including mostly licences which have not been the subject of any changes (mutations) for at least five years. The continuing high proportion of complaints (54 per cent) fell slightly

compared to the previous year (59 per cent). The renewed decrease is attributable mainly to two things: during the inspection of a major sporting event with numerous national and international users, we were able to establish that the regular checks are not failing to achieve their desired effect. In order to determine the effectiveness of our activities, in the reporting year we also carried out thirty licence checks on companies which we had had already checked once five to six years previously. The result of these checks can be seen as positive; we only had to query approximately a quarter of those inspected.

Results of licence inspections



6.3.11 Other checks on utilisation of frequencies

In 2014, we carried out 205 inspections (166 in the previous year) of equipment which was being operated without a licence or which was non-compliant. The corresponding 85 procedures (99 in the previous year) meant there was a net increase of 12 new licences (20 in the previous year).

6.3.12 Preventive measures (e.g. information)

In the context of information activities we informed and advised a total of 54 specialist dealers – 28 in the area of professional mobile radio (PMR) and 26 in the area of sales and renting of wireless microphone systems.

7 National Frequency Management and Licences

We reviewed the extent to which the various administrative fees cover costs and initiated the necessary measures. In addition, the trends in radio consumption and frequency refarming in the mobile radio sector were analysed. We were also active in the expansion of the measurement infrastructure and in preparing for the reorganisation of our division from 1 January 2015.

7.1 Radio licences

The number of licences required for the use of the POLYCOM national security network increased very little in 2014. This is because only one subnet is missing for the final stage of the expansion of the entire security network and the majority of the frequency users already have licences. POLYCOM is the national radio system of the rescue organisations and security authorities (BORS), which is being established in Switzerland in stages. BORS also includes fire brigades.

Here the trend of local fire brigades merging to form regional fire brigades has continued. The aim of these mergers is to form larger associations in order to exploit synergies and decrease the number of licensees.

Although in the field of mobile radiocommunications for professional use the number of radio licences decreased slightly, the number of licensed devices increased once again.

As in recent years, the number of licences for amateur radio as well as ocean-going and Rhine vessels increased slightly in 2014. The decline in the field of aeronautical radio continued.

There were practically no changes in relation to amateur radio licences.

Number of radio licences

	2010	2011	2012	2013	2014
Mobile radiocommunications for professional use	9462	9478	9524	7698	7487
Marine radio	1903	1960	2009	1491	1554
Aeronautical radio	3726	3731	3648	3536	3456
Amateur radio	4662	4673	4700	4735	4757

7.2 Use of the frequency spectrum

In the middle of the year, mobile operators implemented the frequency reallocations; these had been prepared in advance. The change within Switzerland went smoothly thanks to good cooperation between OFCOM and the operators. Only in the Geneva area was there occasional interference with a French network. This demonstrates how complex such changes are due to the different technologies used. However, with the support of OFCOM and the French frequency authorities, the affected operators developed and implemented a solution within a short time.

Success of the operation to reorganise mobile telephone frequencies <http://www.bakom.admin.ch/dokumentation/medieninformatoren/00471/index.html?lang=en&msg-id=54081>

As part of making frequency assignment more flexible, individual microwave radio operators have for the first time made large-scale use of block-allocated frequencies. They benefit from higher-quality, faster frequency availability subject to lower fees.

In relation to wireless cameras we have developed a new, more flexible frequency concept. In this way we ensure that the increasing needs of the security services, the media and programme producers can be covered in future.

7.3 Event support

In addition to day-to-day business such as investigation of interference, licence inspections and measurements in the electromagnetic field, the reporting year was marked by three major events. Such events always represent a major challenge for us: we receive some users' licence applications very late, even though we repeatedly remind applicants that critical frequency ranges are allocated according to a "first-come, first-served" basis. In the case of such major events, we are also faced with a massive concentration of radio applications in a very confined space. As well as these mainly technical aspects, we also need to deal with logistical and safety-technical problems.

At the AIR14 air show in Payerne we supported the Federal Department of Defence, Civil Protection and Sport (DDPS) and all other frequency users and users with a team on the ground. This was particularly challenging because the DDPS also used some frequencies from the civilian sector.

