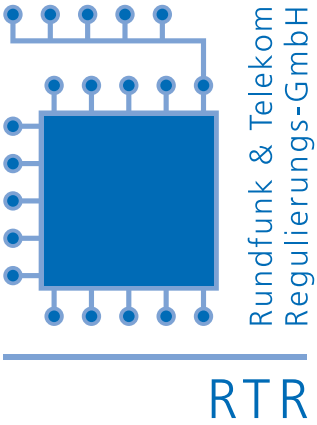
Communications Report 2015



We stand for competition and media diversity

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Preface

Dear readers,

The fourth industrial revolution is already in full swing and beginning to have an impact on regulatory activities as well. The use of information and communication technologies to interface humans, machines, goods and services will have an unprecedented effect on the world we live and work in, transforming public and private sectors alike at a speed, range and complexity never before seen. Digitisation, the scarce resource of spectra, high-speed internet, expanded broadband coverage, the Internet of Things: these are only a few of the issues demanding our attention and requiring stable general conditions.

Within the organisation we have already been preparing for the challenges raised by 'Industry 4.0' for quite some time. As spaces for in-depth discussions of future regulatory issues, each of the two divisions launched an 'idea workshop' last year, namely the media breakfast and the future workshop. Together with teams from each of the two specialist divisions, we have in recent weeks identified convergent issues in the area of internet that will give way to activities already this year and especially in future. Our focus here is internet use, which is on the verge of becoming the most prominent form of communication and media use, particularly among younger age groups. Another focus of activities that we have been similarly devoted to for several months is results-oriented management as well as the consequent need facing our organisation to develop further. Transparency, in other words, making visible regulatory activities, is a vital concern for us. One consequence of this has been to relaunch our website, which has been implemented to meet requirements we see as important, so that users can now enjoy simple and intuitive navigation with easier to find and understand content and general accessibility.

This report pursues a two-fold intention. Firstly, it is 'retrospective', covering all statutory reporting requirements and providing a record of the regulatory activities as well as changes in the communications markets in 2015, thus attesting to how we have met our statutory remit. On the other hand, it is 'prospective', providing insight into future developments in the area of media usage and in the mobile telecommunications market.

We sincerely hope that you will find our report interesting.

Vienna, June 2016

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Chairperson
Telekom-Control-Kommission and
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1 New media diversity in an era of convergence

In last year's report we addressed the issue of media convergence, posing the question: Have conventional broadcasting technologies, using antenna, satellite and cable, as well as the conventional services broadcast over these technologies become obsolete?

We were firmly convinced then – as we are today – that meeting the most important needs of the Austrian population in the area of media usage is only possible through the combination of conventional broadcasting and 'unconventional' broadcasting (i.e. via broadband internet).

Online media services supplement but have not (yet) replaced broadcasting services

Again in 2015, viewers in Austria over the age of twelve watched an average of 171 minutes conventional television per day, indicating a stable trend. The new web-based forms of services for providing media content especially stand out due to their diversity and because they allow content to be retrieved to mobile or stationary devices at any time according to individual need. Up to now such services supplement conventional media use but have not replaced it. Still, this continues to make available a growing number of information sources, offering as never before the potential of supporting – or even influencing – the formation of opinions about political, economic, cultural or even religious issues. For democracy, this growing diversity of media and opinions represents a tremendous gain that is worth protecting. This movement is not only about the 'big' values, however. The choice has also grown in light as well as more cultured entertainment, and there is a place for this too.

A fact sometimes overlooked is that the issue of media in the internet relates not only to new services but also concerns improved ways of using existing ones. For quite some time already, TV and radio stations have made the programmes produced for conventional broadcasting available for viewing or listening via the web as well. In the past, such content was usually lost to viewers and listeners if they could not be near their receivers at the time of the broadcast. Those days are long gone. A new era of enhanced diversity has dawned – bringing with it new challenges and issues as well.

Making terrestrial television and mobile telecommunications fit for the future

It the meantime ten years have passed since Austria began the digitisation of terrestrial television on 26 October 2006 – introducing the issue of convergence. Conversion to the DVB-T transmission standard finally was completed by mid-2011, when the last analogue broadcasting systems in Austria were shut down. One of the main advantages offered by the digitisation of broadcasting technology was and still is that digital TV programmes require far less broadcast frequency spectrum than programmes carried by analogue signals. In the case of terrestrial television, this effect created space for new services and greater diversity. Instead of just ORF eins, ORF 2 and ATV, it was now possible to broadcast eight to ten television channels throughout all of Austria, while new regional TV stations previously lacking frequencies could additionally take to the airwaves. Meanwhile, the DVB-T2 transmission standard has carried us into the second generation of terrestrial digital broadcasting. DVB-T2 makes more effective use of the carrier capacities of radio frequencies and supports a new compression technology that allows the data volume transmitted over TV signals to be reduced again considerably. Today, as a result, about 40 TV channels are available for reception via house or room antenna in most of Austria, many of these even in high definition (HD) quality.

For media policy makers, the media and telecommunications sectors, and for us at RTR, with its specific division for media and for telecommunications and postal services, the frequency economy arising through digital terrestrial television was

a first step towards viewing the digitisation of broadcasting from the perspective of convergence. Specifically, while digitisation allowed more television channels to be broadcast terrestrially, it also freed bands of the broadcast frequency spectrum for mobile telecommunications use. This meant that the spectrum in the 800 MHz band (790 to 862 MHz) could be transferred in what is referred to as the 'first digital dividend' to mobile telecommunications, enabling such services to further develop especially in the area of mobile broadband internet. Today, after introducing DVB-T2, we are discussing the second digital dividend, which means reallocating spectrum in the 700 MHz range (694 to 790) for mobile telecommunications use, considering that consumers and content providers are expecting mobile broadband networks to carry more and more traffic. Meeting these demands is also important for Austria in order to remain attractive for business. Incidentally, the predominant portion of internet use, even via mobile networks, is that of data traffic of audiovisual content and thus primarily relates to media use.

Yet not only mobile telecommunications need room to expand, terrestrial television does as well. As already with satellite and cable TV, High Definition (HD) television has in the meantime become the terrestrial standard expected by consumers. We correspondingly also require more frequency spectrum than for the digital programmes broadcast up to now in standard definition. And the next generation of High Definition television, referred to as Ultra HD (UHD) or 4K TV, is just around the corner. International spectrum experts at the World Radiocommunication Conference 2015 correspondingly resolved that, while it is important to support mobile internet through the second digital dividend, consideration should be given to reallocating radio frequency spectrum for mobile service use no earlier than in ten years, once the future spectrum requirements of terrestrial television have become clearer. We support this position as it gives fair consideration to both spheres.

Net neutrality – a convergence-related issue for media and telecommunications regulation

With the heavier use of internet-based media content, the issues of convergence and cooperation in the area of convergence have attained a new level of significance within our two specialised divisions. The focus on the one hand is the mode of distributing content via the internet, which is operated by the infrastructure service providers in the telecommunications and cable services industry, in other words the internet service providers (ISPs) such as UPC and A1 Telekom Austria AG for which our Telecommunications and Postal Services Division at RTR is responsible. The other focus is the media content per se that is distributed via the internet; this matter falls within the scope of competence and protection of our Media Division. This development is significant inasmuch as the ISPs have now become gatekeepers who control traffic in media services and who are thus also necessarily a focus of media regulation. The potential for conflict inherent in this situation, where highly popular media services are transported as huge data volumes across the internet, has often been discussed.

Such services consume a substantial portion of the ISPs' network capacities and require considerable infrastructure investments to ensure their reliable transport to thousands and millions of users. Therefore, one might understand in principle the ISPs, who frequently seek and discuss ways of getting users or providers of services to share in the expense of network investments, or who wish to share in the revenues of the content providers using their networks. Such notions jeopardise the equal treatment of media services on the internet, however, and are a threat to the diversity of media and opinions, namely where the financial strength of a media service decides whether or in what standard that service is provided to end users. These notions take us to the core of the net neutrality issue.

For several months already, major video content provider Netflix has been publishing what they refer to as an ISP Speed Index in the countries where Netflix is available. The index measures data transmission speed in the networks, publicly identifying ISPs delivering inadequate performance. While two of the major ISPs in Austria are frequently criticised in this regard, the monthly report rates Austria's internet on the whole rather poorly compared with other countries. It is obvious that Netflix carries out its tests in the pursuit of highly proprietary interests. Still, the findings are probably not entirely unfounded, and the complaints by Austrian customers of both Netflix and Amazon Prime Video concerning disruptions in internet service are apparently mounting, if a number of media reports are to be believed. If nothing else, the tests sharply illuminate two issues, namely the potential for conflict between ISPs and internet media service providers, and the importance of expanding broadband service in Austria.

In any case, we at RTR's Telecommunications and Postal Services and Media divisions clearly recognise that the era of convergence has only just begun, requiring us to meet our responsibilities in an appropriate and coordinated manner.

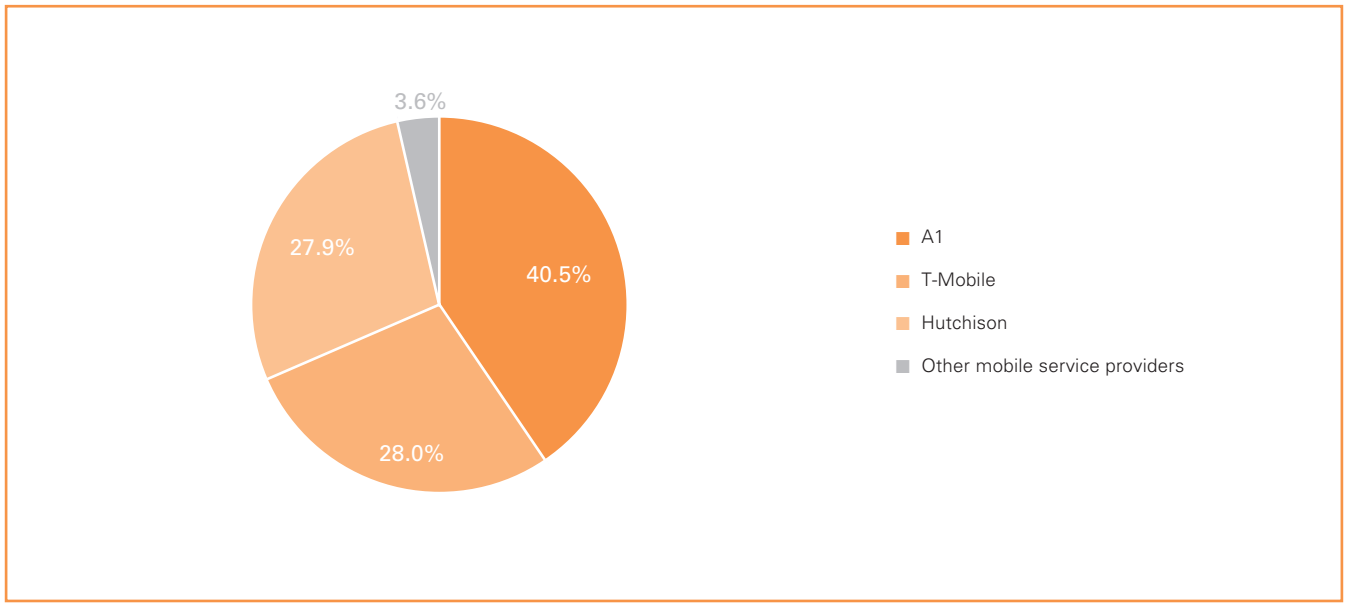
2 The mobile telecommunications market in 2015 – pressure from new competition

New providers, falling prices and continued roll-out of fast LTE networks – a new battle over the mobile phone market breaks out

The mobile telecommunications market in 2015 was marked by the entry of new providers into the market, ushering in a reversal of price trends. Right at the start of the year, HoT – Hofer Telekom, a discount brand of the Hofer supermarket chain – stirred up the market with attractive offers. This forced previously established discount brands such as yesss!, bob and Ge org! to lower their rates in order to stay competitive. Other new market entrants included: UPC, which now offers mobile services alongside previous combined service packages; spusu (Sprich und Surf), a mobile service offered by Mass Response; Allianz Telekom, which includes mobile phone insurance in the monthly rate; and Tele2 with offers exclusively aimed at corporate customers.

Austrian consumers apparently perceived the rates offered by the new providers as highly attractive, and many customers were subsequently prompted to switch providers. Specifically, the new providers (labelled 'Other mobile service providers' in the chart) already achieved a 3.6% market share (or about 490,000 subscribers) by Q4 of 2015. A1 Telekom Austria AG (A1) continues to lead the market. A slim 0.1 percentage points separated T-Mobile and Hutchison, the providers in second and third place, at the end of December 2015 (refer to Figure 1).

Figure 1: Market share of mobile service providers in Austria as of Q4 2015



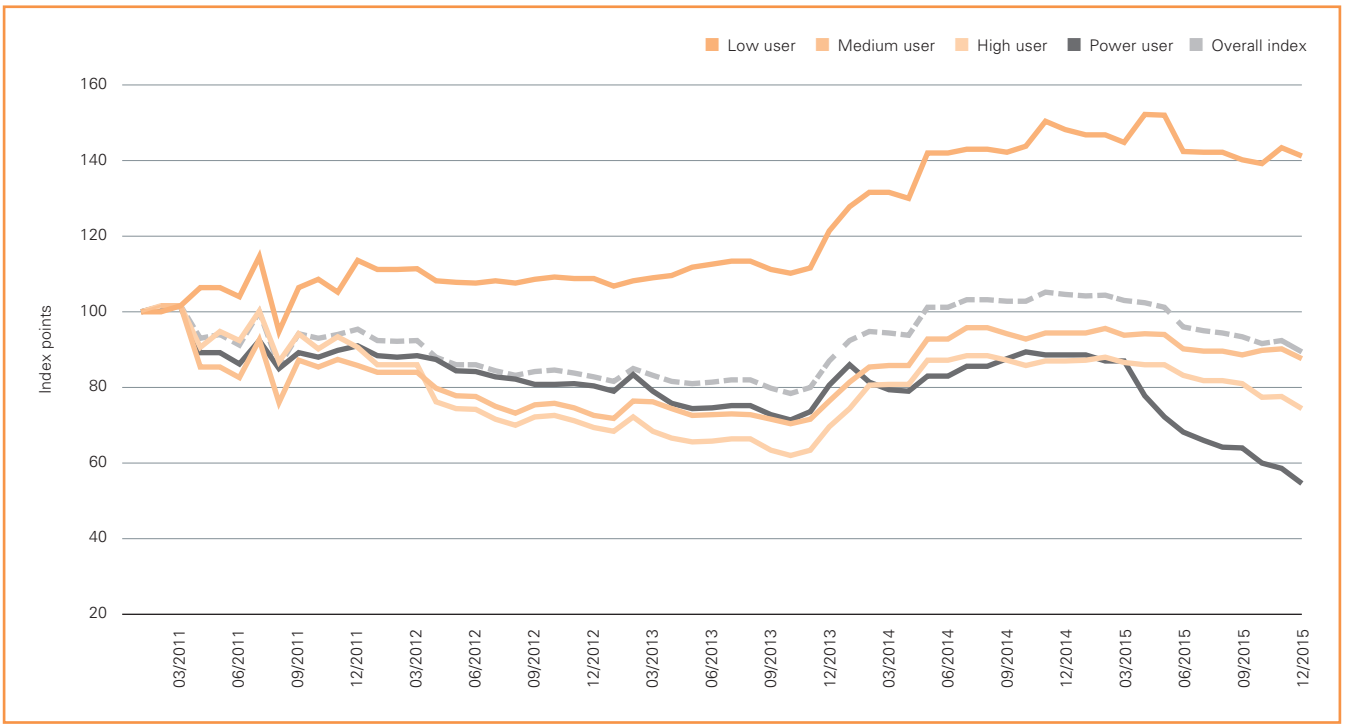
Source: RTR

The mobile telecommunications price index developed by the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) indicates the extent to which the new market entrants and the pressure from competition caused price changes. To calculate this index, for each of the four pre-defined user categories, up to the five cheapest rates are

selected from among all of the rate plans offered to newly registering customers of each brand (refer to Figure 2). Additional rate components besides monthly fees are included in the price calculation, i.e. activation fees, SIM flat fee or also any end-user device subsidies.

There is an obvious trend towards falling prices for all user categories since the beginning of 2015. Prices dropped most steeply in the power user category. The main reason is that the providers left monthly fees unchanged while increasing the data volume they include with packages. Towards the end of 2015 and especially in December, several network operators offered various Christmas specials, e.g. more units for a lower price, resulting in a further drop in the index. As a result, it can be seen that by the end of 2015 the prices for heavy-use user categories (high and power users) had fallen to the level recorded prior to the merger of Hutchison and Orange in 2013. Yet the index for the low user category in 2015 is still roughly 30 index points above the 2013 level; this category was especially impacted by the price increases.

Figure 2: RTR mobile telecommunications price index 2011–2015



Source: RTR

Positive developments were observed not only among rates: the operators invested heavily in their networks again in 2015, while also continuing efforts to roll out fast mobile broadband service (LTE) even to rural areas. This was driven primarily by competition, while also an indirect consequence of the obligations to provide complete coverage that were imposed as part of the multiband auction in 2013. Thus, by the end of 2015 LTE was already being supplied to over 95% of the population. According to Connect Test, Austria's mobile service providers have consistently led the DACH region (Germany, Austria and Switzerland) in this regard since 2009, the first year of the test.[1] Compared across these countries, Austria has three mobile telecommunications networks with a very high standard, while the rates are among the cheapest in Europe.

[1] Results of the Connect Test, refer to www.connect.de/vergleich/netztest-2015-bestes-handynetz-oesterreich-3195247.html (in German).

Austria's mobile service providers have always achieved a very high ranking, even though first place overall has changed hands several times. In a close, neck-and-neck race in 2015, Hutchison took over the lead from A1, the 2014 winner. T-Mobile, meanwhile, also put on a good showing, achieving only a few points less than its German parent company Deutsche Telekom, which came in first in Germany.

Highly pleased with these developments, the regulatory authority continues to provide incentives for competition in Austria, for example by lowering porting fees. Another step was to initiate studies in late 2015 with the aim of determining the sustainability of the business models implemented by the operators newly entering the market over time, and to identify how the regulatory authority might help to ensure that these providers will be able to keep competitive pressure on the established providers in the future as well. This is not least in the interests of ensuring that Austrian consumers will continue to be offered access to high-quality mobile networks at consistently reasonable prices.

3 RTR and the regulatory authorities

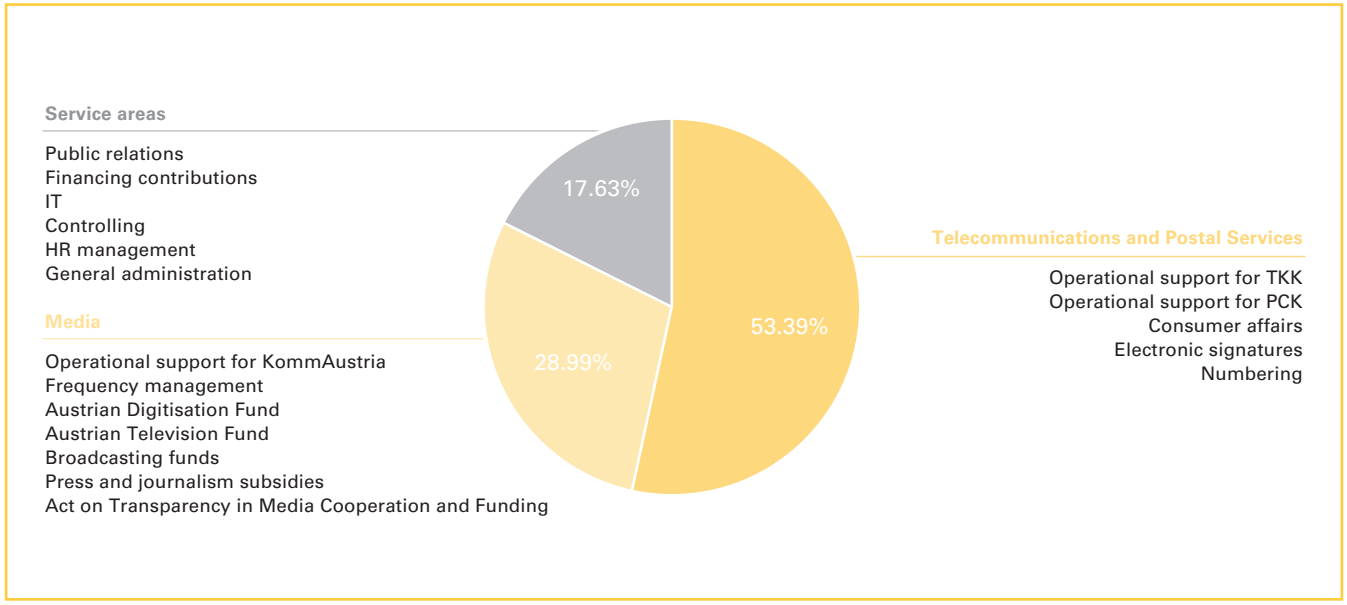
3.1 Our company: we stand for competition and media diversity

The Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) was established under law with the purpose of regulating competition on the Austrian markets for broadcasting, telecommunications and postal services as well as achieving the objectives set forth in the Telecommunications Act. Its powers and responsibilities are enshrined in relevant legislation. The organisation fulfils its own official duties as well as providing operational support for the Austrian Communications Authority (KommAustria), the Telekom-Control-Kommission (TKK) and the Post-Control-Kommission (PCK). It also administers funding used to support projects in the media field.

RTR is wholly owned by the Republic of Austria. It is headed by two managing directors and is structured in two specialist divisions. During the year under review, Dr. Alfred Grinschgl was responsible for the Media Division, including all grant funds, while Johannes Gungl was in charge of the Telecommunications and Postal Services Division.

Figure 3 shows the relative proportion of personnel assigned to the two specialist divisions and the service areas.

Figure 3: Service areas, Media Division and Telecommunications and Postal Services Division as of 31 December 2015



Basis: FTEs.

Source: RTR

Table 1 below shows the changes in staff size within the service areas, the Media Division and the Telecommunications and Postal Services Division in the past three years.

Table 1: Staff size between 2013 and 2015

Staff as of 31 December	2013	2014	2015
Telecommunications and Postal Services Division	59.654	57.104	55.015
Media Division	30.049	28.584	29.870
Service areas	18.997	18.637	18.165
RTR	**108.700**	**104.325**	**103.050**

Basis: FTEs.

Source: RTR

The change from December 2014 to December 2015 can be explained mainly by cases of leave and by models of part-time work for parents.

More detailed information concerning staff composition can be found in the RTR report on the Equality and Family Support Plan.

For more information, including the organisational chart and the supervisory board members, please visit our website at www.rtr.at/en/rtr/Ueberuns.

Works agreements for flexibility in working hours and equality

In the reporting year, three works agreements were renegotiated with employee representatives.

For the first time, RTR drafted a works agreement on "Measures for Gender Equality and to Promote a Balance Between Work and Family". A section of this report is devoted to this subject.

The "Time Recording" works agreement governs the time recording system used by RTR employees. The compromise negotiated between management and the works council concerning a new works agreement is summarised in the following.

Management was able to implement its aim of reducing or avoiding high levels of leave and overtime. In return, it was agreed with the staff that part of the statutory lunch break would be counted as working time. The common objective of high flexibility in the division of individual working hours was achieved.

The original version of the "Performance Recording" works agreement was supplemented with additional criteria.

3.1.1 RTR Equality and Family Support Plan

In 2015 RTR laid special emphasis on the issue of equality. In March 2015, following an internal competition, management appointed two employees from the Media Division and the Telecommunications and Postal Services Division to serve as an equality team. The equality officers at RTR were appointed in order to accord the necessary importance to the subject of equality and to ensure that the issues encompassed by this term are anchored within the organisation, in keeping with the times.

As a first step, the works agreement on "Measures for Gender Equality and to Promote a Balance between Work and Family" was signed in May.

In subsequent months, and following numerous conversations with both managers and employees, the equality team drafted an equality and family support plan, which was agreed with management in December of the reporting year.

The equality plan should help to create (and maintain) an environment which caters to the most diverse personal situations and in which equal opportunities are ensured for all employees. The equality plan includes targets and measures for improving general conditions for people with care responsibilities, and should ultimately promote motivation and commitment.

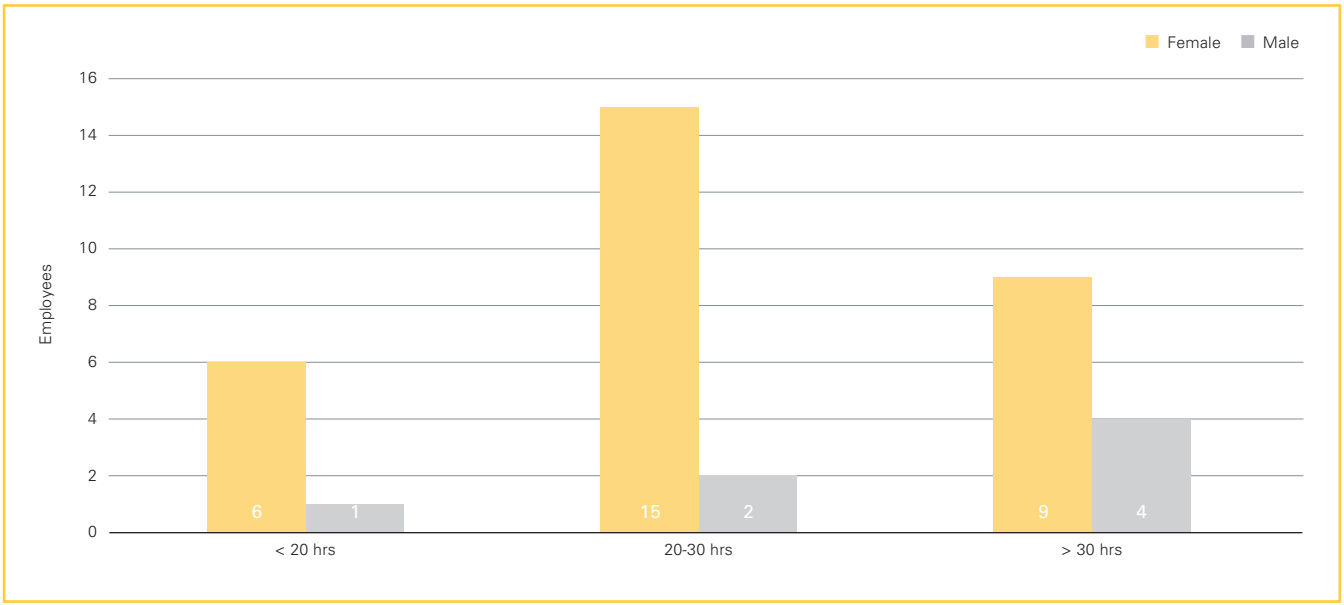
The plan essentially comprises a representation of the current situation with regard to relevant equality issues, as well as target definitions and measures for achieving these targets.

In particular, the personnel structure of RTR was subjected to a more detailed analysis:

In total, RTR employed 64 women and 52 men (as of May 2015), which corresponds to a 55% share of women.

Of these 64 women, 30 (47%) are part-time workers employed under different models, while seven (13%) of the 52 men are part-time. Looking at the female part-time employees, 21% (six) work fewer than 20 hours, 50% (15) work between 20 and 30 hours and the remaining 30% (nine) work over 30 hours; amongst their male counterparts only one (14%) works fewer than 20 hours, two (29%) work between 20 and 30 hours and the majority (four or 57%) work over 30 hours (refer to Figure 4). The average weekly working hours for male part-time staff is 27.3 hours, which is significantly higher than that of female part-time staff, at 23.3 hours.

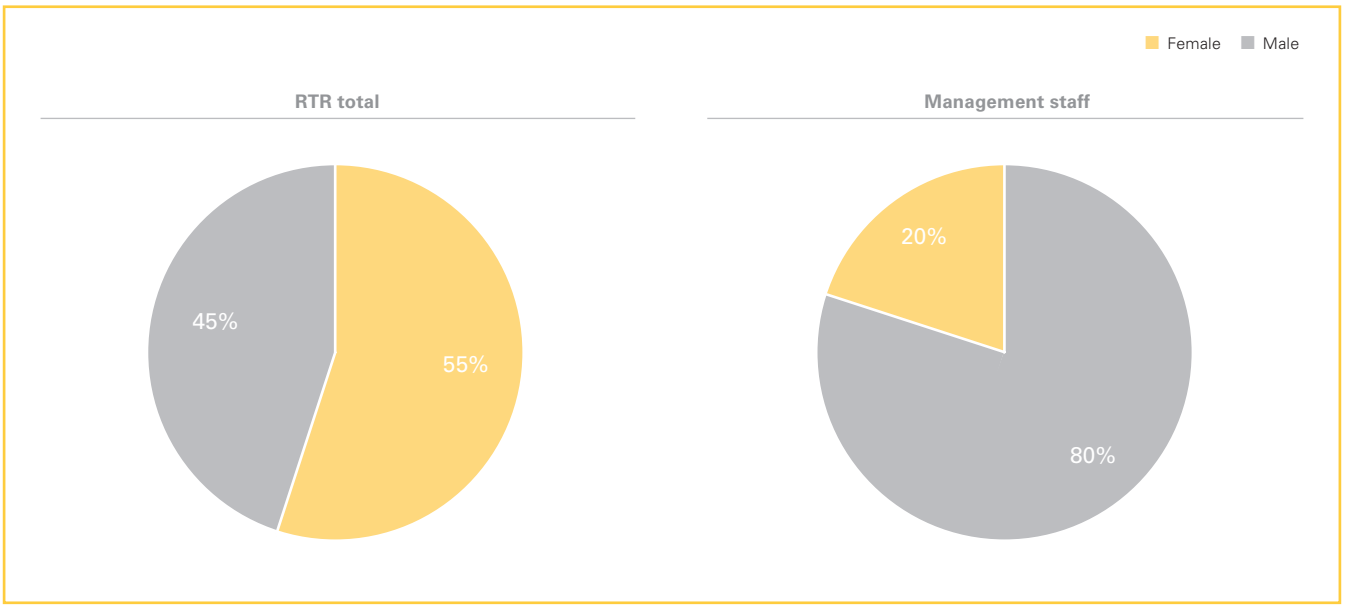
Figure 4: Employment of part-time employees by gender – as of May 2015



Source: RTR

RTR employs significantly more women than men. However, an analysis of the different hierarchy levels shows that the overwhelming majority of those in management positions are male – seven male department heads but just one female department head; five male team leaders but just two female team leaders – while all assistants at RTR are female.

Figure 5: Distribution by gender and hierarchy levels – as of May 2015



Source: RTR

This finding was taken into account in the chapter entitled "Measures", among other things by placing increased emphasis on furthering the training and advancement of female employees. According to the equality officers, in the future it should also be possible for leadership positions to be occupied by two part-time employees (top sharing).

Income: analyses paint balanced picture

In particular, basic salaries were analysed with respect to deviations between the average values for full-time and part-time workers and between men and women: in terms of the full-time/part-time analysis, the calculations showed almost no measurable deviations. After adjusting for factors such as age, years with the company and management responsibilities, a similar statement can also be made for deviations between the average salaries of men and women. Furthermore, no systematic differences were detected between the divisions.

RTR is committed to continuing to promote a work-life balance, and with the equality and family support plan it now has its own dedicated guidelines on the subject of parental leave management.

Guidelines for gender-neutral language

The gender-equal treatment of men and women is taken into account in the language used in all RTR texts. A guide for all authors has been created specifically for this purpose.

The equality and family support plan is available (in German) on the RTR website: www.rtr.at/de/rtr/Gleichstellung

3.1.2 RTR's financial statements for 2015

The external auditors at Deloitte Audit Wirtschaftsprüfungs GmbH have issued an unqualified audit certificate confirming RTR's financial statements for the 2015 business year (1 January to 31 December 2015). The financial statements presented below were prepared in accordance with the Austrian Commercial Code (UGB) as amended.

The profit and loss statement and balance sheet, as shown in RTR' financial statements, are presented below.

RTR is financed from different sources depending on the areas of activity in question. The markets are required by law to assume a portion of the financing, while public funds are also used. The financing contribution is calculated using the planned revenues of each company in relation to the total revenues of the sector. Once the actual revenues have been determined, the actual financing contributions are calculated and compared with the planned financing contributions. To simplify administration, companies that fall below a certain revenue limit, or threshold, are not required to pay financial contributions.

In 2015, RTR received federal funds amounting to EUR 1.573 million to finance media regulation; the share for financing the market was 57.19%, equivalent to EUR 2.101 million. Public funds totalling EUR 2.406 million were awarded for the regulation of the telecom market; market participants contributed EUR 4.351 million, which corresponds to 64.39%. Of the federal funds, EUR 0.212 million was allocated for postal service regulation. The remaining expenses amounting to EUR 0.332 million, which corresponds to 60.98% of the total, were contributed by market participants.

The funds (Digitisation Fund, Austrian Television Fund, Private Broadcasting Fund, Non-Commercial Broadcasting Fund) and the supervisory body for the electronic signatures are publicly funded.

More information is available at www.rtr.at.

Approved guidelines, which can be viewed on the website, are applied when allocating grants from the Austrian Digitisation Fund, the Austrian Television Fund, the Private Broadcasting Fund and the Non-Commercial Broadcasting Fund, in order to ensure that the funding objectives specified in each case are fulfilled. The expenses incurred in the administration of those funds are itemised under separate accounting entities and reimbursed to RTR from the relevant fund (refer also to Chapter 6).

RTR closed the 2015 business year (1 January to 31 December 2013) with a balanced result (refer to Table 2).

Table 2: Profit and loss statement for the 2015 business year (1 January to 31 December 2015)

		2015		2014	
		EUR		EUR (thousands)	
1.	Net income		12,325,419.80		12,998
2.	Other operating income				
	a) Income from disposal of fixed assets				
	(excluding financial assets)	491.66		3	
	b) Income from release of provisions	17,626.14		28	
	c) Other	931,791.28	949,909.08	759	790
3.	Personnel expenses				
	a) Salaries	-6,877,438.31		-7,032	
	b) Severance pay expenses and				
	contributions to staff provision funds	-114,072.47		-110	
	c) Pension insurance expenses	-242,149.26		-242	
	d) Statutory social insurance contributions				
	as well as salary-dependent fees and				
	mandatory contributions	-1,752,568.99		-1,769	
	e) Voluntary benefits	-108,094.55	-9,094,323.58	-112	-9,265
4.	Depreciation, amortisation and write-downs				
	a) Tangible and intangible fixed assets		-300,993.50		-334
5.	Other operating expenses				
	a) Other	-3,922,949.54	-3,922,949.54	-4,280	-4,280
6.	**Operating result**		**-42,937.74**		**-91**
7.	Income from other securities held as financial assets		81,337.48		87
8.	Miscellaneous income from interest and similar items		4,956.77		10
9.	Expenses for financial assets		-8,861.90		0
10.	**Financial result**		**77,432.35**		**97**
11.	**Result from ordinary activities**		**34,494.61**		**6**
12.	Taxes on income		-26,953.91		-26
13.	**Net annual income**		**7,540.70**		**-20**
14.	Release of capital reserves				
	a) Release of appropriated capital reserves		0.00		20
15.	Appropriated income				
	a) Appropriation to free reserves		-7,540.70		0
16.	**Result for current year**		**0.00**		**0**
17.	Profit carried forward		0.00		0
18.	**Net result**		**0.00**		**0**

Source: RTR

Sector-specific expenses in RTR's specialist divisions

The annual financial statements prepared by RTR do not itemise funding use by division. For this reason, Table 3 below provides a breakdown of the main items listed in RTR's profit and loss statement for the Telecommunications and Postal Services Division and the Media Division (as specified in Art. 19 Par. 3 no. 3 of the KommAustria Act, KOG).

Table 3: RTR income and expenses by division

Figures in EUR (thousands)	Telecommunications and Postal Services	Media	TOTAL
Net income	7,426	4,899	12,325
Other operating income	265	685	950
Personnel expenses	-5,941	-3,153	-9,094
Depreciation, amortisation and write-downs	-192	-109	-301
Other operating expenses	-1,581	-2,342	-3,923
Operating result	**-23**	**-20**	**-43**
Financial result	**48**	**30**	**78**
Result from ordinary activities	**25**	**10**	**35**
Taxes on income	-17	-10	-27
Net annual income	**8**	**0**	**8**
Appropriated income	-8	0	-8
Profit carried forward	0	0	0
Net result	**0**	**0**	**0**

Source: RTR

RTR's income and expenses for the individual areas of activity within each division are presented in the annex to the annual accounts as at 31 December 2015 as adopted by the general assembly. The individual areas within the Telecommunications and Postal Services Division are: telecommunication regulation, electronic signatures and postal services regulation; and the areas within the Media Division are: media regulation, Austrian Digitisation Fund, Austrian Television Fund and broadcasting funds (refer to www.rtr.at).

Table 4a: Balance sheet as of 31 December 2015 – assets

		December 31, 2015		December 31, 2014	
		EUR		EUR (thousands)	
A.	**Fixed assets**				
I.	Intangible assets				
	1. Rights	404,244.67		181	
	2. Prepayments on intangible assets	7,057.50	411,302.17	109	290
II.	Tangible assets				
	1. Buildings on third-party land	67,819.11		96	
	2. Other equipment, operating and office equipment	132,432.23		222	
	3. Construction in progress	0.00	200,251.34	0	318
III.	Financial assets				
	1. Securities held as financial assets		3,382,618.71		3,391
			3,994,172.22		**3,999**
B.	**Current assets**				
I.	Receivables and other assets				
	1. Trade receivables	508,806.26		900	
	2. Other receivables and assets	490,772.29	999,578.55	414	1,314
II.	Cash in hand and at banks		2,976,850.96		2,928
			3,976,429.51		**4,242**
C.	**Prepaid expenses**		**103,668.30**		**74**
D.	**Trustee accounts – funds**		**19,114,570.66**		**16,109**
			27,188,840.69		**24,424**

Source: RTR

Table 4b: Balance sheet as of 31 December 2015 – liabilities

		December 31, 2015		December 31, 2014	
		EUR		EUR (thousands)	
A.	**Equity**				
I.	Capital stock	3,633,641.71		3,634	
II.	Capital reserves				
	1. Appropriated	1,924.59		2	
III.	Appropriated income				
	1. Other reserves/free reserves	7,540.70		0	
IV.	Net result	0.00	**3,643,107.00**	0	**3,636**
B.	**Provisions**				
	1. Provisions for severance pay	207,030.00		185	
	2. Other provisions	1,530,042.50	**1,737,072.50**	1,596	**1,781**
C.	**Liabilities**				
	1. Trade payables	567,126.80		820	
	2. Other liabilities	1,944,220.01	**2,511,346.81**	1,983	**2,803**
	(Taxes: EUR 423,198.44 [2014: EUR 341,182.22]; Social security obligations: EUR 164,498.78 [2014: EUR 160,559.90])				
D.	**Deferred income**		**25,000.00**		**0**
E.	**Trustee obligations – funds**		**19,272,314.38**		**16,204**
			27,188,840.69		**24,424**

Source: RTR

3.2 The regulatory authorities KommAustria, TKK and PCK

RTR is the operative arm for the following three authorities:

KommAustria

The Media Division provides operational support to KommAustria. The authority consists of five members who are nominated by the federal government and appointed by the Austrian president for a term of six years. The members of KommAustria are independent in the performance of their duties and not bound by instructions from any other authority. Michael Ogris was the chair in the reporting year.