The Athletics World Championships in Zurich was not only a sporting highlight, but also a challenge in terms of frequencies. We had to coordinate and review the various needs of the media, security services and those responsible for the sporting event to ensure it ran smoothly.

The OSCE Ministerial Conference in Basel was finally a success thanks to close cooperation with the FDFA.

7.4 The essentials in brief:

7.4.1 Radio operator examinations

The number of candidates (divided into four types of test) again increased slightly compared with the previous year. Overall, 741 people completed a radio operator examination according to international specifications.

Number of radio examinations

	2010	2011	2012	2013	2014
Amateur radio	204	164	158	177	192
Long Range Certificate (LRC)	271	250	242	219	207
Short Range Certificate (SRC)	307	230	273	199	267
Inland navigation	134	119	97	112	75
Total	916	763	770	707	741

7.4.2 Broadcasting

The digitisation of FM audio broadcasting requires measurable quality and coverage criteria for successor technologies. Together with operators and authorities we have developed the technical criteria for comparing wireless and fixed-network-based broadcasting vectors. This will both allow the switch to DAB+ without any loss of quality compared with current VHF coverage and ensure reception in the main road tunnels.

7.4.3 Notification service

The continuous efforts of employees made it possible to guarantee the required 100% availability of the hotline 365 days a year. It was also possible to clarify and resolve incidents of interference reported by the police, emergency services and air traffic control within the stipulated time. This was made possible by the ongoing development of our measurement infrastructure and the ability to centrally control the measuring systems throughout the whole of Switzerland.

7.4.4 Reports of interference

Of the approximately 700 internal and external applications to Radio Monitoring, approximately half concerned reports of interference. Once again, interference was most common among mobile radio with a UMTS uplink and private mobile radio systems (PMR). In the case of UMTS interference (mobile telecommunications) the incidence of interference caused by imported cordless telephones (DECT devices) is decreasing, whereas the incidence of interference caused by devices to amplify the mobile radio signal (mobile phone repeaters) is increasing.

Year	2014	2013	2012
Reports of interference	301	365	413

8 International Relations

In 2014, Switzerland was again able to help set the tone in telecommunications and broadcasting policy at the international level. For example, Switzerland's seat on the International Telecommunication Union's Council was confirmed at its Conference of Plenipotentiaries in November 2014 in Busan

(South Korea) with the best election result of all the member states. In addition, in 2014 Switzerland had the honour of assuming the presidency of the Governmental Advisory Committee of the Internet Corporation for Assigned Names and Numbers (ICANN) for the next two years.

8.1 2014 conference of plenipotentiaries of the International Telecommunication Union (ITU)

A delegation from the Federal Office of Communications (OFCOM) – consisting of Philipp Metzger, Director, and Frederic Riehl, OFCOM Ambassador, Vice-Director and Head of the “International Relations” Service – represented Switzerland at the Conference of Plenipotentiaries (PP-14) of the International Telecommunication Union (ITU), which was held from 20 October to 7 November 2014 in Busan, in the Republic of Korea. Switzerland was re-elected to the Council of the ITU, the body responsible for managing the business of the Union between two Conferences of Plenipotentiaries. It received 156 votes of Member States, achieving the best result of all 48 Member States elected to the Council. The PP-14 dealt with issues concerning the management and operation of the ITU and adopted the strategic and financial plans of the Union for 2016-2019. The Swiss delegation contributed significantly to drawing up the future policies of the ITU in the areas of the information society and information and communication technologies (ICT), in particular combating the digital divide, speeding up the roll-out of broadband, interventions in the event of catastrophes and the promotion of the use of ICT with a view to greater independence for women. The Conference of Plenipotentiaries is the supreme body of the Union and meets every four years, with the objective of deciding on the strategy and basic policies of the organisation.