TKK

The Telecommunications and Postal Services Division serves as the operative arm of the TKK and the PCK. The TKK consists of three main members and three substitute members who are appointed by the federal government for a five-year term. Elfriede Solé, senior official with the Austrian Supreme Court of Justice, chaired the TKK during the year under review.

PCK

The PCK presents a similar picture. It also consists of three main members and three substitute members who are appointed by the federal government for a five-year term. Elfriede Solé, senior official with the Austrian Supreme Court of Justice, also served as chair of this authority.

4 Regulatory activities of KommAustria

The Austrian Communications Authority (KommAustria) is responsible for performing administrative and regulatory duties in the field of electronic audio media and electronic audiovisual media. Its mandate entails a broad spectrum, including the regulation of market access for content services, general and specific monitoring of compliance with statutory provisions, infrastructure regulation, and press and journalism subsidies. It is responsible for private organisations (broadcasters, media service providers, communications network operators) as well as the Austrian Broadcasting Corporation (ORF) and its subsidiaries.

4.1 Access to media markets

Access to the media market is regulated through assigning broadcasting frequencies, issuing licences for broadcasting, accepting and reviewing notifications from cable broadcasters and other providers of audiovisual media services, and reviewing new ORF content services and its subsidiaries prior to launch.

4.1.1 Private radio broadcasting licences

The licensing procedures conducted by KommAustria during the period under review concerned on the one hand applications for creating new or expanding existing coverage areas as well as official invitations to tender, due to previously granted licences expiring at the end of the legal term. Furthermore, numerous licences for radio event broadcasting and educational broadcasting were also granted.

Nationwide radio broadcasting

Since December 2014, KRONEHIT Radio BetriebsgmbH has been the (renewed) holder of a nationwide private terrestrial broadcasting licence limited to ten years. The station broadcasts its adult contemporary radio content in vast parts of the country as KRONEHIT.

In 2015, the licensee was assigned a total of two frequencies to expand its coverage throughout Austria, and its licence was amended accordingly. As a result, KRONEHIT Radio BetriebsgmbH was again able to increase its coverage level in 2015. KRONEHIT Radio BetriebsgmbH had consequently been assigned a total of 150 frequencies as of the end of this reporting period, enabling it to reach more than 86% of the Austrian population.

In addition, two changes to radio equipment were approved at the request of KRONEHIT Radio BetriebsgmbH during the period under review. Four procedures concerning the expansion of the nationwide license and five procedures concerning changes to the radio equipment of KRONEHIT Radio BetriebsgmbH were still pending at the end of the reporting period.

Finally, in accordance with Art. 28b Par. 1 of the Private Radio Act (PrR-G), the regulatory authority called on parties to apply for an additional nationwide licence during the period from 19 August 2014 to 25 February 2015. No applications had been received as of the end of that period.

Regional and local radio broadcasting

In the local and regional terrestrial broadcasting sector, a total of 25 procedures were carried out in 2015, 16 of which were still pending at the end of the reporting period.

As a result of applications by relevant parties, four licensing procedures were conducted, whereas one application had to be rejected and the frequency LINZ 2 89.2 MHz was assigned to Antenne Oberösterreich GmbH to expand its existing WELS 98.3 MHz coverage area. The two other procedures still pending as of the end of the period under review concern coverage areas in Vienna and Tyrol.

Five further licensing procedures were conducted as a result of official invitations to tender and subsequently completed. All of these procedures concerned licences that were due to expire in 2015 and therefore had to be reissued. In all cases the previous licence holders were re-issued licences, namely Antenne Steiermark Regional Radio GmbH & Co KG for the coverage of Styria, Antenne "Österreich" und Medieninnovationen GmbH for Salzburg and Lienz, Radio Arabella Niederösterreich GmbH & Co KG for Northern Mostviertel and parts of southern Weinviertel and Waldviertel, and Lokalradio Innsbruck GmbH for Innsbruck and Tyrol Unterland. One licensing procedure, to be conducted on the basis of an official invitation to tender due to the expiry of the licence term, was still pending at the end of the reporting period.

In a number of other instances, the parties' applications were aimed at extending existing coverage areas. As a result, Antenne "Österreich" und Medieninnovationen GmbH was assigned more frequencies to expand its coverage area Innsbruck 105.1 MHz and parts of the Tyrol Oberland. A total of 13 such procedures were still pending at the end of the reporting period, and in two of these cases several competing applications (for the expansion of existing or the creation of new coverage areas) had been received. A frequency in Lower Austria was allocated to Teleport Waldviertel Information und Kommunikation GmbH in order to improve coverage with its programme 88.6 Der Musiksender in the area of Waldviertel and parts of Mostviertel and Weinviertel.

Event and educational radio licences

Event radio refers to radio broadcasting licences that are granted for a maximum of three months and that are used locally during and around the time of an independent public event in the surrounding area. A total of 13 event radio licences were issued in 2015, which were used to provide radio coverage for the following events:

- Ball der Wirtschaftsuniversität 2015, 9 January 2015 to 16 January 2015 (Lounge FM)
- Wiener Eistraum 2015, 17 January 2015 to 15 March 2015 (Lounge FM)
- Vienna City Marathon 2015, 16 March 2015 to 19 April 2015 (Lounge FM)
- Fest der Jugend – Pfingsten in Salzburg, 14 May 2015 to 14 June 2015 (Radio Maria)
- GTI Meeting, 1 May 2015 to 17 May 2015 (GTI-FM)
- Sand in the City 2015, 20 April 2015 to 20 July 2015 (LoungeFM)
- Sommer im MQ 2015, 21 July 2015 to 24 August 2015 (LoungeFM)
- Sommer im Museumsquartier 2015, 28 August 2015 to 4 October 2015 (LoungeFM)
- Wellness-, Fitness- und Gesundheitsmesse, 5 October 2015 to 18 October 2015 (LoungeFM)
- Viennale 2015, 19 October 2015 to 12 November 2015 (LoungeFM)
- Autoballett, 24 October 2015 to 1 November 2015
- Winter im MQ 2015, 13 November 2015 to 30 December 2015 (LoungeFM)
- Wiener Silvesterpfad 2015/2016, 31 December 2015 to 8 January 2016 (Lounge FM)

Educational radio licences refer to licences granted to an institution of education or training for the purpose of radio broadcasting within the vicinity of the institution, where the programmes have a functional relationship to the duties to be fulfilled by that institution. Such licences can be granted for a maximum of one year. Six different educational radio licences were granted in 2015:

- Radio SOL in Bad Vöslau
- Campus Radio in St. Pölten
- RADIUS 106.6 in Freistadt
- NJOY 91.3 in Vienna
- Radio Gymnasium in Oberpullendorf
- NJOY 88.2 in Deutschlandsberg

Procedures under telecommunications law

For the sake of simplifying administration (i.e. to enable one-stop-service), pursuant to the 2003 Telecommunications Act (TKG 2003), KommAustria is also responsible for issuing the permits under telecommunications law that are required for the radio equipment used in broadcasting. Permits under telecommunications law are issued either in conjunction with a permit under broadcasting law or with no direct reference to broadcasting law, i.e solely on the basis of an application under telecommunications law. The latter pertain mainly to technical changes planned for radio equipment, such as the use of new transmitter antennae, the relocation of transmission sites or increased transmission power.

In 2015, KommAustria approved 18 changes to radio equipment and six applications allowing private radio broadcasters to conduct test transmissions. The procedures in the case of seven applications for changes to radio equipment were pending at the end of the period under review. In addition, KommAustria issued approvals in 20 cases for radio equipment to be used within broadcasting frequency bands for purposes other than broadcasting (e.g. to cover drive-in cinemas, conferences etc.).

Award of radio broadcasting frequencies to the ORF

In the context of its responsibility for the assignment of spectra for radio broadcasting and for issuing corresponding permits under telecommunications law, KommAustria is also active in cases involving the radio transmission equipment used by the ORF.

In this area of activity, a total of eleven procedures were carried out in 2015. In two procedures, frequencies were reassigned to the ORF for the purpose of closing coverage gaps in the Scharnitz and Leutschach area and at the same time the permits under telecommunications law were issued. In four procedures, frequencies were assigned and permits under telecommunications law were (re-)issued to the ORF that had expired after the statutory period of ten years. Three procedures involved telecommunications approval of tunnel radio equipment and two further procedures concerned the modification of ORF radio transmission equipment.

Additional information (in German) can be found on the RTR website at www.rtr.at/de/m/EntscheidungenGesamtRF.

4.1.2 Approvals and notifications relating to audio-visual media services and multiplex platforms

Nationwide television

With regard to the extension of the level of coverage of the nationwide multiplex platforms MUX A and B and MUX D, E and F, reference is made to Chapter 5 in which the progress of digitisation is presented. In November 2015, and for the second time, a licence to operate a nationwide multiplex platform for terrestrial broadcasting with two types of coverage (MUX A/B) was issued.

A total of six permits under telecommunications law were issued in the 2015 reporting period for the extension of the nationwide multiplex platforms MUX A and B and MUX D, E and F; these concerned licences for the erection and operation of transmitters for radio broadcasting and changes to the parameters of the respective multiplex platforms. Furthermore a total of three amendments to the programme line-up/programme package for the nationwide multiplex platforms MUX A and B were approved, resulting in the following programme line-ups.

The programme package of the multiplex operator transmitting over MUX A currently consists of the channels ORF eins, ORF 2, ORF 2 Tirol HD (only available in Carinthia and East Tyrol) and ATV (not available in regions in which MUX B has been converted to DVB-T2). The programme package of the multiplex operator transmitting over MUX B/DVB-T currently consists of the channels PULS 4, ORF III, ORF SPORT +, 3sat, ServusTV and Schau TV (only MUX B – Vienna). The programme package of the multiplex operator transmitting over MUX B/DVB-T2 currently consists of the channels ORF SPORT + HD, ORF III HD, 3sat HD, ATV HD, ATV2 and SRF 1.

Regional and local television broadcasting

In the period under review, no licences for operating new regional multiplex platforms (MUX C) were issued. As of the end of the period under review, 16 licences to operate local multiplex platforms were valid, covering a total of 64% of the Austrian population.

Furthermore, in the period under review, two changes to the programme line-up/programme package of the multiplex platforms MUX C – Vorarlberg and MUX C – Lower Inn Valley and Wipp Valley were approved and two licences for digital terrestrial channels were issued.

Event licences and licences for satellite television

No event television broadcasts were approved during the period under review.

KommAustria issued satellite licences for two television channels in 2015 (R 9 Österreich and SAT 1 Österreich).

Media services subject to notification requirements

A total of six cable television channels, one (linear) television channel broadcast via the internet and 25 on-demand media services were registered with KommAustria in the 2015 reporting period.

4.1.3 Approvals and notifications of new ORF services

In the 2015 reporting year the ORF announced changes to the service plan "for a special-interest sports channel" (formerly ORF SPORT +) in accordance with Art. 5a Par. 2 ORF Act (ORF-G). This change to the service plan essentially comprises the live broadcasting of the daily programme over the 24-hour special-interest sports channel, which is to be increased from three to four hours, and the addition of a new daily sports news broadcast which will last around ten minutes. In addition, all references to the special-interest sports channel under the name 'ORF SPORT '+ are to be removed and replaced with the name 'Special-interest sports channel'. The reported changes were not prohibited by KommAustria.

Changes to the service plan for TVthek.ORF.at were also announced, as the result of which the sports highlights videos previously available at insider.ORF.at will in future be available from TVthek. The related changes to the service plan for insider.ORF.at were not prohibited, no were those for TVthek.ORF.at.

A further change to the service plan for oesterreich.ORF.at was announced. This applies only to the part comprising content for the television and radio broadcasts of ORF regional studios and includes in particular the materials accompanying broadcasts of individual programmes. The service is set to be expanded by another type of content accompanying broadcasts, which will mean that recordings of events or interviews – reported on the radio and/or on television only in the form of excerpts or summaries – will be available in both audio and audiovisual form. The reported change was not prohibited by KommAustria.

Changes were also announced to the service plan for sport.ORF.at, essentially relating to the establishment of a separate sub-page for the topic of football, which were not prohibited by KommAustria.

A decision was also made on the service plan for social media submitted by the ORF in the reporting year 2015. On the basis of previous rulings handed down by the Constitutional Court, the ORF is permitted to participate in social media. As stated by the Constitutional Court in its two rulings G 34/2013 dated 27 June 2013 and B 1035/2013 dated 6 March 2014, the ORF is not prohibited in principle from maintaining a presence on or linking to social networks and media, nor from participating in discussion forums. A legal restriction of these options would constitute disproportionate intervention as per Art. 10 ECHR. In light of this, it can be assumed that the content made available by the ORF on social media should be subsumed under Art. 4e ORF-G, provided that this constitutes either general daily reporting (Art. 4e Par. 1 No. 2 ORF-G), information that accompanies broadcasts (Art. 4e Par. 2 No. 3 ORF-G) or information about the programmes and services organised by the ORF (Art. 4e Par. 2 No. 1 ORF-G). Subsequently, the service plan submitted by the ORF was not prohibited with regard to social media.

The two applications for prior evaluation procedures submitted by the ORF in the 2014 reporting year were also resolved during 2015. The ORF had requested approval for the Ö3 Live/Visual service, specifically for changes and enhancements to the Ö3 live stream provided at oe3.ORF.at, to allow live images to be broadcast from the Ö3 broadcasting studio as well as music videos,with the latter synchronised with the song currently being played; the request was rejected through the decision dated 18 February 2015 (KOA 11.266/15-001). As an audiovisual media service that would be made available for the simultaneous viewing of channels on the basis of a programme schedule, this Ö3 Live/Visual service constitutes another ORF television channel – albeit one which is only available online. The ORF is not, however, permitted to broadcast this television channel, as it is not covered by the conclusively regulated coverage mandate laid out in Art. 3 ORF-G.

A decision was also made in 2015 on the approval of the service plan radiothek.ORF.at, as requested by the ORF in 2014. Radiothek was to replace the previous radio.ORF.at site and offer additional application features, such as an integrated search function and the option of building user-generated playlists from a range of programmes or programme blocks. Although KommAustria approved the service plan for radiothek.ORF.at with its decision dated 22 July 2015 (KOA 11.277/15-004), it imposed several conditions on the ORF. One of these goes beyond the ORF's self-imposed restriction: no audio and/or video pre-roll clips of audio or streams of Ö1 may be marketed (ad-free radio station in accordance with Art. 14 Par. 4 ORF-G). Advertisements may be broadcast, but only every ten minutes. In addition, the use of ad-blockers may not be prevented. However, as the decision issued by KommAustria in response to the complaint lodged by the Federal Competition Authority is not yet final, it is not possible to start ORF-Radiothek at present.

4.2 Legal supervision

KommAustria rules on violations of the PrR-G, the Audiovisual Media Services Act (AMD-G) and the ORF Act (ORF-G) on the authority's own initiative or on the basis of complaints pursuant to Art. 25 PrR-G, Art. 61 AMD-G or Art. 36 ORF-G.

In the period under review, KommAustria initiated a total of 13 procedures for revoking licences, under its duties of legal supervision. Six of these were directed against media service providers for repeated failure to update in accordance with Art. 9 Par. 4 AMD-G and one was ended with an official order in accordance with Art. 63 Par. 1 and 4 AMD-G. Four procedures were initiated in response to non-use of frequencies, the remainder because of fundamental changes in music format.

KommAustria also brought three legal violation procedures against a radio broadcaster due to suspicion of broadcasting without a licence as well as numerous procedures due to failure to notify audiovisual media services in relation to channels subject to notification requirements. Furthermore, procedures were initiated against broadcasters in nine cases due to failure to register changes of ownership. Consequently, in the period under review, many administrative penal procedures were brought by KommAustria in respect of the legal violations that had been identified.

A major focus of activity in the period under review was checking compliance of media service providers with the requirement to annually update information as specified in Art. 9 para. 4 AMD-G. Roughly 50 broadcasters failed to provide such updates. The authority consequently identified legal infringements.

4.2.1 Commercial communication

Channels and stations monitored

ORF programmes as well as the programmes provided by private broadcasters and media service providers were evaluated during the period under review, either on the authority's own initiative or on the basis of complaints.

In the case of ORF broadcasts, monitoring activities were carried out in 2015 for the regional radio programme in Vienna twice and Tyrol once, the nationwide radio channel Ö3 twice, as well as the television channels ORF eins (three instances), ORF 2 (five) and ORF SPORT + (once). One breach of law was observed. Four procedures have not yet been completed.

The following private radio broadcasters' programmes were evaluated or requested: in Vienna, Radio Arabella GmbH; in Upper Austria, Entspannungsfunk Gesellschaft mbH; in Styria, Antenne Steiermark Regionalradio GmbH & Co KG, KG, Mein Kinderradio Ltd. and Soundportal Graz GmbH; in Salzburg, Welle Salzburg GmbH; and in Tyrol, Antenne "Österreich" and Medieninnovationen GmbH twice. In these monitoring activities, KommAustria did not identify any violations of advertising regulations.

Programmes by the following television broadcasters were selected: PULS 4 TV GmbH & Co KG twice; ATV Privat TV GmbH & Co KG; WT1 Privatfernsehen GmbH; ATV Aichfeld Film- und Videoproduktion GmbH; Walgau TV GmbH & Co KG, COLESNICOV TV, Film, Medienproduktion KG, E-Werke Frastanz GmbH; PIWImedia GmbH; AiNet Telekommunikations-Netzwerk Betriebs GmbH; RTV Regionalfernsehen GmbH; ARF – Dr. Rainer Hilbrand, Ausseer Regionalfernsehen; RKM Regional Kabel-TV Mölltal und Telekommunikation GmbH & Co KG; oe24 GmbH; Elisabeth Keplinger-Radler; Horst Gründler; Philipp Wiatschka; Harald Milchberger; Gerhard Scott; HT1 Medien GmbH; and Bezirks TV St. Veit Produktions- und VertriebsgsmbH. KommAustria identified a violation of advertising regulations in nine of these cases. Seven procedures have not yet been completed.

4.2.2 Programming principles

Television and radio programmes are required to uphold the principles of objectivity and the diversity of opinions.

Similar principles are stipulated in the ORF-G whereby the ORF, in its overall service policy, is required to strive for quality, innovation, integration, equal rights and mutual understanding. The information must be comprehensive, independent, impartial and objective, and help freely form public opinion and so contribute to democratic discourse.

Based on its public mandate, the ORF is also obligated to reflect the diversity of opinions upheld in public life and to respect human dignity, personality rights and individual privacy rights. Commentaries, analyses and presentations must be objective and based on verifiable facts.

During the period under review, six complaints were filed against the ORF involving alleged violations of programming principles. The complaints objected in particular to violations of the principles of objectivity and impartiality in reporting. A legal violation could be identified in one instance, which has not yet taken legal effect. No legal violations could be identified in the other procedures, or the procedures had not yet been completed by year's end. One complaint was put forward against private broadcasters during the period under review.

4.2.3 Conciliation procedures – Media

RTR can also act as a conciliation body for complaints regarding communication services falling under the Media Division. The main prerequisite for the initiation of a conciliation procedure is that the customer and operator have unsuccessfully attempted to reach an agreement on their own beforehand. In the course of such procedures, RTR attempts to negotiate an amicable solution or informs the participants of its position on the case in question.