8.2 Presidency of the ICAN Governmental Advisory Committee

At the 51st meeting of the Internet Corporation for Assigned Names and Numbers (ICANN) in October 2014, Thomas Schneider, Deputy Head of the International Relations Service at OFCOM, was elected to chair the Governmental Advisory Committee, (GAC). The private American non-profit organisation ICANN is responsible for the assignment and administration of names and addresses on the internet. The Governmental Advisory Committee advises ICANN and issues recommendations on topics concerning the domain name system which relate to matters of concern to governments or when the decisions of ICANN affect national legal systems or international agreements. For example, this is the case with the introduction of new top level domains (e.g. .swiss, .paris, .berlin), with the protection of geographical indicators (among other things .vin/.wine, .africa) and of names or abbreviations of international organisations (for example the ICRC) when top level domains are assigned.

Being able to coordinate and represent the interests of governments for two years provides an opportunity to continue Switzerland's long-term involvement as an intermediary and bridge-builder in the administration of the internet. Since the World Summit on the Information Society in 2003 in Geneva, Switzerland has been playing an active role in the organisation of this process. Given its participatory and decentralised direct democratic system of government, Switzerland has a good basis to be able to make a valuable contribution as chair of the Governmental Advisory Committee. Thus Switzerland will continue to work for basic values such as inclusivity and democratic participation, transparency, responsibility and good governance.

Switzerland to head the ICANN Governmental Advisory Committee <http://www.bakom.admin.ch/dokumentation/medieninformationen/00471/index.html?lang=en&msg-id=54830>

8.3 NETmundial: a global multistakeholder meeting to organise the future of internet governance:

In April 2014 the “Global Multistakeholder Meeting on the Future of Internet Governance – NETmundial for short – took place in São Paulo. Brazilian president Dilma Rousseff had called the conference after the exposures by Edward Snowden concerning NSA activities, in order to discuss the subject of mass monitoring with all interested stakeholders, i.e. with participants from the state, the private sector and civil society. The NETmundial process was somewhat unstructured and not always completely

transparent: in particular numerous civil society representatives regretted the absence in the concluding document of a clear condemnation of mass monitoring and a commitment to network neutrality. At the conclusion, however, almost all the participants backed the “Multistakeholder Statement of São Paulo”, which contains a set of basic principles for internet governance and a timetable for their further development.

The NETmundial experiment has shown that in a multistakeholder process it is possible to achieve a result which is based on a rough consensus in a very short time. The multistakeholder procedures now must be further developed in order to meet more stringent requirements relating to the representativeness of participants and to the transparency of the decision-making process. For a majority of the stakeholders, however, NETmundial is a first milestone in “Multistakeholder Policy Making” and a beacon for other institutions and forums, such as the Internet Governance Forum.

8.4 The essentials in brief:

8.4.1 The European Union (EU)

OFCOM attentively followed the negotiations on the “Connected Continent” legislative package proposed by the European Commission. In particular it took part in the informal Council of Telecommunications Ministers. Although the European Parliament argued for abolition of roaming charges before the end of 2015, efficient management of radio frequencies and maximum neutrality of the internet, several Member States on the other hand expressed reservations about several aspects of the proposal. Finally, only the two questions of the abolition of roaming charges and the neutrality of the internet were retained in the dossier. In addition, OFCOM monitored the accession into its functions of the new European Commission, which nominated two digital commissioners, priority areas for both the Commission and the European Council. Finally, OFCOM participated in the events organised by the Commission, including the Digital Agenda Day, and in the high-level groups on the Digital Agenda and internet governance.

8.4.2 Council of Europe guide on human rights for internet users

In April 2014 the Council of Europe published a recommendation on the guide to human rights for internet users. This guide, which was compiled by a multistakeholder working group with Swiss participation, informs internet users in comprehensible, simple language about their rights on the internet and on the legal remedies which are available, and those which are not, in the event of a violation.

8.4.3 International Telecommunications Satellite Organisation ITSO

OFCOM took part in the 36th Assembly of the Parties, at which Switzerland was elected to sit on the Consultative Committee for the next two years. The meeting made it possible to adopt budgets for 2015 and 2016 as well as a resolution on the use of satellites to reduce the digital divide and extend the current goals and objectives of the ITSO up to 2017.

ITSO Assembly of Parties 0http://www.itso.int/index.php?option=com_content&view=article&id=71&Itemid=214&lang=en

8.4.4 TV5 Monde

The Fondation Wallonie-Bruxelles chaired the meetings of the senior officials of TV5 Monde. The discussions with the other TV5 partners (France, Canada, Quebec and Switzerland), which mainly related to the budget, made it possible to find solutions which were fair for all, while taking measures to reduce the channel's expenditure. Switzerland's contribution remained unchanged. Innovations appeared in the TV5 programming, notably a major information broadcast plus a cultural broadcast, launched on the initiative of the Radio Télévision Suisses (RTS). Switzerland also provided financial support for the restoration of three Maisons TV5 Monde in Burkina Faso, Burundi and Senegal.

8.4.5 Universal Postal Union (UPU)

In November, OFCOM took part in the work of the Council of Administration of the UPU, which concerned in particular the budget, the management of the organisation and the amount of the annual contributions of the member states. The office was also involved in the working group in charge of the UPU's strategy from the viewpoint of the roadmap which will be adopted at the UPU Congress in 2016. It also took part in various meetings of a working group of the European Committee of Postal Regulators (WG-UPU of the CERP) aiming at coordinating the European positions within the UPU.

8.4.6 Organisation for Economic Cooperation and Development (OECD)

The OECD's Committee on Digital Economy Policy (CDEP), one of the vice-presidencies of which is held by OFCOM, finalised its work in the area of new sources of growth and compiled two reports on Big Data and the economic impact of intellectual property. In addition, it continued its preparations for the ministerial meeting scheduled for 2016, a dossier which OFCOM is following with close attention.

9 Finance

In 2014 a number of organisational changes were made or prepared within the Resources and Organisation Division. The objective was an adjustment to the relevant processes in the federal administration which have been constructed in the financial sphere. As an accompanying measure, all members of OFCOM management were trained in the basics of procurement. With the new structure of the Human Resources Section, more latitude was created for conceptual work and the ground was prepared for the change from the hitherto rather administratively aligned HR area to a more comprehensive system of personnel management.

9.1 Income and expenditure statement

The 2014 income and expenditure account shows a total expenditure of CHF 135.9 million, up by CHF 2.4 million (2%) on the previous year. Of this, 42.5% was attributed to operating expenses, 57.3% to transfer expenditure and 0.2% to other costs. The operating expenditure includes OFCOM's financial outlay on human resources and administration, the service charges of other federal agencies and the non-financially effective depreciation of the Office's fixed assets. The transfer expenditure includes the contributions to international organisations, the subsidies in the radio and television sector and the delivery discount for newspapers and magazines (indirect press support). The other expenditure includes losses due to bad debt.

The total ordinary revenue decreased by CHF 7.7 million (14%) compared to the previous year and amounted to CHF 48.9 million. Of this, 51% was attributed to operating revenue and 49% 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 (these constitute the largest part, at CHF 19.4, i.e. 81%), the licence fees of the licensed radio and television stations for special funding in the radio and television sector and the proceeds as a result of violations of the law (fines and confiscated profits).

The annual funding requirement according to the revenue and expenditure account amounted to CHF 86.9 million and was therefore CHF 10.1 million higher than in the previous year. Essentially this is attributable to the lower revenue from radio licence fees.

9.2 Revenue

The regular total revenue was CHF 7.7 million lower than in the previous year. In the case of regular radio licence fees, OFCOM registered reduced revenue, because the radio licence fees for certain mobile radio frequencies formerly collected annually were discontinued. These were re-assigned in an auction of mobile radio frequencies in 2012. The revenue from the auction (basis: radio licence fees

calculated over the term of the radio licences) were due on a one-off basis and were booked as extraordinary revenue.

The reduced revenue from mobile radio licence fees were offset by increased revenue from radio relay links. This was because more microwave radio relay links were used in the construction of the networks for the new generation of mobile radio (LTE: Long Term Evolution).

9.3 Expenditure

Total expenditure increased by only CHF 2.4 million. Part of the additional expenditure, amounting to approximately CHF 1.3 million, was attributable to OFCOM's operating expenditure (the global budget). Personnel costs increased (+ CHF 0.5 million), as did operating expenses (+ CHF 0.5 million). In addition, the provisions for employees' time credits had to be increased (+ CHF 0.4 million). The depreciations on investments fell slightly (- CHF 0.1 million). The remaining expenditure (losses on bad debts) remained practically unchanged compared to the previous year.