In the period under review, the RTR conciliation body received 30 complaints. Compared to the number of conciliation cases handled in the Telecommunications Division, this figure accounts for a very small percentage of all conciliation cases filed in 2015 (see Section 8.1.3 as well).

4.2.4 Specific supervision of the ORF and its subsidiaries

Purpose of business, public mandate and bodies

Verification for 2013 and 2014 regarding compliance with Art. 4a ORF-G, which specifies the procedure for defining and revising the quality assurance system, was requested during the reporting period; activities in this regard were still in progress by the end of 2015.

In addition, during the reporting period an objection was filed against non-inclusion in the list of journalists eligible to vote for an editors' spokesperson pursuant to Art. 33 Par. 6 ORF-G. This objection was upheld and the ORF was ordered to include the appellant in the list of journalists eligible to vote. The decision has not taken legal effect.

4.2.5 Specific supervision of private providers

One main area of KommAustria's responsibilities in the way of legal supervision involves monitoring private broadcasters and media service providers as well as multiplex operators with regard to ownership shares. The aim in this case is to ensure that providers continue to fulfil the legal prerequisites for broadcasting or for providing a media service even after a licence is issued or a service is notified. These prerequisites include professional, financial and organisational qualifications, absence of grounds for disqualification, and safeguarding of a diversity of opinions (avoidance of excessively high media concentration). Violating or failing to meet these (licensing) prerequisites constitutes grounds for revoking the broadcasting licence or prohibiting broadcasts.

In order to enable the regulatory authority to monitor compliance with these legal prerequisites, the PrR-G (and the AMD-G) requires that any and all (direct or indirect) changes in ownership or membership shares to be reported to the regulatory authority. For channels or stations subject to notification requirements, it is has been sufficient since 1 August 2015 to report changes in ownership that amount to less than 50% of shares as part of meeting the requirement to update. Moreover, in those cases where new partners acquire more than 50% of the shares in a radio broadcaster, an official assessment must be obtained from KommAustria prior to the transfer of shares in order to determine whether the relevant legal prerequisites for radio broadcasting will continue to be met under the new conditions.

Another area of activity under the legal supervision of KommAustria is the option for radio broadcasters to request an official assessment decision from KommAustria as to whether a planned programming change actually represents a fundamental change of the programme format. The ruling as to whether a change in programme format is fundamental is to be made in light of the original licence decision. No official approval is necessary for implementing the programming change in cases where KommAustria's assessment decision does not conclude that there is a fundamental change of the programme format. However, if KommAustria determines that a planned change does constitute a fundamental change in programming, the broadcaster is required to obtain official approval.

Under the AMD-G, holders of broadcasting licences for satellite and digital terrestrial television channels also have the option of applying for approval of major changes to their satellite or digital television programmes. As these licences are not issued by way of a competitive selection procedure there are fewer restrictions with regard to introducing programme changes.

4.3 Public communications networks and services

The planned operation of a public communications network or provision of a public communications service for the transmission of broadcasts (radio and television programmes) and additional broadcasting services and changes to or discontinuation of these must be notified to KommAustria. Regardless of their domicile, all operators of such a communications network and all providers of such services in Austria are subject to this notification requirement. After receiving a complete notification report, KommAustria issues a confirmation (general authorisation) pursuant to Art. 15 Par. 3 in conjunction with Art. 120 TKG 2003.

In practice, this notification requirement is especially important in the case of broadcasting activities by cable network operators. On the basis of the legal opinion of the European Court of Justice and its verdict of 30 April 2014 in case no. C-475-12, UPC DTH, certain services are considered broadcasting services and thus subject to notification requirements. Such services specifically consist of providing access rights to a programming package that consists of radio and television programmes and that is distributed via a communications network in return for a fee.

In the period under review, 51 new broadcasting networks and three broadcasting services were registered; three communications networks and one broadcasting service were discontinued.

Additional information can be found on the RTR web site at www.rtr.at/de/m/RFAGGVerzeichnis (in German).

Pursuant to the TKG 2003, public communications networks and services used for radio and TV broadcasting are also subject to competition regulation by KommAustria. The adherence of Österreichische Rundfunksender GmbH & Co KG and ORS comm GmbH and Co KG to imposed obligations with regard to two wholesale markets (FM radio on the one hand and access to digital terrestrial TV transmission systems on the other) was also reviewed in the reporting year 2015, specifically with regard to the cost accounting system and the question of whether the rates offered were aligned with the costs of efficient service provision.

4.4 Act on Transparency in Media Cooperation and Funding

The main objective of the Act on Transparency in Media Cooperation and Funding (MedKF-TG) is to ensure comprehensive transparency when advertising contracts and funding are awarded by public authorities (cf. government bill in annex 1276 to the shorthand verbatim records of the National Council, 24th legislative period). The MedKF-TG consequently requires all legal entities that are subject to business auditing by the Court of Audit, as specified in the applicable provisions of the federal constitution and ordinary law, to provide KommAustria with quarterly reports of expenses incurred for advertising placed in periodical media and grants awarded to media owners. KommAustria serves as the independent recipient of the reports and has the mandate to verify compliance with reporting requirements.

To achieve the objective of comprehensive transparency of advertising contracts and funding, the act sets out two disclosure measures.

Firstly, KommAustria publishes quarterly lists indicating the legal entities which have fulfilled their reporting obligations by the regular reporting deadline and which have not. These lists – referred to as Ampellisten or 'watch lists' – can be viewed (in German) at www.rtr.at/de/m/veroeffentl_medkftg_ampel.

The second measure is publication, here again on a quarterly basis, of the data reported by the legal entities. This involves data on those media in which advertising contracts were actually awarded, as well as details of the particular (legal) persons who received media funding. This information can be viewed (in German) at www.rtr.at/de/m/veroeffentl_medkftg_ daten.

A total of 14 quarterly reports have taken place since the MedKF-TG entered into force on 1 July 2012. While a clear trend towards increasing reporting discipline was recorded during the initial quarters, the reporting rate became stable at a high level in 2015. Over the year on average, over 99% of the legal entities subject to reporting requirements complied with these. Some five penal procedures were initiated on average each quarter as a result of failure to report. Full data for Q4 2015 were not yet available when this report was prepared.

With the amendment to Federal Law Gazette I No. 6/2015 (entering into force on 1 January 2015), the MedKF-TG has been adjusted to the effect that advertising that is published in the media of foreign media owners and that is addressed exclusively at a foreign target audience is now no longer subject to mandatory reporting. From the point of view of enforcement, the new provision has had no appreciable effect in the past year.

It should be noted that the quarterly reporting requirement leads to considerable costs in terms of resources for the affected legal entities, without any increased transparency as compared with a semi-annual or annual reporting requirement.

Over the past year the Court of Audit has stated in several audit reports on the Act on Transparency in Media Cooperation and Funding that the legally defined threshold in the amount of EUR 5,000 per quarter has resulted in a significant proportion of payable advertising not being covered by the Act. The following Court of Audits reports are noted as examples: Federal Government 2015/3, p. 524 et seq. (30% of the advertising volume below the de minimis limit), Federal Government 2015/8, p. 322 et seq. (48%), Federal Government 2015/12, p. 426 et seq. (41%).

An analysis of recent quarters also revealed that about 80% of the legal entities examined regularly submitted zero reports. The majority of these cases involve associations founded by municipalities (sewage treatment associations, water supply associations, district social and healthcare bodies, citizenship associations, civil registrar's associations, and planning associations). Municipal associations account for just under 2,000 of the roughly 5,400 legal entities currently required to file.

4.5 Administration and coordination of broadcasting frequencies

General information

In 2015, in relation to the international coordination of broadcasting frequencies, there were increased activities in connection with the 700 MHz band, which has to released by broadcasters (digital dividend II). A working group was established for this purpose with Austria's neighbours to the east, the Czech Republic, Slovakia and Hungary; the group met once in Prague and once in Budapest. A key objective of this group is to restructure the GE06 frequency plan in participating countries so that future terrestrial broadcasting can manage without the 700 MHz band. In the remaining 28 channels for terrestrial TV broadcasting (470-694 MHz), five national networks are to be planned providing DVB-T2 coverage in each of the participating countries. Following completion of these plans, an attempt can be made in a second planning step to make additional individual channels usable for urban areas. These kinds of restructuring activities have been going on in the western part of Austria for some time now. The working group set up for this purpose comprises representatives from Germany, Liechtenstein and Switzerland. There was a meeting of this working group in the reporting year, hosted in Vaduz by the Liechtenstein Government; another meeting was held in Hamburg, in which the Czech Republic also participated. It was not possible during the negotiations to agree on definitions for all channels in the UHF band.

Another working group, in which Austria also participates, has been formed by the Balkan states and neighbouring countries and this group also deals with the free space in the 700 MHz band. This is a new trans-regional group, of which two exist in Europe already. This trans-regional working group provides a forum for the specific reallocation of frequency channels, which will subsequently be carried out in the coming year.

With regard to the digital radio service DAB, planning and coordination activities also increased with an impact on Austria in the second part of the reporting year. DAB in many cases involves preparations for implementing this service in the coming years. An assignment plan must be defined for this purpose from the allotment plan created at RRC06, and this will be negotiated in bilateral and multilateral working groups.

4.5.1 Participation in licensing and assignment procedures

In 2015 reports were to be compiled for several coverage areas that had been put out to tender again following the expiry of the ten-year approval period.

In addition, many new frequencies were reassigned to private broadcasters and the ORF, and a number of technical changes to the parameters for existing broadcasters were prepared by experts.

In 2015 there were three priorities in the field of digital terrestrial television broadcasting. Firstly, the conversion of MUX B coverage to DVB-T2 was continued. The first conversion date in Q2 involved the complete conversion of the federal states of Vorarlberg and Tyrol, including further network expansion. The second conversion date in autumn involved the conversion of all of Styria as well as southern Burgenland.

Secondly, the broadcasting network of multiplexes D, E and F was further expanded. The activation dates were chosen to be simultaneous with the dates of the MUX B conversion. Particular emphasis was placed on the use of channels to form large-scale single-frequency networks. This allows in particular for the frequency-efficient use of channels.

Thirdly, the multiplex licence held by Österreichische Rundfunksender GmbH & Co KG for MUX A and B, due to expire in August 2016, was renewed.

4.5.2 Frequency coordination procedures and frequency usage

The following table 5 lists the number of coordination procedures that were initiated internationally in which Austria was involved in 2015.

Table 5: Number of frequency coordination procedures in 2015

Country	Analogue radio	Digital radio	Digital television
Austria	56	24	19
Germany	14	71	15
Croatia	1	1	0
Poland	6	0	8
Switzerland	41	22	36
Slovakia	28	63	4
Slovenia	6	0	5
Czech Republic	36	46	6
Hungary	8	14	22
TOTAL	**196**	**241**	**115**

Source: RTR

Multilateral frequency negotiations

The German-speaking working group, consisting of representatives from Austria, Germany, Liechtenstein and Switzerland, convened once in Vaduz in the 2015 reporting year.

As there are still some unanswered questions relating to the frequency planning area between France, Switzerland and Germany – an area which will also have a 'domino effect' on frequency planning in the Lake Constance area – not all channel assignments have yet been implemented.

The future loss of the 694-790 MHz frequency range will significantly reduce the existing DVB-T2 spectrum in the various geographical regions. In order to guarantee efficient restructuring throughout the entire region, existing channels and channels which are still in operation sometimes have to be changed. Another aspect involves determining the order of the necessary changes, which should also be planned on a cross-border basis.

A meeting was held in Hamburg which, in addition to the German-speaking neighbouring countries, was attended by the Czech Republic. The revised plans for the common border area of Southern Bavaria and Upper Austria required the presence of the frequency planning team from the Czech Republic at the Hamburg meeting. Working together, the teams were able to work out an excellent initial approach towards a solution in the border area. Further coordination and adjustments will follow in the immediate future.

The forthcoming DVB-T2 conversion in Germany and the further development and expansion of DAB+ in particular required rapid detailed planning of the existing frequency resources in the common border area.

A multilateral coordination meeting was held in Prague in September 2015 between Austria, the Czech Republic, Hungary and Slovakia. The themes discussed related to digital radio and digital television. The 700 MHz frequency band was the main focus of the discussions in the area of digital terrestrial television. In Slovakia, discussions around ideas for freeing up the 700 MHz band are not yet very advanced. The fact that licences in the area of television are set to expire in Slovakia in the year 2029 represents a problem. Furthermore, Hungary has not yet decided on the finer details of how the rest of the UHF band will be used for television in future following the loss of the 700 MHz band, nor has the Czech Republic. It is not yet clear when and how the conversion to DVB-T2 will take place in these countries. This meeting involved, among

other things, the further development of the planning approaches for restructuring the remaining spectrum for digital terrestrial television, the initial stages of which had been developed in Budapest.
The allotments proposed in Budapest (future DVB-T2 plan) were evaluated in terms of frequency technology on a channel by channel basis and any restructuring potential was identified.

With regard to DAB, it was agreed that transmitter data which is as specific as possible should be exchanged for two or three nationwide coverage areas and will serve as the basis for further detailed planning.

4.5.3 Measurement activities

In 2015, several test transmissions with FM stations in Vorarlberg, Tyrol, Upper Austria, Lower Austria and Vienna were conducted and evaluated using measurement equipment. In September 2015, joint radio measurements were also conducted in collaboration with the Broadcasting Supervisory Office (Federal Ministry of Transport, Innovation and Technology – BMVIT) in Zeltweg.

All new approvals for analogue radio and digital TV licences were monitored using measurement equipment to ensure that transmission facilities began broadcasting according to schedule in all federal states.

In autumn of the reporting year, measurements were taken of domestic and foreign DVB-T/T2 transmitters in order to create a compatibility matrix; this is required for the restructuring of the 700 MHz band.

4.5.4 Frequency register

At present, the frequency register and transmitter map include approximately 1,300 radio transmitters in the FM band, with power output ranging from less than 1 W to 100 kW.

Approximately 850 transmitters can be attributed to the ORF, while the roughly 450 other transmitters are used by private broadcasters.

The frequency register also shows a total of 32 high-power transmitters in the FM range for Austria. The ORF uses 26 of those transmitters, and the remaining six are used by private radio broadcasters.

With regard to the 470 to 790 MHz television frequency band, the currently approved DVB-T transmitters and the new additional DVB-T2 transmitters in the frequency register were distributed among the individual multiplex platforms as shown below at the end of 2015.

Table 6: Number of approved DVB-T/T2 transmitters (as of 31 December 2015)

DVB-T Multiplex A (ORS multiplex)	328 transmitters
DVB-T Multiplex B (ORS multiplex)	40 transmitters
DVB-T Multiplex C (regional/local multiplex platforms)	31 transmitters
DVB-T2 Multiplex D (ORS multiplex)	38 transmitters
DVB-T2 Multiplex E (ORS multiplex)	38 transmitters
DVB-T2 Multiplex F (ORS multiplex)	38 transmitters

Source: RTR

As of 31 December 2015, permits had been issued for a total of 513 DVB-T/T2 transmitters.

Data on approved broadcasting transmitters are available to the public on the RTR website (www.rtr.at) in the form of a transmitter map as well as tables.

4.5.5 Participation in international working groups

Participation in ITU study group 6

The focus here was mainly on the completion of studies into the technical conditions for the avoidance of interference between mobile services and broadcasting. Furthermore, a comprehensive set of recommendations was adopted for digital terrestrial television broadcasting which included all major transmission standards.

Participation in Project Team D

The working group for preparing the 'coordinated' European positions for the WRC15 (World Radio Conference) convened three times in the reporting period. The relevant broadcast topics were divided into four categories at the start of the working group. It was not possible to achieve the objective of a unanimous solution in all four areas.

A further option that was also being considered in this working group was the possibility of dedicating the entire UHF band to mobile applications. However, this idea was not supported by a sufficient majority within the CEPT (Conférence Européenne des Administrations des Postes et des Télécommunications).

Participation in the NEDDIF working group

The North East Digital Dividend Implementation Forum working group is an association of telecommunications administration authorities from Northern and Eastern Europe which deals with the replanning of the UHF spectrum, with the aim that the 700 MHz band will be used for mobile communication in the future (and throughout the rest of Europe). A meeting was held in Warsaw during the reporting year and was attended by an RTR frequency planner.

Participation in the SEDDIF working group

Comparable to the NEDDIF working group, the Southeast Digital Dividend Implementation Forum group is essentially composed of telecommunications administration authorities from South-Eastern Europe. Hungary has agreed to take over the chair for this working group. Many Balkan countries also participate in this working group, as well as Bosnia, Croatia and Slovenia, which are important coordination partners for Austria. The first meeting of this group took place in Budapest in October 2015.

Participation in the WRC15

As part of the WRC15, a compromise was reached in region 1 for the lower UHF band 470-694 MHz; it was decided that the investigation of whether this band should be dedicated to mobile services on a co-primary basis, as is already the case for the 800 and 700 MHz bands, should not take place before the WRC23.

It was also decided at the WRC15 that the L-band in the 1.5 GHz range, which was also dedicated to terrestrial broadcasting at ITU level in the past, will be made available for mobile services as previously favoured by the CEPT.

4.6 International activities

4.6.1 KommAustria and ERGA

The European Regulators Group for Audiovisual Media Services (ERGA) was created as an association of leading or high-level representatives from the independent national European regulatory authorities in the field of audiovisual media services to advise the European Commission regarding the implementation of the Audiovisual Media Services (AVMS) Directive.

ERGA objectives include:
- ensuring the consistent implementation of the AVMS Directive;
- facilitating cooperation between regulators within the EU;
- enabling the mutual exchange of information based on good practice.

In 2015, the activity focused on the independence of regulators and the analysis of the existing legal framework for the regulation of audiovisual media services. The ERGA produced several reports[2] on the basis of activities in several working groups.

The ERGA report on 'material jurisdiction' indicates possible substantive developments in the area of the AVMS Directive from the point of view of the ERGA. Specifically, the report identifies enforcement difficulties as well as delineation issues with respect to journalistic responsibility relating to the criteria for the assessment of audiovisual media services and points out the impact that the entry of platform providers and other intermediaries will have on the scope of AVMS application.

The ERGA report on the Protection of Minors in a Converged Environment draws conclusions shared by regulators regarding an effective and adequate level of audiovisual media protection for minors. It shows how protection should be embedded in the legal framework of the EU in the future and makes recommendations for the revision of protection rules from a regulatory perspective.

The ERGA report on the Independence of National Regulatory Authorities demands, among other things, that the European Commission revise the AVMS Directive with a view to ensuring and strengthening the independence of media regulatory authorities.

In light of the events in Paris and Copenhagen in early 2015, the ERGA issued a statement committing itself to safeguarding freedom of expression.[3] This statement emphasised, among other points, the importance of safeguarding freedom of expression for a democratic society and for cultural diversity.

[2] The individual reports are available on the European Commission website: https://ec.europa.eu/digital-agenda/en/audiovisual-regulators.

[3] ERGA declaration from 14 April 2015 concerning freedom of expression: http://ec.europa.eu/newsroom/dae/document.cfm?action=display&doc_id=9350.

4.6.2 KommAustria and EPRA

In 2015, in the context of the European platform of regulatory authorities to which 52 European regulatory authorities currently belong, the questions of "How to ensure a sustainable ecosystem for the supply and distribution of media content in Europe?" and "How to ensure diversity of media diversity?" were examined in detail through a comprehensive European comparison, with best-practice models being presented. In addition, presentations and comparisons were made in various working groups dealing with the financing models for regional television, issues relating to commercial communication and the subject of public service content in a multi-platform environment.

4.6.3 Cooperation of consumer protection authorities

Based on Regulation (EC) No. 2006/2004 on cooperation in the area of official assistance between national authorities responsible for the enforcement of consumer protection laws, KommAustria exercises its role as the competent authority in the area of commercial audiovisual communications.

In this capacity, KommAustria also participated in 2015 in preparing Austria's biennial report for the years 2013 and 2014 in accordance with Art. 21 of Regulation (EC) No. 2006/2004, which was sent to the Austrian Parliament and the European Commission.

5 Progress report on digitisation of broadcasting

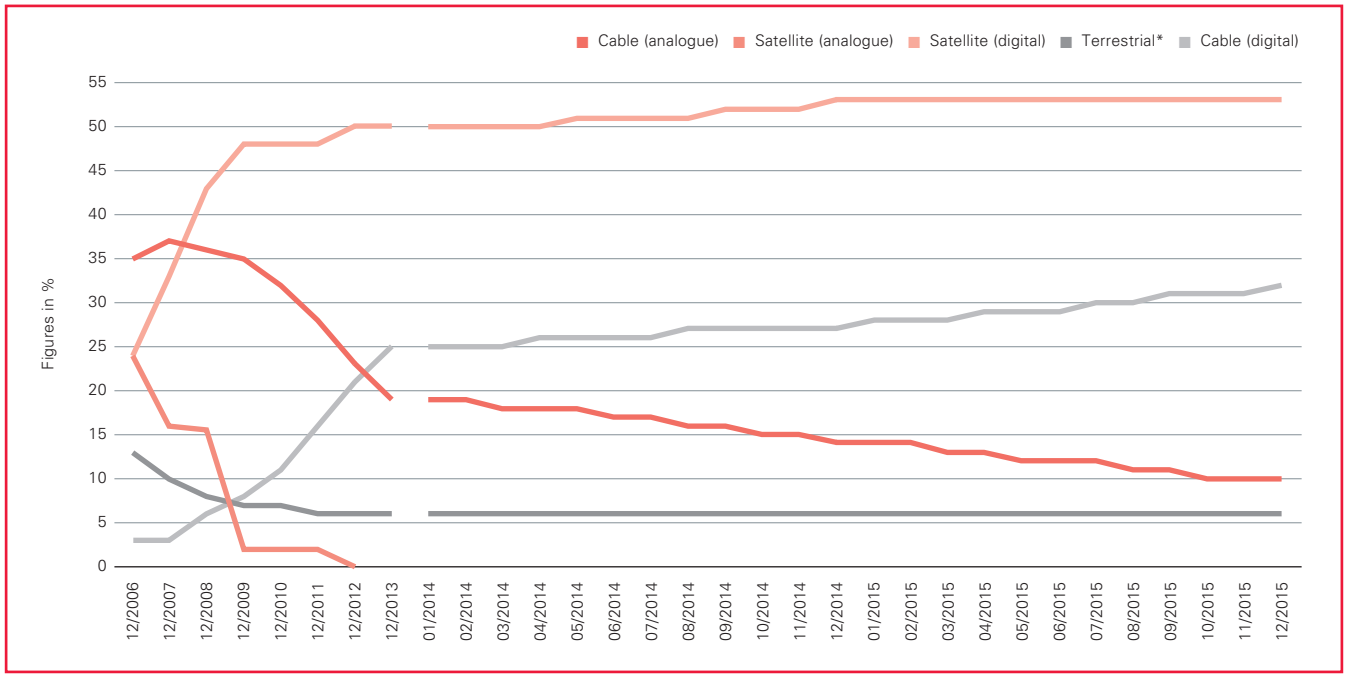
As 2015 drew to a close, a solid nine in every ten Austrian TV households were using a digital broadcasting source for their only or primary television set (91% of 3.631 million TV households).[4] This represents a rise in the level of digitisation for Austrian TV households of five percentage points from the figure for the end of 2014 (86%).

Some 93% (6.756 million) of the 7.265 million Austrian television viewers aged twelve and over are now residing in digitised TV households (end of 2014: 89%).

Changes in the level of digitisation in these TV households now depend solely on how the ratio of analogue cable households to digital cable households develops, since the terrestrial and satellite reception platforms are already fully digitised (since June 2011 and April 2012, respectively).

The percentage values in the following figure 6 from the TELETEST Working Group (AGTT) on reception platform distribution are rounded in accordance with standard commercial practice. Particularly as a result of the separation of cable households into digital and analogue households, a rounding uncertainty is created that leads in the present diagram to an imprecise total value of 42% for the overall cable reception platform (digital and analogue) and an overall total of 101% TV households. If one were to sum the starting values for digital and analogue cable households before rounding (31.8% and 9.6%), this would produce a value of 41.4%, which would be rounded down to 41%.

Figure 6: Distribution of reception modes among Austrian television households



* Terrestrial includes around 26,500 cable households with basic coverage (reception of around eight TV channels).

Source: AGTT/GfK Austria

[4] Unless otherwise specified, all data are derived from the TELETEST Working Group (AGTT)/GfK Austria (2015).

In 2015 nothing changed in the basic distribution of TV households across the three broadcast reception platforms of satellite (53%), cable (41%) and terrestrial (6%) in comparison with figures for the end of 2014. Within the cable reception platform, however, the linear decline in analogue cable households ongoing since 2010 continues at the rate of four to five percentage points per annum: as a proportion, these now make up barely 10% of all TV households.

In 2015 the hopes of the nationwide terrestrial broadcasting network operator Österreichische Rundfunksender GmbH & Co KG (ORS) to acquire an appreciable number of new digital terrestrial television customers from cable households switching from analogue to digital reception once again failed to materialise. In absolute terms, the number of terrestrial households grew slightly to 211,000 households, a rise of 2,000 from the end of 2014. This figure includes some 26,500 TV households 'with basic cable coverage', i.e. which have cable television access but which receive only a basic cable TV package of around eight to ten TV channels and which are therefore traditionally included in terrestrial figures.

As a reception mode for second TV sets in households, digital terrestrial television continues to develop very well, however.

13% of the 'twelve and over television public' are using digital terrestrial television

As digital terrestrial television is often used in cable and satellite households as a supplementary reception mode for second TV sets, it would be inaccurate to measure its success solely on the basis of those 6% of TV households for which terrestrial television is the sole means of reception. Instead, therefore, the 571,000 viewers who live in satellite households (529,000) and cable households (42,000) with additional terrestrial usage for television reception on second TV sets must also be counted. In the 6% of TV households with exclusively terrestrial usage, a total of 348,000 viewers reside who are aged twelve and over.[5]

Accordingly, a total of 919,000 persons, or 13% of the viewing population (aged twelve and over), used terrestrial as at the end of 2015. In 2014 this share of the viewing population was 12%, and it was just 11% in 2013.

Nearly two-thirds of new TV sets sold now support convergent usage

In the first three quarters of 2015, 62% (2014: 57%) of the 466,343 flat screen televisions sold in Austria (2014: 540,804) were able to connect to the internet and therefore allowed access to online video services.[6] As a general rule, the only TV sets nowadays that do not feature internet connectivity are small screen televisions, which are typically purchased for additional use. On larger sets, however, it is not unusual to find apps on the device's home screen that offer direct access to the major online video libraries such as YouTube, Netflix, Amazon Instant Video or maxdome. In addition, nearly 89% of internet-capable television sets also support HbbTV technology (2014: 91%). Using this technology, television broadcasters can include a web link in their broadcasting signal and thus guide the viewer directly from the television programme to their online media libraries (assuming the receiver is connected to the internet). In Austria, this service has been offered by PULS 4 since 2012 and by ORF since 2013, with ServusTV adding it in 2015. Integrated Wi-Fi is offered by 95% of internet-capable TV sets, which can thus be very easily connected to the home wireless internet network (2014: 89%).

Biggest-is-best megatrend for TV sets increases pressure for better picture quality

Following a sharp rise by seven percentage points to a market share of 40% in 2015, televisions from the segment with the largest screen diagonals (42 inches/107 cm and over) are now for the first time the top-selling TV sets in Austria (market share in 2014: 33%; 2013: 26.5%). It is particularly striking that the very large screens with a diagonal of at least 55 inches (≥ 140 cm) now already account for almost half (46%) of all sets sold in this group (2014: 35%; 2013: 27%). While the sales charts were previously topped by TV screens with diagonals of less than 37 inches (< 94 cm), this group dropped to second place in 2015 with a market share of 32% (2014: 37%; 2013: 41.5%).

[5] Already excluding around 50,000 persons (aged twelve and over) in cable households with basic coverage.

[6] GfK panel market, sales figures from January to September 2015. All sales figures for TV sets relate to the first three quarters of 2015.

The medium-sized segment, for screens with diagonals of 37 to 42 inches, remained in third place with a market share of 27.5% (2014: 30%).

The increasing popularity of large-format TV sets will also present conventional broadcasting organisations with a new challenge over the medium term. Viewers who replace a small set with a much larger screen often experience a worsened rather than an improved TV image, since the image resolution specified by the TV broadcaster naturally remains unchanged while, to put it simply, the individual pixels on the large screen have been stretched further apart. Although this particularly affects TV programmes broadcast in standard definition (SD), even the (minimum) HD variant used by most TV broadcasters with a 720p resolution is pushed to its limits by 55-inch screens. This problem is aggravated by the fact that streaming competitors such as Netflix and Amazon Instant Video already offer higher HD resolutions (1080i and 1080p) and thus allow direct comparisons between image qualities.

The topic of image quality optimisation is not being ignored by TV broadcasters, however. Indeed, in Germany, ZDF and the RTL and ProSiebenSat.1 groups have announced their intention to broadcast programmes in full HD (1080p instead of the present 720p) over the terrestrial platform when DVB-T2 is launched in Germany – even before satellite and cable! These efforts will be supported by the especially efficient video compression standard HEVC to be introduced alongside DVB-T2 in Germany.

Another factor is that the large TV screens now increasingly support ultra-high 4K resolution, thus stimulating additional consumer demand for video material in the corresponding format.

4K TV sets now reaching significant sales levels – content lagging

TV in 4K or Ultra HD (UHD) resolution is clearly stimulating strong consumer interest: in the first three quarters of 2015, the sales volume for TV sets that are 4K-ready – and support a resolution four times higher than the best HDTV format (3840 x 2160 pixels vs. 1920 x 1080 pixels) – was 57,355 units, representing almost a six-fold increase on the figure from the previous year (2014: 10,120). Accordingly, 4K TV sets now account for a 2015 market share of 12% of all TV sets sold. This development has also been bolstered by a significant drop in prices: in 2015 the average price for a 4K TV set was EUR 1,288, while the average price in 2014 was EUR 2,261 and in 2013 still as high as EUR 5,553.

Analysing the market share of 4K-ready TV sets requires a more nuanced approach than simply stating this as a proportion of TV sets sold, however. Generally, such sets are only available (or advisable) with screen sizes of 49 to 55 inches and above, since this kind of area is physically required by the enormous number of pixels – although the 4K-ready screens offered by some manufacturers do in fact start at 42 inches. In light of the above, if we now focus only on figures for TV sets with screen diagonals of at least 42 inches, 4K-ready sets already have a market share of 31% in this segment.

Programme content in 4K resolution is hard to find, however. Nor is it to be expected even in the medium term from the conventional, radiowave-based television sector, since the technical standards in production, signal transmission and receivers will first have to be changed and become broadly established. Since 4K content is also much more data-intensive, transmission costs will also rise, despite advances in video compression.

In contrast, internet-based competitors – above all Netflix and Amazon Instant Video – are now routinely expanding their 4K catalogues, and adding new feature films, series and documentaries in 4K quality on a monthly basis. The 4K Blu-ray Disc will also be introduced in Europe in 2016 with a wide choice of feature films, accompanied by the sales launch of compatible players. This will increase pressure on broadcasters to properly address the topic of 4K.

Developments in digital radio

In May 2015, a pilot project was started in Vienna for digital radio based on the DAB+ transmission standard. Following an application by broadcasting network operator ORS, the test is being financed by the Digitisation Fund set up by the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR). ORS is cooperating with the Austrian Digital Radio Association (Verein Digitalradio Österreich), and 13 members of the association are broadcasting a total of 15 radio stations as part of the test. Originally approved for a one-year run, ORS has already announced its intention to apply to extend the

test by another year. Participating radio broadcasters include Radio Arabella GmbH, Energy Österreich, the Radio Maria association, Livetunes Network GmbH (LoungeFM), the Radio Stephansdom foundation, Welle Salzburg GmbH, ARBÖ and Herold Business Data GmbH. Neither ORF nor the nationwide private broadcaster KRONEHIT are taking part in the pilot run, nor are most private (FM) radio market leaders in the federal states.

In September 2015 the country's major private radio operators launched a joint online radio platform called Radioplayer Österreich, which offers a single point of access (from a computer or mobile app) to both their own stations (which are also broadcast via FM) and a wide range of additional 'special interest' stations as an online streaming service.

5.1 2015 Digitisation Plan

The Austrian Communications Authority (KommAustria) has the legal mandate to issue every 24 months an ordinance amending the Digitisation Plan, presenting the objectives and the measures for the further development of digital radio in Austria. In December 2014 RTR and KommAustria convened the members of the Digital Platform Austria work group to a general assembly on 27 January 2015. The work group, with its roughly 300 members from the Austrian media industry, was invited pursuant to statutory provisions to cooperate in preparing the 2015 Digitisation Plan ordinance that entered into force on 1 May 2015.

5.1.1 Rollout of digital terrestrial television

For the further rollout of digital terrestrial television, the 2015 Digitisation Plan envisages the option of further expansion of the existing platforms. Regarding frequencies, on the other hand, initial steps have been taken to re-plan or re-allocate the 700 MHz band for mobile telecommunications.

5.1.2 Launch of digital radio

With the 2015 Digitisation Plan, KommAustria has continued along its chosen path of potentially launching digital terrestrial radio based on the DAB+ standard, following a careful evaluation. This strategy envisages the completion of an evaluation and estimate of demand for capacities for digital terrestrial radio. In the event of a positive evaluation, the Digitisation Plan envisages organising an invitation to tender for the first half of 2017. This evaluation phase will be accompanied by a DAB+ pilot project in the Vienna area, with a total of 14 radio broadcasters participating, as well as a study on the topic of digital terrestrial radio commissioned by RTR.

5.1.3 Completion of cable network digitisation

With the 2015 Digitisation Plan, KommAustria has also addressed the shutdown of analogue cable networks initiated by cable network providers and has issued a recommendation for the shutdown of the analogue cable networks by September 2016.

5.2 Developments in individual TV reception platforms

5.2.1 Terrestrial

As the operator of the national terrestrial multiplexes A, B, D, E and F, ORS proceeded in 2015 with the migration of multiplex B from DVB-T to the DVB-T2 transmission standard in the federal states of Vorarlberg, Tyrol and Styria, as well as in the southern part of Burgenland. In Carinthia, this migration was already completed in November 2014. Following migration, the channels previously broadcast in standard definition (SD), i.e. ORF III, ORF SPORT +, 3sat and ServusTV, are now available exclusively in HDTV quality via Multiplex B. As a result of this multiplex B migration work, ATV will leave Multiplex A and will then also broadcast exclusively in HD quality via Multiplex B. PULS 4 remains in SD on Multiplex B, while the new ATV2 will be added in SD. While receiving Multiplex B channels still comes at no extra monthly cost, basic

encryption has been introduced that permits reception only after registering with ORS and the subsequent activation of the receiver. The migration from multiplex B to DVB-T2 is planned to be completed by autumn 2016 in all federal states.

In a resolution passed on 20 November 2015, KommAustria once again issued ORS with a broadcast licence for multiplexes A and B running for a ten-year period from 2 August 2016 to 2 August 2026. This also envisages the full transition of multiplex A from DVB-T to the more modern and significantly more capable DVB-T2 technology by February 2019 at the latest (actually by Q3 2017 according to current planning) and receivable by 98% of the population. All ORF channels are then to be bundled via Multiplex A and broadcast with basic encryption in HD resolution. For a period initially limited to three years, ORF eins and ORF 2 will continue to be broadcast unencrypted in SD quality, however.

Technical range of DVB-T/DVB-T2 multiplexes in 2015

In 2015 the technical range of coverage of nationwide Multiplex A remained unchanged at the 2014 figure of 98% of the population. In contrast, the technical range of Multiplex B rose from 91% to cover 92% of the viewing population following the commissioning of three new broadcasting systems.

The percentage of the population living in areas allowing the reception of various regional DVB-T programmes (collectively termed 'Multiplex C') also stayed the same in 2015 (64%) despite the establishment of an additional broadcasting location.

The most significant changes in 2015 were seen in the three national pay TV multiplexes D, E and F, for which eight new broadcasting locations were brought into service. This boosted their technical range from 88% to 91% of the viewing population. The range of the three multiplexes had been extended from 86% to 88% already back in 2014. Broadcasting network operator ORS aims to boost the range of multiplexes D, E and F to match the Multiplex B level.

5.2.2 Satellite

Satellite continues to be the most popular TV reception platform. It is the primary form of reception in 53% of TV households and has thus maintained the level reached at the end of 2014. In 2015, the number of satellite households even rose slightly by 24,000 to 1.917 million. In satellite households, the viewing population aged twelve and over rose to 4.177 million, representing an increase of 60,000 people compared to December 2014. In percentage terms, no changes were in 2015: as in 2014, some 57% of the viewing population (aged twelve and above) resides in satellite households.

5.2.3 Cable and IPTV

While the number of Austria's cable households remains unchanged from 2014 at 1.503 million (41% of all TV households), 1.155 million of these households (77%) are now digitised (2014: 987,000 and 66%). The digitisation process therefore continues to proceed apace in this area.

In contrast, the total viewing population in cable households fell slightly in 2015, with 37% of the TV population aged twelve and over now living in a cable household (2014: 38%). In absolute terms, viewer numbers fell to 2.691 million, a decline of 43,000 compared to December 2014. Of these, 2.158 million people (80%) now reside in digitised cable households (2014: 68%).

IPTV households (almost all of which are customers of Telekom Austria's A1 TV) are included in the 'digital cable' reception platform: in 2015, they numbered a solid 250,000 households[7] (2014: 240,000), thereby representing around 22% (2014: 24.3%) of digital cable households.

[7] According to an A1 press release "15x Big Screen Entertainment", 28 September 2015.

Austria's cable network operators have voted to terminate analogue TV broadcasting in September 2016, so as to be able to devote more resources to handling the increasing proliferation of HDTV content and their customers' demand for this material. Cable network operators also need more bandwidth for the increasing volume of data transferred over the internet. The necessary communication of the planned analogue shutdown to cable customers has been financed by the RTR Media Division from the Digitisation Fund. If the 'natural fluctuation' of analogue cable customers observable in recent years continues as a linear trend until September 2016, then only around 6% of all TV households and around 14% of all cable households will be affected by the shutdown of analogue cable networks.

5.3 Digitisation of radio broadcasting

With the exception of the Vienna digital radio pilot mentioned at the beginning of this chapter, there are no further developments related to the DAB+ digital transmission standard to report for 2015.

6 Management of funds and grants

6.1 Austrian Digitisation Fund

In 2015, the Austrian Digitisation Fund received an endowment of EUR 0.5 million. The purpose of the fund is to promote digital transmission technologies and digital applications based on European standards relating to broadcasting. Funding is provided from those broadcasting fees that are collected jointly with ORF programme fees but are primarily allocated to the federal budget.

The test operation of DAB+ in Vienna was the main issue dealt with by the Austrian Digitisation Fund in 2015. The project involves conducting technical trials with established and future radio broadcasters, whereby existing and new radio stations are broadcast digitally using the DAB+ standard.

Another major project in 2015 was funding for the completion of cable network digitisation. On 1 August 2015 guidelines were issued on procedures for awarding grants from the Digitisation Fund for the purpose of financing the completion of cable network digitisation (de minimis aid). According to these guidelines, grants from the Digitisation Fund can be awarded to cover costs for communication measures providing public information on the digital transmission of broadcast programmes in cable networks, and in particular on the migration of analogue households to digital transmission and the planned shutdown of analogue transmission.