Expenditure in the transfer sector (expenditure outside of the global budget) increased by a total of CHF 1.1 million. Here the contribution for "the foreign service offering of the SRG" rose by CHF 1.7 million, because the TVsvizzera.it service offering was extended. The contributions for "media research" and "new broadcast technologies" (digitisation of programme service broadcasting) fell by approximately CHF 0.5 million respectively. Various projects in relation to media research were delayed because of WTO tenders.

The contributions for international organisations increased by approximately CHF 0.4 million, because the Confederation's contribution to the Universal Postal Union (UPU) has been paid by OFCOM since 2014. In previous years, this had been paid by the DETEC General Secretariat.

9.4 Operating account (cost account and results account)

The cost coverage ratio was approximately 0.5% higher than in the previous year, because the percentage increase in revenue was higher than that for costs.

Revenue rose by approximately 1.5% (CHF 0.4 million). The excess of receipts is attributable to the non-budgeted operating revenue of CHF 2 million from the payment of the excess profits of the Switch Foundation, to which the assignment of internet domain names is outsourced.

Costs have increased by only approximately 0.2% (CHF 0.1 million) and are therefore at practically the same level as the previous year.

9.5 Special funding for radio and television

The revenue from the radio and television broadcasters' licences, which is used for sector-specific funding of various financial aids in the area of radio and television (media research, use of new technologies and archiving of programs) was CHF 2.5 million, 0.3 million lower than in the previous year. However, since the contribution paid to media research (CHF 1.2 million) and for the "new broadcast technologies" (CHF 0.7 million) was lower than the receipts, CHF 0.6 million flowed into this funding-related account associated with this special funding. Its balance therefore increased from approximately CHF 8.8 million to 9.3 million.

9.6 Financial development in the period 2012-2014

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

1. Profit and loss account (revenue, expenditure)	2011 (CHF mill.)	2012 (CHF mill.)	2013 (CHF mill.)	Change on previous year (CHF mill.)	%
1.1 Ertrag					
Function revenue - global budget OFCOM	-24.0	-28.2	-24.7	-3.5	-12%
Administrative fees	-23.6	-27.9	-24.7	-3.3	-12%
Resolution of reserves holiday/overtime credits	-0.3	-0.2	-0.1	-0.2	-75%
Other revenue / (CO2 tax)	-0.1	0.0	0.0	0.0	-29%
Revenue outside the global budget - regular	-30.4	-30.4	-31.9	1.5	5%
Radio licence fees	-25.9	-25.9	-27.5	1.6	6%
Radio licence fees (not effective on financing)	-1.1	-1.1	-1.1	0.0	0%
Revenue from administrative penalty procedures	-0.5	-0.6	-0.5	-0.1	-12%
Licence fees, radio and television	-2.8	-2.8	-2.8	0.0	-2%
Subtotal regular revenue	-54.3	-58.6	-56.6	-2.0	-3%
Revenue outside the global budget - extraordinary	0.0	-738.0	0.0	-738.0	100%
Revenue from re-allocation of mobile radio frequencies (Auction)	0.0	-738.0	0.0	-738.0	100%
Total revenue	-54.3	-796.6	-56.6	-740.0	-93%
1.2 Expenditure	2011 (CHF mill.)	2012 (CHF mill.)	2013 (CHF mill.)	Change on previous year (CHF mill.)	%
Function expenditure - global budget OFCOM	57.1	58.1	56.5	1.6	-3%
Personnel costs I (effective on financing)	41.2	41.6	41.3	0.3	-1%
Personnel costs II (Confederation, cost allocation)	0.1	0.1	0.0	0.0	-66%
Material expenditure I (effective in financing)	5.9	5.7	5.0	-0.7	-13%