6.1.1 Notes on the 2015 annual accounts

Based on the statement for the trustee account as of 31 December 2014 and considering the deposits and withdrawals as well as the already approved but not yet paid contributions, about EUR 2.512 million is currently available in the fund as of 31 December 2015.

6.2 Austrian Television Fund

The Austrian Television Fund was set up in 2004 by the Austrian federal government in order to provide support for the Austrian film industry. The fund supports the production and exploitation of features, series and documentaries made for television and is funded with an annual figure of EUR 13.5 million.

New grant guidelines as of 1 December 2015

The guidelines for the fund specify in detail the purpose of grants, eligible expenses as well as personal qualifications and material requirements. For 2016, new grant guidelines were drawn up that entered into force on 1 December 2015 and were notified to the European Commission.

In view of the fact that the market for the secondary exploitation of television productions via pay TV, VoD (video on demand), streaming and other channels has grown significantly over the last few years, the guidelines have been supplemented with additional measures to protect the interests of producers.

One of the most significant changes is that the acquisition of rights by television broadcasters is now dependent on the amount of their financial participation. In addition, the influence of television broadcasters on other usage rights has also been limited. Special arrangements for broadcaster-affiliated distribution now exist only for fictional productions. The presentation of the guidelines has been improved, and their content and language has been simplified.

The current guidelines for grants from the fund can be retrieved from the FERNSEHFONDS AUSTRIA website (www.fernsehfonds.at, in German).

6.2.1 Support for television films in 2015

Production grants

In the reporting year, grant funds had already been exhausted by the second application date. A total of 51 projects were submitted. After all applications were examined, 36 projects were granted funding, to a total of EUR 12,996,669.

The total production costs for the projects funded in 2015 amounted to approx. EUR 60.6 million. About EUR 40.2 million was expected to be spent in Austria for the production of these films. Domestic expenditures will thus come to 3.1 times the sum of grants approved by the Austrian Television Fund.

Details of production grants

Twelve television films, one series and 23 documentaries were funded. Of the almost EUR 13 milion in grant support, 71% was spent on films for television, 17% on series and 12% on documentaries.

In 2015, ten projects (seven films, one series and two documentaries) involving international co-producers were funded - (co-producers are film producers, not television broadcasters).

German television broadcasters participated in 18 projects, while two further projects involved other European broadcasters from Italy and Switzerland. A US television broadcaster was involved in the production of one international project.

Only one of the 36 projects supported had no involvement by any Austrian television broadcaster.

Three projects were supported by European grant funding.

The supported projects received 60% of their funding from television broadcasters, 28% from grants, 9% from the producers' and sponsors' own resources, and 3% via distribution agreements.

Detailed information on the supported projects is available from the Austrian Television Fund's website (www.fernsehfonds.at, in German).

To encourage a change of views in Austrian filmmaking and balance out the ratio of male to female filmmakers, the Austrian Television Fund has for the first time published figures showing the proportion of women involved in production, direction and screenplay for television films.

Table 7: Austrian Television Fund – gender statistics for supported projects

	Female		Male	
	Number	in %	Number	in %
Producers	1	3	35	97
Directors	10	23	33	77
Screenwriters	13	29	32	71

Source: RTR

Exploitation grants

Grants totalling EUR 134,764 were distributed among 13 projects to support their exploitation. This funding provided resources for the creation of versions for viewers with hearing and visual impairments and foreign-language editions of the programmes.

6.2.2 Notes on the 2015 annual accounts

Based on the statement for the trustee account as of 31 December 2014 and considering the deposits and withdrawals as well as the already approved but not yet paid contributions, EUR 113,507.33 is currently available in the fund as of 31 December 2015.

6.3 Broadcasting funds

The Fund for the Promotion of Private Broadcasting (Private Broadcasting Fund) and the Fund for the Promotion Of Non-Commercial Broadcasting (Non-Commercial Broadcasting Fund) were set up in 2009 with the amendment of the KommAustria Act (KOG). The two funds were originally endowed with a total of EUR 6 million. Funding was then steadily increased to EUR 18 million (EUR 15 million plus EUR 3 million) in 2013.

The funds serve the purpose of promoting the Austrian broadcasting system and helping broadcasters deliver diverse and high-quality programming. Broadcasters are eligible to apply for grants if their programmes require a licence or notification as defined in the Audiovisual Media Services Act (AMD-G) or Private Radio Act (PrR-G).

Funding is allocated on the basis of relevant legislation and of approved guidelines. The funding decisions are taken by the managers of RTR's Media Division after the Review Board has submitted an opinion.

6.3.1 Non-Commercial Broadcasting Fund

6.3.1.1 Application dates in 2015

In 2015, a total of EUR 3 million was available in the Non-Commercial Broadcasting Fund.

First application date (2015)

In the first round of applications (due by 31 October 2014), 76 applications were submitted by radio broadcasters, two by education and training initiatives, and 35 by television broadcasters. Grants were awarded to 14 non-commercial radio stations, three community television stations, and two education and training initiatives in radio broadcasting.

In total, EUR 2,725,595 was awarded. Of the funding, 31.29% (EUR 852,884) went to television, 65.10% (EUR 1,774,401) went to radio and 3.61% (EUR 98,310) was allocated to educational institutions.

In this round, grants of EUR 2,425,752 were awarded for content creation, EUR 294,843 for educational measures and EUR 5,000 to support studies.

The individual community television stations were received grants of these amounts: OKTO EUR 394,954, DORF-TV EUR 249,730, and FS 1 EUR 208,200.

Grant amounts for radio stations ranged from EUR 77,135 to EUR 205,374. Broadcasters that cover a broader area or an urban area, consequently offering a wider range of programmes, received more support.

Second application date (2015)

The second round of applications closed on 12 May 2015. Eighteen applications were submitted from radio and seven from television.

The remaining funds available, amounting to EUR 251,918, were awarded. In total, 40.99% (EUR 103,270) was allocated to radio broadcasting. Grants were awarded for content and training offered by ten radio stations. In total, 59.01% (EUR 148,648) was allocated to the three television stations supported.

Radio broadcasters that cover a broader area or an urban area, consequently offering a wider range of programmes, received more support. When awarding grants in the television sector, a wider range of programmes was also considered positive a factor.

More detailed information on the grant decisions can be found on the RTR website at www.rtr.at/de/foe/NKRF_Fonds (in German).

6.3.1.2 Notes on the 2015 annual accounts

The Non-Commercial Broadcasting Fund received an endowment of EUR 3 million in 2015.

Based on the statement for the trustee account as of 31 December 2014 and considering the deposits and withdrawals as well as the already approved but not yet paid contributions, EUR 12,322.59 is currently available in the fund as of 31 December 2015.

6.3.2 Private Broadcasting Fund

6.3.2.1 Application dates in 2015

In 2015, approximately EUR 15 million was available overall in the Private Broadcasting Fund.

First application date (2015)

In the first round of applications (due by 17 October 2014), a total of 174 applications for grants in the field of television and 287 applications in radio broadcasting had been submitted.

In total, EUR 12,914,793 was awarded to 54 private television broadcasters, 45 private radio broadcasters and two educational institutions. Of these funds, EUR 8,703,647 (67.39%) went to television broadcasters, EUR 3,959,056 (30.66%) to radio broadcasters and EUR 252,090 (1.95%) to the educational institutions Privatsenderpraxis and Forum Journalismus TV Radio.

A breakdown of grants according to the three grant categories reveals that 91.34% of the total awarded in the first round of applications went to content projects, 7.08% to education and training, and 1.58% to reach surveys and quality studies.

Second application date (2015)

Remaining funds amounting to EUR 3,177,868 were awarded. A total of 213 applications were received in the second round of applications (due by 12 May 2015). Of those applications, 96 related to television broadcasting, 116 to radio broadcasting and one was made by an educational institution. The grant funds were allocated in the second round to 28 private television and 28 private radio operators, as well as a single training institution. In total, EUR 1,964,440 (61.82%) went to television broadcasters, EUR 1,203,138 (37.86%) to radio broadcasters and EUR 10,290 (0.32%) to an educational association.

A breakdown of the grants according to the three grant categories reveals that 90.84% of the total awarded in the second round of applications went to content creation, 7.42% to education and training, and 1.74% to reach surveys and quality studies.

When allocating the 2015 grants, greater attention was once again paid to broadening the geographical distribution of grant recipients in order to include local and regional content and projects, and thus to enhance diversity. Smaller radio broadcasters with technical ranges of less than 100,000 potential listeners as well as broadcasters with a range of 100,000 to 300,000 received grants equalling nearly 100% of the funds requested.

A different ratio of the amount applied for to the amount granted is seen for television broadcasters. Here smaller, local and regional broadcasters, that generally offer a new information programme once or several times a week mostly, received a smaller grant than that specified in their submission. Nationwide television broadcasters, on the other hand, incur substantially higher costs and usually broadcast regular information shows, in many cases several times per day. The nationwide broadcasters consequently received the highest awards by far from the Private Broadcasting Fund. In accordance with the funding guidelines notified to the European Commission, again in this reporting period grants were especially awarded for information broadcasts, cultural broadcasts and regional broadcasts.

More detailed information on the grant decisions can be found on the RTR website at www.rtr.at/de/foe/PRRF_Fonds (in German).

6.3.2.2 Notes on the 2015 annual accounts

The Private Broadcasting Fund received an endowment of EUR 15 million in 2015.

Based on the statement for the trustee account as of 31 December 2014 and considering the deposits and withdrawals as well as the already approved but not yet paid contributions, about EUR 1.104 million is currently available in the fund as of 31 December 2015.

6.4 Press and journalism subsidies

The federal press and journalism subsidies administered by RTR are direct support measures in the form of financial contributions. Decisions on the allocation of subsidies are taken by the Austrian Communications Authority (KommAustria), while one member of the authority is responsible for the administration of grants. The Press Subsidies Commission and the Journalism Subsidies Advisory Board have been set up as advisory bodies for these subsidies. One exception is specified in Art. 33 KOG, namely that no advisory body is required when subsidies are allocated to the Austrian Advertising Council.

RTR provides specialist technical and administrative support for these subsidies.

The legal bases for the allocation of grants are the 2004 Austrian Press Subsidies Act (PresseFG 2004), the press subsidies guidelines to be published by KommAustria each year, Section II of the 1984 Journalism Subsidies Act (PubFG) as well as Art. 33 KOG and the guidelines to be published by KommAustria governing the promotion of self-regulation in commercial communication.

6.4.1 Press subsidies

In 2015, KommAustria received 115 applications for subsidies under the PresseFG 2004. The authority granted subsidies in 114 cases, while nine applications had to be rejected because they did not fulfil the legal requirements for funding.

The groups eligible for subsidies under the PresseFG 2004 are as follows:

- Publishers of daily and weekly newspapers
- Institutions for journalist education
- Research projects focused on the press sector
- Press clubs
- A self-regulation body for matters related to the press

Table 8: Press subsidies – changes in grant amounts, applications and approval rates 2011 to 2015

Year	Grant amount (EUR)	Applications	Approvals	Approval rate in %
2011	12,495,999.30	126	122	96.80
2012	10,945,800.00	127	122	96.10
2013	10,839,000.00	128	124	96.90
2014	8,649,085.00	125	116	92.80
2015	8,880,406.80	115	114	99.10

Note: Contributions to the Austrian Press Council that are financed by the funds are included here.

Source: RTR

A total of 49 applications for distribution subsidies in accordance with Section II PresseFG 2004 were received, twelve for daily newspapers and 37 for weekly newspapers. All applications were successful.

The subsidy amounts awarded to daily newspapers ranged from EUR 114,430.90 to EUR 190,718.20. In total, EUR 2,097,900 was paid out to daily newspapers.

In total, EUR 1,776,506.80 was allocated to the 37 weekly newspapers qualifying for support. Subsidies depended on circulation and publication frequency, and ranged from EUR 6,779.60 to EUR 83,938.40.

Five applications were made in 2015 for special subsidies in accordance with Section III, and all of these applications were successful. A total of EUR 3,242,000 in special subsidies was paid out in the year under review. The subsidy amounts awarded to daily newspapers ranged from EUR 544,226.30 to EUR 766,515.50.

Exact figures and further details on the subsidies can be found on the RTR website (www.rtr.at).

6.4.2 Funding for self-regulation of the press

Funding to the Austrian Press Council is aimed at guaranteeing the independence of this body and at ensuring that it is able to perform its duties as specified in the articles of association and effectively enforce its decisions and resolutions.

In 2015 the Austrian Press Council dealt with 251 cases, of which 225 cases were deemed within its jurisdiction. A total of 242 cases were submitted from the outside, while in nine cases the body's senates reviewed cases resulting from their own observations. As a result of the increased caseload, a third senate was established in March 2015 and another member of staff (30 hours per week) was hired to support the body's operative arm.

A cost subsidy of EUR 204,000 was approved for the Austrian Press Council in 2015.

6.4.3 Austrian Advertising Council

In 2015, the Austrian Advertising Council was again the only applicant for a subsidy from the fund for the promotion of self-regulation in commercial communication and once again received the entire amount allocated to the fund (EUR 50,000).

This goals of this kind of financial support, which was set up in 2009, are defined in Art. 33 KOG, namely: to ensure the independence of the body in question, to ensure that the duties set forth in its articles of association are carried out, and to effectively enforce its decisions and resolutions.

6.4.4 Journalism subsidies – promotion of print periodicals

Section II of the 1984 Federal Act on Subsidies for Political Education and Journalism (PubFG) provides for the promotion of journalism that serves the purpose of educating citizens. These subsidies are provided for periodicals which address at a high level issues related to politics, culture and world views. Overall, the periodicals that receive funding represent a broad range of content. The publications include topics ranging from feminism to religion and discussions relating to political and scientific issues. Also included are periodicals of associations that are active in the fields mentioned above and are familiar with the topics through practical experience.

In 2015, KommAustria received 80 applications for journalism subsidies. In total, 72 applications were successful, while eight were rejected after failing to meet the statutory funding requirements.

The amount of the grant is determined by KommAustria on a case-by-case basis, with due consideration of the recommendation by the Journalism Subsidies Advisory Board, and to the scope, circulation, resources and financial situation of the relevant print periodical. By law, grants may be no less than 0.4% and no more than 4% of the funds designated for this purpose in the Federal Finance Act (BFG). In 2015, funds totalling EUR 340,000 were available. The individual amounts granted ranged between EUR 1,360 and EUR 12,017.19.

7 Activities of the TKK

The independent Telekom-Control-Kommission (TKK) has been responsible for regulating the telecommunications market in Austria since 1997. Its tasks and responsibilities are specified in detail by law. Amongst other things it is responsible for the regulation of competition, frequency award procedures and the approval of general terms of business as well as the fees charged by telecommunications operators. The commission also acts as the supervisory authority for electronic signatures. What follows is an overview of the main areas of regulatory activity in 2015.

7.1 Market analysis

Market analysis procedures are implemented by the regulatory authority at regular intervals. The purpose of the market analysis procedure is firstly to determine whether there is a relevant market that is subject to regulation (market definition). The next step involves analysing whether one or more of the companies has significant market power in this market, what challenges there are to competition in this market, and whether there is effective competition (market analysis). If there is no effective competition predominant within the market in question, suitable obligations need to be imposed on the company with significant market power in order to effectively eliminate the competition challenges identified.

In March 2015, the TKK initiated a new market analysis procedure. Following those in 2003, 2006, 2009 and 2012, this is now the fifth major round of market analyses based on the 2003 Telecommunications Act (TKG 2003). As in the past, the TKK once again commissioned official experts at the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) to prepare evaluation reports of the expected complexity and detail, serving as the basis for taking the decisions for the delineation and regulation of the telecommunications markets in the coming years.

In the reporting period, the TKK made changes to the existing market analysis decisions concerning the operator-specific markets for fixed network and mobile termination. As a result of these changes, the (existing) stringent requirement to charge a specified maximum fee for termination services continues to apply from 1 January 2016 only to such traffic as originates in Austria or another country within the European Economic Area.

7.2 Network access: regulatory authority as arbitrator

Network access refers to the provision of facilities and/or services to another company for the purpose of providing electronic communications services. This includes access to network components such as the local loop, for example. The obligation to provide network access can affect companies deemed by the regulatory authority to have significant market power. Beyond that, a general interconnection obligation also applies that requires each operator of a public communications network to make an interconnection offer to other operators of such networks on request. If no network access or interconnection agreement based on private law is reached, each participant involved has the option of applying to the regulatory authority for a decision in lieu of such an agreement.

Interconnection orders

In the reporting period, interconnection orders were issued between Verizon Austria GmbH and A1 Telekom Austria AG (A1) (procedure Z 9/14) and between Tele2 Telecommunication GmbH (Tele2) and Mundio Mobile (Austria) Limited (Z 1/15).

While the former procedure addressed the topic of the retroactive application of fixed network interconnection charges, in procedure Z 1/15 the TKK ordered general and comprehensive interconnection between the companies party to the procedure.

Austrian Administrative Court ruling on 'virtual unbundling' confirms TKK stance

With its decision of 17 December 2012, the TKK had issued two orders with an essentially identical text in lieu of an agreement on virtual unbundling between Tele2 and UPC DSL Telekom GmbH on the one hand and A1 on the other (Z 1, 3/11). The wholesale product 'virtual unbundling' is intended to ensure that alternative operators are able to offer their end customers higher-quality services (i.e. services with high bandwidths as are provided via fibre-optic networks) particularly in such broadband rollout areas where physical (partial) unbundling is no longer possible for the alternative operator due to the interference that would otherwise occur. The virtual unbundling product must provide the alternative operator with terms that are as similar as possible to those for the physical unbundling of the local loop, with regard to product and pricing options for end user products.

With its ruling of 17 November 2015, the Administrative Court dismissed the complaint lodged by Tele2 requesting the TKK decision to be lifted only with respect to fees; the court justified this dismissal by stating that parts of a decision inseparably interrelated with others – as is routinely the case with fees – may not be dismissed separately, since the remainder of the decision would then no longer have any (legal) meaning. The contingent application filed by Tele2 to have the entire decision lifted was rejected as unjustified. The main points of the Administrative Court's comments on this decision were as follows: the (then current) market analysis decision M 3/09 had – contrary to the complaint lodged – been sufficiently considered; the price limits to be applied with the aim of avoiding a margin squeeze (i.e. an insufficient margin between the wholesale and retail price) had also been appropriately considered when the charges were set; the order for the conditions for obligatory migration had given no cause for concern; and, except for the path between the main distribution frame and cable branch box, similar economies of scale could be reproduced with virtual unbundling for both consumer demanders and A1.

7.3 Wayleave rights and rights of joint use as a contribution to broadband rollout

Section 2 of the TKG 2003 governs rights that facilitate the expansion of communication lines and thus contribute to the rollout of broadband networks. Thus new lines can be laid on third-party land, and existing infrastructure – masts, ducts, shafts, lines etc. – belonging to other companies can be shared for these purposes as well. The law generally provides for the parties affected to reach a contractual agreement. If no such agreement is reached, the TKK can issue an official decision. In the reporting period, seven applications were made to the TKK: two for shared usage and five for the granting of wayleave rights. Four procedures were concluded with a decision, while the parties in one procedure were able to reach a contractual agreement. The two other procedures were still ongoing at the reporting date.

As a result of the TKG amendment in Federal Law Gazette I Nr. 134/2015, key changes also entered into force in Section 2 of TKG 2003 on 27 November 2015. The 'infrastructure rights' now included in Section 2 supplement the previous responsibilities by also covering procedures concerning wayleave rights for public goods, concerning coordination of construction and concerning on-site inspections of existing infrastructure. In all procedures of these types, RTR will in future make a mandatory attempt at arbitration prior to any TKK decision, as has been the case in the past for issues concerning access and interconnection.