Material expenditure II (effective in financing - withdrawal from reserves for specific purposes)	0.5	1.1	0.6	-0.5	-44%
Material expenditure III (Confederation, cost allocation)	8.1	8.1	8.0	-0.1	-2%
Depreciation (not effective on financing)	1.3	1.5	1.6	0.1	5%
Transfer expenditure	26.6	23.6	76.7	53.1	225%
Contributions to international organisations	3.7	3.7	3.6	-0.1	-3%
Contributions to international organisations	3.7	3.7	3.6	-0.1	-3%
Subsidies / Financial aid	22.9	19.9	73.1	53.2	267%
Contribution to SRG offering for foreign countries	20.1	16.6	18.6	2.0	12%
Training of programme-makers	0.9	1.0	1.0	0.0	4%
Contribution to media research	1.1	1.7	1.7	0.0	-1.4%
New broadcasting technology	0.1	0.0	1.2	1.2	100%
Programme archiving	0.1	0.0	0.0	0.0	-75%
Contribution to broadcasting of programmes in mountain regions	0.6	0.6	0.6	0.0	4%
Delivery moderation on newspapers and magazines	0.0	0.0	50.0	50.0	100%
Other expenditure	0.2	2.6	0.2	-2.3	-91%
Losses on receivables (separate since 2011)	0.2	2.6	0.2	-2.3	-91%
Total expenditure	83.9	84.3	133.4	49.2	58%
Regular financing requirement (regular revenue + expenditure = financing requirement)	29.6	25.6	76.8	51.1	199%
2. Investment account (revenue, expenditure) (global budget OFCOM)	2011 (CHF mill.)	2012 (CHF mill.)	2013 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue	0.0	0.0	0.0	0.0	0%
Expenditure	1.5	1.4	1.0	-0.3	-23%
Thereof withdrawal from reserves for specific purposes	0.1	0.1	0.4	0.3	186%
Balance (revenue - expenditure)	1.5	1.4	1.0	-0.3	-23%

3. Operating account (revenue, costs)	2011 (CHF mill.)	2012 (CHF mill.)	2013 (CHF mill.)	Change on previous year (CHF mill.)	%
Revenue (administrative fees)	-23.6	-27.9	-24.7	-3.3	11.7%
Costs (incl. calculated interests and insurances) until 2011 including ComCom	58.6	58.5	56.9	-1.6	-2.7%
Balance (revenue + costs)	35.0	30.5	32.2	1.7	5.5%
Level of cost coverage	40.3%	47.8%	43.4%		-4.4%
4. Special finance, radio and television					
Funds for specific purposes to licence fees, radio and television broadcasters	2011 (CHF mill.)	2012 (CHF mill.)	2013 (CHF mill.)		
Revenue, related to specific purposes	-2.8	-2.8	-2.8		
Licence fees, radio and television	-2.8	-2.8	-2.8		
additional removal from funds for specific purposes	0.0	0.0			
Expenditure, specially financed	1.2	1.7	2.9		
Contribution to media research	1.0	1.7	1.7		
New broadcasting technology	0.1	0.0	1.2		
Programme archiving	0.1	0.0	0.0		
Deposit into funds for specific purposes (end of year)	1.6	1.0	-0.1		
Balance of funds for specific purposes (end of year)	7.8	8.9	8.8		

9.7 Employees

As of 31 December, 2014, OFCOM employed 277 people (permanent personnel, excluding apprentices, trainees and ComCom and COFEM personnel), of whom 106 are women, i.e. 38% of the total. The average age is 47.5 years

9.8 Linguistic distribution

Of OFCOM's employees, 59.6% have German as their first language, 32.8% French and 5.4% Italian. The languages of the remaining 2.2% are English, Portuguese, Russian or Serbian.

9.9 Apprenticeships

In 2014, 14 apprentices were being trained at OFCOM; 6 were completing a commercial apprenticeship and the others a media technology apprenticeship.

This year, two media technology apprentices and two commercial apprentices successfully completed their respective three- and four-year apprenticeships at OFCOM.

We again conducted an internship for high frequency measurement technology in Gudo in cooperation with the vocational school in Lugano.

10 OFCOM personnel commission

The first OFCOM personnel commission was established at the end of September after its governing regulations were approved by the management on 1 July and after the six representatives of the organisational units which constitute it were elected during the summer.

The task of this personnel commission is to represent the general interests of the personnel. Its tasks and competences are clearly defined and among other things entrust it with the mission of supporting collaboration between management and employees.

In the last quarter 2014, the commission met on three occasions to examine its first mandate, namely the house rules. This enabled it to convey its position to the management.