7.4 Supervisory procedures

Where the regulatory authority within the scope of its responsibility has suspicions that a company is in breach of the TKG 2003 or of one of the ordinances issued on the basis of that act (e.g. the Number Porting Ordinance, NÜV), it is to conduct a supervisory procedure pursuant to TKG 2003. If a request to submit a statement on the matter is ignored and corrective action is not implemented within a reasonable period, the regulatory authority is obliged to order any suitable, necessary measures to ensure compliance with the breached provision. If the company fails to comply with the ordered measures, this repeated and gross breach of obligations entitles the regulatory authority to suspend the right to operate communication networks or provide communication services until the failings are rectified. The TKK, KommAustria or RTR may have responsibility, depending on the issue.

In 2015 three supervisory procedures were conducted by the TKK. This was the first time that the TKK availed itself of the option of suspending the right to continue service provision.

Supervisory procedure against Lycamobile due to breach of the interoperability obligation

Due to the fact that the '800' number range was not reachable from its network, Lycamobile Austria Limited (Lycamobile) was deemed in breach of the interoperability obligation pursuant to TKG 2003 Art. 22 Par. 1. With its decision of 4 May 2015, the TKK stopped the supervisory procedure against Lycamobile because the '800' number range had been made reachable from the Lycamobile network.

Every Austrian operator of mobile phone services is obliged to grant its subscribers unrestricted porting (transfer) of their numbers on request. Obstructing the number transfer procedure not only makes it more difficult to change providers but may also lead to a distortion of competition.

Porting not possible at Lycamobile

An end user's complaint back in September 2014 had made RTR aware that porting might not be possible with Lycamobile. A supervisory procedure was therefore initiated against Lycamobile. RTR issued Lycamobile with a decision requiring the latter to enable unrestricted porting for its subscribers. Since Lycamobile failed to comply with the order, on 29 June 2015 the TKK subsequently initiated a procedure for the revocation (suspension) of the general authorisation. This is required in order to legally provide telephone services in the Austrian market. Despite being issued with an official order on 30 October 2014 and receiving repeated requests to do so, Lycamobile failed to enable number porting for its subscribers, while accompanying measures, such as the monitoring of progress in the introduction of number porting, were also unsuccessful. As a result, TKK issued a decision on 9 December 2015 revoking Lycamobile's right to provide communications services (general authorisation) with effect from 1 February 2016. This prohibition remains in force until Lycamobile takes steps to ensure that unrestricted number porting to all Austrian mobile operators is possible for its subscribers. The procedure is pending before the Federal Administrative Court; the latter has recognised the suspensory effect of the TKK's decision.

Skimming off of unlawful revenue – procedure before the Cartel Court

A large number of sparfon customers had complained that sparfon was collecting a fee for sending printed bills by post. Since sparfon did not cease this unlawful behaviour despite being required to do so, the regulatory authority resorted for the first time to the option prescribed in TKG 2003 Art. 111 of applying to the Cartel Court to have a company's unlawful revenues skimmed off. If a company has gained an economic advantage by acting in breach of the Telecommunications Act, an application of this kind may be lodged with the Cartel Court. The amount skimmed off is based on the magnitude of the economic advantage. The skimmed-off sum is appropriated for financing RTR.

In the arguments submitted to the Cartel Court, the regulatory authority stated that sparfon GmbH had gained a significant economic advantage owing to the unlawful collection of EUR 1.50 per printed bill sent by post for a period of at least seven months. Extrapolated for the number of customers this is a substantial amount. The regulatory authority also noted that the fee for printed bills had deterred customers from using the printed bill service at all.

In the course of the proceedings, a settlement was agreed between sparfon and the TKK in 2015.

One key provision of this settlement is sparfon's obligation to reimburse to the affected parties the fees unlawfully collected. A further obligation is for sparfon to publish details of its breach of the law.

RTR is now tasked with monitoring the enforcement of this settlement.

Regulatory authority takes action against value-added service abuse

In 2015, a procedure was conducted concerning the abuse of value-added services. A decision was issued to impose a cessation of payments until 30 January 2016. Several value-added numbers were affected. The procedure had been triggered by multiple complaints from users to the same effect: all of the affected persons had been induced to call expensive value-added service numbers under false premises. Thanks to the rapid imposition of the cessation of payments, it was possible to prevent any further damage for end customers.

7.5 Safeguarding legally compliant contractual conditions

According to the TKG 2003, operators of telecommunication services and networks are obliged to give notice of their contract terms (general terms and conditions, service descriptions and fee provisions) and any related changes.

Within eight weeks of this notice, the TKK may issue a decision objecting to the contract terms or to the amendments to the contract terms. In the procedure, the TKK must not only examine compliance with provisions of telecommunications law, but also with relevant civil and consumer protection law provisions. Fee amounts charged are not an issue in such procedures, however. Accordingly, the question of whether rates are expensive or inexpensive is not part of the procedure.

No objection decision issued by TKK in 2015

In the 2015 reporting year, the TKK conducted 221 procedures due to the notification of contract terms. Since the telecommunications companies made the necessary changes to the contract terms in response to these procedures, the TKK was not required to issue any objection decisions in this reporting year.

Approval procedure

In addition to the notification requirement and owing to its position of significant market power, A1 Telekom is required to obtain prior approval before introducing any contract terms that are relevant in the fixed network access market for residential and non-residential customers. The obligations incumbent on A1 are derived from TKK market analysis decisions M 1.3/12 (residential customers) and M 1.4/12 (non-residential customers). In 2015 the TKK received two approval applications as a result of these specific obligations. Conditions of contracts by A1 for various combined business products were approved.

7.6 Efficient use of limited resources: frequencies

Refarming – use of the UMTS frequency range for LTE

In its decision of 10 August 2015, the TKK decided to reassign existing frequency usage rights in the 2.1 GHz range. From now on these frequency bands may also be used for LTE (4G).

All mobile network operators benefit from a liberalisation of the 2.1 GHz frequency range. This reallocation allows them to use a larger share of their existing frequency spectra than before to provide broadband services via LTE. This translates into benefits for the end customer. LTE is clearly a significantly superior technology for supplying mobile broadband services. This is seen for example in the higher upload and download speeds, which allow larger data volumes to be transferred faster.

From the standpoint of competition and the efficient use of frequencies, a rapid reassigning of UMTS frequency usage rights was necessary to promote broadband rollout and competition within the LTE broadband sector. The positive economic effects brought on by this decision of the regulatory authority include more capacity for broadband services, more spectrum to supply rural areas with broadband and sustained cost savings on account of higher technical efficiency.

Review of coverage level in the 800 MHz frequency range

Coverage requirements have been tied to the acquisition of frequencies in the 800, 900 and 1800 MHz bands (TKK multiband auction in 2013); this ensures the supply of broadband services even to regions of Austria that had or have experienced (very) poor coverage to date. The coverage requirements affecting the 800 MHz range (primarily intended for providing LTE services) were first reviewed by the regulatory authority in 2015, and the review procedure was still ongoing at the end of the reporting period.

According to the coverage obligations, a certain number of the municipalities (very) poorly supplied with broadband services at the time of the multiband auction in 2013 were to be properly supplied no later than 19 May 2015; these communities were specified by the regulatory authority in two annexes to the assignment decision. This obligation was to be fulfilled solely by using frequencies from the 800 MHz frequency range.

A local community on this list was viewed as being properly supplied if the mobile network operator, using the frequencies allocated from the above-mentioned range, was able to supply 50% of the community's residents indoors and 90% of residents outdoors with a minimum bandwidth of 2 Mbit/s (downlink) and 0.5 Mbit/s (uplink).

The spectrum holders (A1 and T-Mobile) in the 800 MHz range had until the end of May 2015 to provide evidence of compliance with the coverage obligation imposed by the regulatory authority. Based on the information submitted, the TKK decided after appropriate measurements to verify the reported level of coverage. Evaluation of the measurements was still underway at the end of the reporting period.

Review of coverage level in the 3.5 GHz frequency range

On 15 June 2015, the TKK initiated two procedures against LinzNet Internet Service Provider GmbH and NETcompany – WLAN Internet Provider GmbH to review fulfilment of coverage requirements in the 3.5 GHz range specified in two assignment decisions issued in 2013.

Base stations with the assigned frequencies are to be operated at a minimum of ten locations (LinzNet) and eight locations (NETcompany); deadline: 30 June 2015. As proof of coverage, documentation was submitted to the regulatory authorities by the two aforementioned companies.

On the basis of the information submitted by the two aforementioned companies and of data collected by the TKK, the latter concluded that the prescribed coverage requirements had been fulfilled as of 30 June 2015.

In its session of 31 August 2015, the TKK was thus able to terminate the procedure and did not have to take any further action.

Second digital dividend: federal government to decide on allocation

To ensure planning security for the sector, the Austrian federal government decided to make the 700 MHz band available to the telecommunications industry from the beginning of 2020. The decision on the reallocation of the 700 MHz band – both at European and national level – was taken in consideration of ever-present technological change and market developments. Mobile telecommunications are characterised by fast growth. The penetration rate and the volume of traffic in particular have risen sharply over the last few years. The increase in traffic can be traced to the high proportion of (rapidly growing) broadband traffic – a development that is also clearly seen in other countries. Most experts assume that the relatively high rates of growth will also continue into the foreseeable future. The timely utilisation of the second digital dividend by mobile telecommunications is therefore associated with a host of benefits, such as a reduction in future network costs or continued improvements in the coverage of rural areas. In 2016 the regulatory authority will make a start on preparatory work for the awarding of the second digital dividend.

7.7 Electronic signatures

The Signatures Act (SigG) empowers the TKK as Austria's supervisory authority for electronic signatures. In 2015 the TKK initiated five procedures pursuant to the SigG, two of which were concluded.

On 29 June 2015 e-commerce monitoring GmbH was accredited as a certification service provider (CSP). The new CSP joins A-Trust Gesellschaft für Sicherheitssysteme im elektronischen Datenverkehr GmbH as the second Austrian company that issues certificates for qualified electronic signatures. E-commerce monitoring GmbH also offers qualified time-stamp services, thus filling a gap created by the cessation of CSP services by the Austrian Federal Office of Metrology and Surveying in 2014.

One procedure concerned the non-issuance of qualified certificates for minors under 14. While this appeared justifiable for a number of reasons, representation by legal guardians in the electronic procedure via citizen card had previously led to virtually insurmountable problems. Another procedure addressed the security risks caused by the misconduct of registration personnel employed by a CSP. To mitigate these risks, the CSP affected implemented a host of additional measures focusing both on the organisation itself and on organisational and technical aspects.

Two procedures not yet concluded at the end of 2015 concerned certain technologies that are deployed by CSPs; research had raised doubts about the security of these technologies, namely Signalling System 7 (SS7) and SHA-1 hash function. Changes to the signature and certification services provided by one CSP (alternative registration and authentication procedures) were the subject of another procedure that had not been concluded by the end of 2015. One procedure initiated in 2014 could not be concluded for the sole reason that one of the confirmation centre evaluation reports commissioned by the TKK had not been finalised by the end of 2015.

In analogy to its duties under the TKG 2003, RTR also provides operational support for the TKK under the Austrian Signatures Act (SigG). Here RTR primarily supports the TKK and acts on behalf of the TKK. Meanwhile, RTR also independently handles certain activities pursuant to the SigG.

Again in 2015, RTR kept the Trusted List of Supervised/Accredited Certification Service Providers (CSPs) in Austria in accordance with Union law (cf. www.signatur.rtr.at/en/vd/VertrListe.html). The European System of Trusted Lists is also supported by the signature verification service at www.signaturpruefung.gv.at, with which all qualified certificates from EU and EEA states can be verified. This service is available to registered users also as a web service (for automatic signature verification).

From July 2016, Regulation (EU) 910/2014 will result in a comprehensive harmonisation of signature law. As part of its participation in the Forum of European Supervisory Authorities for Electronic Signatures (FESA), and an Article 19 Expert Group set up by ENISA (European Network and Information Security Agency), RTR worked in 2015 on issues related to cooperation and the exchange of information with other relevant institutions in Europe.

8 Activities of RTR

In the field of telecommunications the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) is not just an operative arm of the Telekom-Control-Kommission (TKK), it also has its own separate official duties. These include end user arbitration, the alternative resolution of disputes, the administration of Austrian phone numbers and the issuing of ordinances. Key focal points of work in the reporting year are presented below.

8.1 Conciliation procedures: we are here to help end users

RTR is active in multiple areas as a conciliation body for end users. The following conciliation bodies provide active support for conflict resolution:

1. Conciliation body for telecommunications services
2. Conciliation body for postal services
3. Conciliation body for media (as an operative arm of KommAustria, the Austrian Communications Authority)

The legal framework for conciliation procedures is provided by the 2003 Telecommunications Act (TKG 2003) and the Postal Market Act (PMG). During the individual conciliation procedures, RTR attempts to arbitrate between the parties to the dispute and to negotiate an amicable solution. Where unsuccessful, RTR reviews the details of the case and then presents the parties with its legal opinion. End users wishing to apply for a conciliation procedure must always first attempt to resolve the dispute directly with the company concerned.

In terms of the number of conciliation requests submitted annually, the vast majority of cases involves telecommunications services: several thousand procedures are carried out in this area every year, while the two other conciliation bodies handle less than 100 procedures each. One special activity in 2015 involved preparations for the coming into effect of the Alternative Dispute Resolution Act (Alternative-Streitbeilegung-Gesetz, AStG). This statute, which requires dispute resolution entities for almost every sector in Austria as of 9 January 2016, is also applicable to those procedures involving telecommunications and postal services that are initiated by consumers. The act also entails new procedural rules, some of which differ considerably from those previously in effect.

8.1.1 Telecommunications

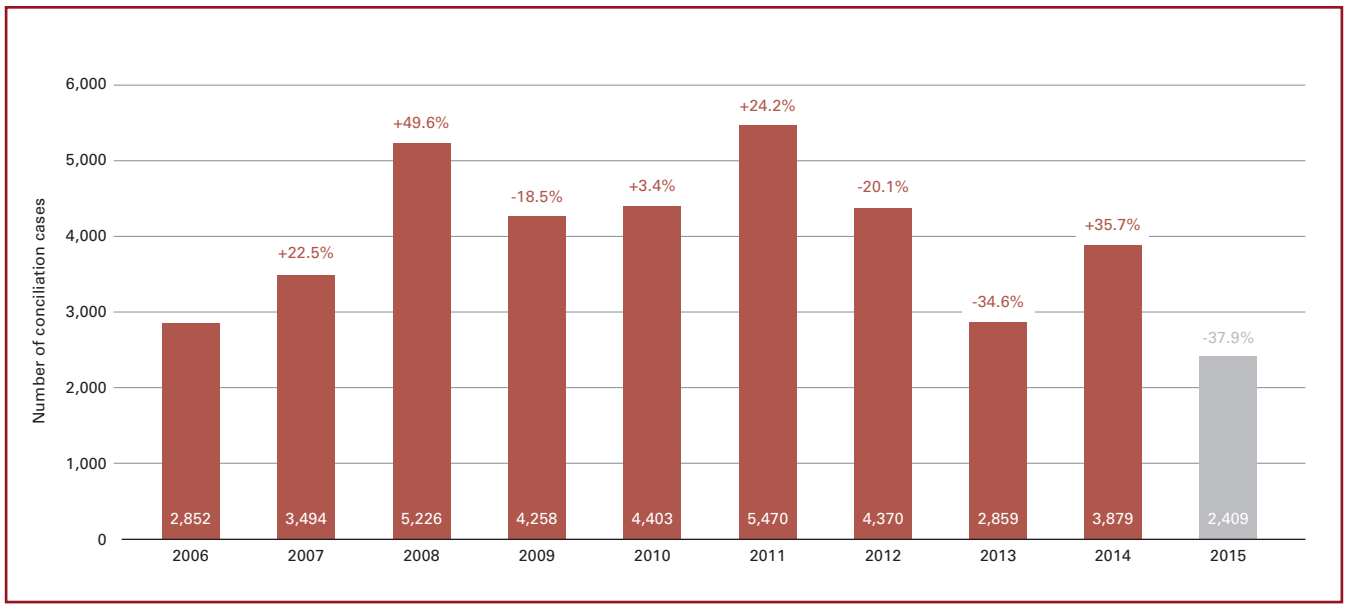
The cases involving such procedures declined considerably in 2015. Indeed, 2015 established a positive record with 2,409 procedures. A figure this low was last recorded over ten years ago, and the number of cases was more than double the 2015 figure in the peak years of 2008 and 2011.

There are various reasons for this encouraging development. The decisive factor was the effort operators made in 2015 to get the content services problem under control, which at least in some cases was apparently successful. While such cases continued to represent the most frequent cause for complaint in 2015, the absolute number dropped considerably. The measures taken by operators and providers, which targeted both the process for ordering such services and the complaint handling process, apparently proved effective. An evaluation will need to take place in 2016 to determine whether further regulatory intervention is required in this area.

RTR kept up efforts to encourage service providers and network operators in Austria to take an approach especially focused on solutions when handling end user complaints. The result of this initiative was that customer-friendly solutions could often be found quickly in conciliation procedures.

Issues related to mobile telecommunications continue to dominate conciliation procedures. Only isolated complaints are being filed in the area of fixed network services. Besides content services, contractual disputes and disputes concerning fees charged for mobile data services continue to be the predominant types of case.

Figure 7: Conciliation procedures filed 2006 to 2015 – telecommunications

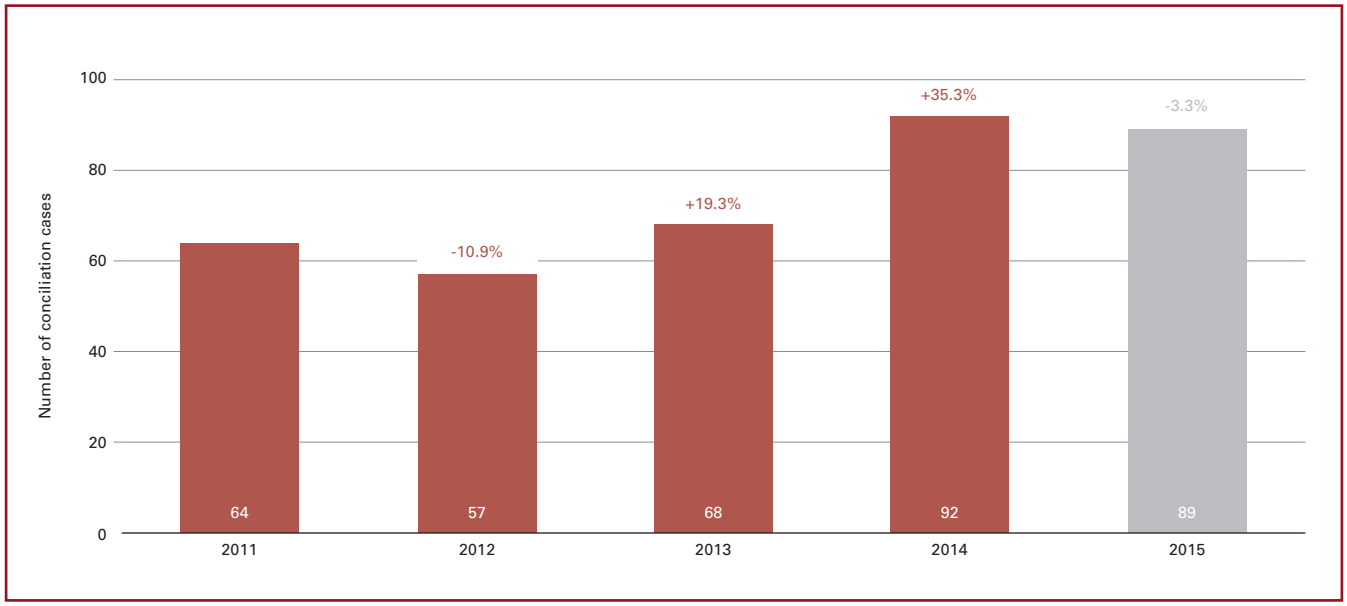


Source: RTR

8.1.2 Postal services

As of 1 January 2011, a postal conciliation body was established with RTR. The body received from consumers 89 requests for conciliation as well as numerous general enquiries in 2015. As regards postal services, RTR has also redoubled its efforts here to motivate Austrian postal service providers to adopt an explicitly solution-oriented approach, and to ensure the efficient and timely handling of complaints submitted from end users. In 2015 RTR was able to work with postal service providers to further shorten the time taken for procedures to complete. As in previous years, the subject of the majority of complaints concerned various delivery issues. Other repeated complaint issues included damaged or lost parcels, but also issues involving mail forwarding orders.

Figure 8: Conciliation procedures filed 2011 to 2015 – postal services

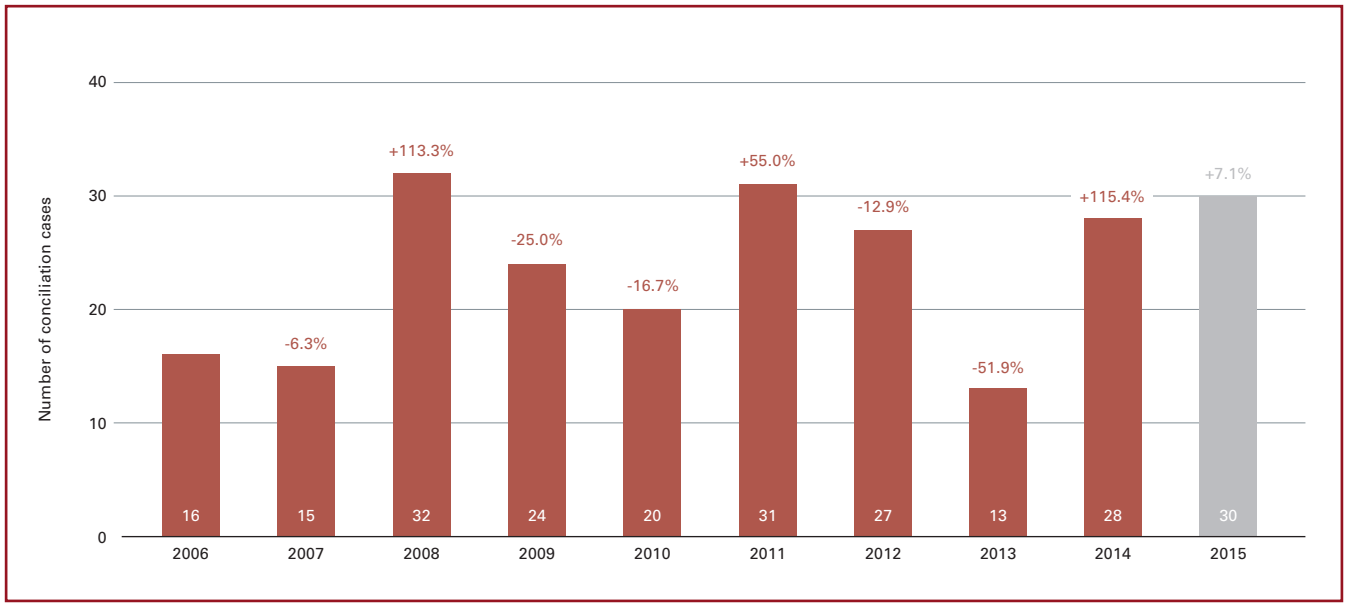


Source: RTR

8.1.3 Media

In total, 30 conciliation requests were submitted in the reporting year. These typically concerned contractual problems such as questions concerning the necessity or legality of mandatory receiver replacement or the billing of video-on-demand services.

Figure 9: Conciliation procedures filed 2006 to 2015 – media



Source: RTR

8.2 Supervisory procedures

Where the regulatory authority within the scope of its responsibility has suspicions that a company is in breach of the TKG 2003 or of one of the ordinances issued on the basis of that act (e.g. the Number Porting Ordinance, NÜV), it is to conduct a supervisory procedure pursuant to TKG 2003. If a request to submit a statement on the matter is ignored and corrective action is not implemented within a reasonable period, the regulatory authority is obliged to order any suitable, necessary measures to ensure compliance with the breached provision. If the company fails to comply with the ordered measures, this repeated and gross breach of obligations entitles the regulatory authority to suspend the right to operate communications networks or to provide communications services until the failings are rectified. The TKK, KommAustria or RTR may have responsibility, depending on the issue.

In 2015 three supervisory procedures were conducted by RTR. Two of these concerned a failure to provide notification of general terms of business. The affected parties were Hutchison and T-Mobile. In both of these procedures, the contractual conditions in question were ultimately notified to RTR. The third procedure involved compliance with regulations to be observed in the event of a disadvantageous unilateral contractual change. Specifically, the procedure considered whether a customer's balance should be paid out in the event of cancellation. In this procedure, too, legal compliance was ultimately achieved from the operator (Hutchison).

8.3 Unfair practices in providing value-added services

In accordance with Art. 24 Par. 2 TKG 2003, the regulatory authority has to provide information on an annual basis regarding unfair practices relating to value-added services and the action taken. Of particular significance in this context is the Communications Parameters, Fees and Value-Added Services Ordinance (KEM-V 2009), the provisions of which resulted in a decline in complaints regarding value-added services.

In the reporting year, 40 of the complaints handled in connection with RTR's duties as a conciliation body were related to value-added voice telephony, and 15 to value-added text messaging, which corresponds to 1.7% and 0.6% respectively (2.3% in total) of all conciliation procedures. The corresponding percentages of complaints regarding value-added services in conciliation procedures came to some 6% in 2010, about 7% in 2011, roughly 8% in 2012, about 9% in 2013 and around 3.5% in 2014.

Table 9: Value-added service complaints 2011 to 2015

	2011	2012	2013	2014	2015
Total number of conciliation procedures	5,470	4,370	2,859	3,879	2,409
Value-added services	375	336	255	136	55

Source: RTR

Moreover, a web form for complaints about valued-added services has been operational since April 2008. During the period under review, the number of complaints dropped slightly to some 154 from the previous year, when some 163 complaints were filed in this way.

In one case, acting in response to particularly frequent complaints on grounds of suspected violations of the KEM-V 2009 as well as of clear and present danger, the TKK issued an administrative order pursuant to Art. 24a Par. 1 TKG 2003 and dated 30 October 2015, ordering a stoppage of payments to the numbers concerned for a period of three months. The underlying cases involved the purported necessity of terminating (non-existent) contracts, which had resulted in considerable costs being incurred by the affected parties due to expensive value-added calls. The administrative order resulted in the provisional cessation of payments to the providers of these premium rate services. The subsequent assessment procedure under Art. 24a Par. 2 TKG 2003 was still ongoing as of 31 December 2015.

8.4 Services subject to notification requirements

Under Art. 15 TKG 2003, the regulatory authority must be notified of the intention to provide public communications networks or services, and of any modification or termination of such networks or services, prior to the start of operation or to the modification or termination.[8]

Table 10: Notified active services 2013 to 2015

Service category	31 December 2013	31 December 2014	31 December 2015
Public telephone services at fixed locations and for mobile subscribers	415	396	394
Call shops	111	95	82
Internet cafés	124	104	88
Public internet communications services	430	414	409
Public communications networks	340	327	403
Public leased-line services	77	75	77
Other public communications services	26	25	10
TOTAL services notified	**1,523**	**1,436**	**1,463**

Source: RTR

As of 31 December 2015, a total of 753 operators had notified 1,463 active services; 100 of those businesses were operators of call shops or internet cafés. Under a 2011 amendment to the TKG 2003, such operators are exempt from a large number of obligations which generally arise from the TKG 2003 for businesses subject to notification requirements pursuant to Art. 15 TKG 2003 (including the notification of general terms and conditions).

8.5 Universal service: minimum set of services for all

Art. 26 TKG 2003 defines universal service as the minimum set of public services to which all end users must have access at an affordable price and to a certain standard (Art 27 TKG 2003), regardless of their place of residence or work, with full coverage throughout the country. The quality parameters are defined by the Universal Service Ordinance (UDV). Art. 27 Par. 3 TKG 2003 requires A1 Telekom Austria AG (A1 Telekom) to send RTR an annual report on its fulfilment of these criteria.

Pursuant to Art. 30 Par. 1 in conjunction with Art. 133 Par. 9 TKG 2003, the Federal Minister of Transport, Innovation and Technology with the support of the regulatory authority has the mandate to review whether the universal services are being provided by the market in a competitive environment. Within this legal framework, RTR has submitted several statements to the Federal Ministry of Transport, Innovation and Technology (BMVIT) since 2012. In these statements, it was observed that the future affordability of the universal service "access to a public communications network and the public telephone service" is not safeguarded beyond reasonable doubt.

In March 2015, an evaluation report prepared by DICE Consult on behalf of A1 was submitted to RTR, as a result of which RTR authored and issued a further statement in June 2015. In this statement, RTR once again recommended reviewing the competitive situation towards the end of 2015. A review of this nature was carried out in December 2015 by RTR and a corresponding statement was submitted to the BMVIT.

[8] For further information on notification procedures, please refer to the Communications Reports of the previous years.

8.6 Communications parameters: administration of the Austrian number range

Day-to-day business made up the bulk of work in the field of communications parameters in 2015. Other activities outside this work were either for the most part completed only later in 2016 or their actual impact on communications services and end users will manifest itself only at a later date. One example we may cite at this juncture is an issue related to the administration of communications parameters with which RTR was again confronted in 2015.

Fixed network numbers

Geographical numbers, also known as 'fixed network numbers', are intended for use in addressing fixed network phone lines within a specific local network. In Austria, there are currently 1,022 local networks, whose borders for the most part match political borders. These local networks are set down in the 50-page Annex to the 2009 Communications Parameters, Fees and Value-Added Services Ordinance (KEM-V 2009).

In 2015, RTR initiated talks with market participants concerning the expansion of potential usage options for geographical numbers. An expansion of the permissible geographical regions would support in particular those customers who wish to retain their fixed network number when moving beyond the bounds of their local network's border.

The specific arrangements for each of these permissible regions and further details of these arrangements will be specified in the amendment to KEM-V 2009 planned for 2016.

Statistical analysis of telephone number administration

In the 2015 reporting year, a total of 584 phone number decisions were issued, a total of 66 decisions fewer than in the previous year. One of the reasons for this is that around 60 one-time decisions were issued in 2014 as part of the rollout of new routing numbers in the '96' and '97' ranges. Another is that the number of phone number blocks to assign per application has risen in the case of geographic phone number applications: in 2015 one decision therefore assigned a larger-scale block of phone numbers.

Table 11: Number of decisions on telephone number requests 2011 to 2015

	2011	2012	2013	2014	2015
Number of affirmative decisions	**707**	**525**	**503**	**630**	**562**
Geographical numbers	237	235	243	294	330
Non-geographical numbers	470	290	260	336	232
Number of negative decisions	**43**	**22**	**15**	**20**	**22**
TOTAL	**750**	**547**	**518**	**650**	**584**

Source: RTR

Within the framework of administrating special communications parameters, which includes the assignment of signalling point codes and mobile network codes, RTR issued a total of 16 decisions, two of which negative, in 2015.

More details are available (in German) at www.rtr.at/num.

8.7 RTR ordinances

8.7.1 Amendment to the 2012 Number Porting Ordinance (NÜV 2012)

Cost savings for mobile number porting and removal of change barriers

The NÜV governs the details of the process whereby a mobile phone number is transferred to a new provider. The amendment to the NÜV had been necessitated in particular by technological progress and the removal of barriers to changing providers.

The amendment to the NÜV 2012 was published in the Federal Law Gazette on 20 November 2015 (Federal Law Gazette II No. 365/2015) and enters into force on 1 March 2016.

The key changes are presented in the following section.

Sending of number porting information (NÜV-I)

The NÜV-I serves to inform customers of the costs that would be incurred by a cancellation as of the date when the NÜV-I is issued; it is required in order to submit a number porting application.

To date, the legal situation had imposed restrictions on sending the NÜV-I via email. In accordance with the amendment made, the customer now actually has the option of supplying the provider with details of an email address to which the NÜV-I should be sent. This considerably simplifies the procedures for changing providers, also in view of product portfolios and business models that have been made possible by technological progress and offered by providers only in possession of a web portal.

Reduction of porting fees

Another focal point of the amendment was to slash the porting fee almost in half, thereby reducing barriers to changing providers while increasing customers' motivation to change. Specifically, the porting fee was cut to EUR 9.00 (previously EUR 15.00) and the fee for the NÜV-I was reduced to EUR 1.00 (previously EUR 4.00).

In addition, subscribers now also have the option of 'taking their number with them' free of charge in the event of providers making unilateral contractual changes of a not exclusively advantageous character as defined in Art. 25 Par. 3 TKG 2003.

Since business customers frequently need to port a large volume of numbers at once, the high porting fees previously charged constituted a substantial barrier to changing providers. The contractual upper limit now envisaged in this context therefore translates into considerable cost savings for business customers. In addition, the porting fee can now be levied for no more than 80 connections (i.e. numbers): no fees may be charged for any connections in excess of this number.

Transparency provisions

In light of consumer protection concerns, the amendment clearly states that the NÜV-I must contain a clear statement that subscribers will incur no costs whatsoever if they choose to exercise their right to termination without notice as defined in Art. 25 Par. 3 TKG 2003. This provision is designed primarily to obviate a scenario where customers are deterred from changing providers as a result of additional costs being wrongly specified on the NÜV-I (i.e. costs that would be incurred in the event of ordinary termination with notice).

The amendment also clarifies that third parties are prohibited from charging any additional fee for carrying out number porting.

Porting 14 days after the end of the contract

A new provision also provides for porting as long as 14 days after the end of the contract. This provision is derived from the fact that the validity period of the NÜV-I may extend beyond the term of the contract. In the past, this had led to situations where customers (incorrectly) assumed that a porting application could be submitted even after the end of the contract. This resulted in customers forfeiting their number. To avoid this situation, an option has been created whereby the number porting application can be submitted up to 14 days after the end of the contract if the NÜV-I was applied for during the contractual term.

8.8 RTR's international commitments

RTR has been working with and contributing its expertise to various international institutions (ENISA, RSPG, RSC, CEPT etc.) for years – this commitment benefits the entire Austrian ICT sector. The following section presents details of work with BEREC and ERGP.

8.8.1 RTR and BEREC

Activities within the Body of European Regulators for Electronic Communications (hereinafter BEREC) centred on the continuation of work begun last year, namely the European Commission's initiative in relation to the TSM (Telecom Single Market). In the end, the Commission was unable to realise the TSM initiative in its originally planned scope, and work here instead focused on the two topics of abolishing roaming fees and safeguarding net neutrality. Ultimately, these two topics were also in the forefront of discussions in 2015. On the subject of roaming, the European Parliament even went one step further than the proposal submitted by the European Commission and wanted to see the concept of 'roam like at home' put into practice. Net neutrality was also a hotly debated topic, with the European Parliament for its part initially favouring an approach significantly more favourable to net neutrality in early 2015. Discussions continued over the course of the entire year, and were supported closely by BEREC with the active participation of RTR (together with the Spanish CNMC, RTR is the co-chair of the Roaming Expert Working Group). The debate on TSM ultimately came to a close at the end of November with the adoption of the Regulation on the two subject areas. Even prior to this decision, the European Commission had initiated the first steps towards preparing a review of the existing legal framework (a review must be carried out at certain intervals). Preparatory studies were commissioned on the one hand, and a corresponding consultation was also initiated for which BEREC supplied substantial input. BEREC also coordinated its annual programme of work (for its various expert groups) with the expected requirements, so as to be able to deliver the corresponding input in good time. Accordingly, the programme of work for 2016, which BEREC formally adopted in late autumn 2015, focuses on the implementation of the regulatory provisions on roaming and net neutrality while also providing for a review of the legal framework.

8.8.2 Net neutrality

RTR has championed net neutrality regularly at an international level. This stance is due to developments within Europe and RTR's firm belief that a sustainable, well-considered answer to the question of net neutrality necessarily requires a uniform, Europe-wide solution. Following prolonged trilateral political negotiations between the European Council and Parliament, agreement was reached at the end of June on the new TSM Regulation, which is the first to contain pan-European rules on net neutrality. As a next step, the final version of the text was published in the Official Gazette of the European Union at the end of November.

Immediately following the achievement of political consensus, preparatory work began on drafting the BEREC Guidelines, which the TSM Regulation requires BEREC to publish no later than 30 August 2016. These Guidelines are intended to help ensure the uniform application of the Regulation. Internally, BEREC has commissioned a working group with the drafting of these Guidelines, which are scheduled to be adopted provisionally at the second BEREC plenary assembly in Vienna in June 2016 and then put out for consultation. After being revised with this input, the final version will be published in late August 2016.

RTR will participate in the creation of these Guidelines. From RTR's perspective, the aim should be to safeguard the internet as the engine of innovation, freedom of opinion and economic growth into the long term. This involves retaining the internet's low barriers to market entry while safeguarding equal opportunities for internet access. To do so, it is important to establish a clear demarcation between internet access services and other services that do not constitute internet access services. Internet access services must not be undermined by the introduction of other, optimised services. From RTR's perspective, there should be a focus on clarity, application relevance and brevity when drawing up the BEREC Guidelines, so as to give regulatory authorities a useful tool for their day-to-day work. One important aspect would therefore be to specify concrete assessment criteria to be applied by European regulatory authorities when analysing contentious issues. This would improve the predictability of regulatory outcomes and legal certainty for all stakeholders. RTR will address these concerns when makings its contributions to the BEREC working group.

8.8.3 International roaming in the EU

The Roaming Regulation is designed to ensure that travellers who use public mobile telecommunications networks within the European Union (including Liechtenstein, Iceland and Norway) are not overcharged for roaming services. The Regulation is also aimed at contributing to the smooth functioning of the internal market while achieving a high level of consumer protection, fostering competition and transparency in the market and offering both incentives for innovation and consumer choice.

Most of the provisions of the Regulation related to transparency have a scope of application that extends beyond the European Union (as well as Liechtenstein, Iceland and Norway), and thus provide international safeguards for roaming customers.

Transition phase for the abolition of roaming surcharges

The Roaming Regulation has been modified by the Telecom Single Market Regulation (TSM Regulation),[9] and the first changes will already enter into force on 30 April 2016.

The aim of the changes made to the Roaming Regulation is to ensure that roaming surcharges are abolished (in their entirety) from 15 June 2017, assuming that abolishing them is indeed viable and that the issues currently being monitored on the wholesale roaming markets (through a 'wholesale review') have been clarified. Roaming prices are to be adjusted to the domestic pricing level of the respective member state of the European Union ('roam like at home').

To facilitate abolishing roaming surcharges, a transition phase will be introduced starting on 30 April 2016, in which the levying of surcharges in addition to the domestic end user price will be permitted under certain circumstances. Within this transition period, which is to extend from 30 April 2016 to 14 June 2017, the roaming provider may levy a surcharge in addition to the domestic end user price but may not exceed certain maximum charge levels. The choice of an alternative roaming plan remains possible.

From 15 June 2017, roaming surcharges are to be abolished in their entirety while allowing for the option of providers applying a rule for appropriate usage ('fair use policy'). Such a 'fair use policy' is intended to prevent the inappropriate use or misuse of regulated roaming services for purposes other than temporary travel.

[9] Regulation (EC) 2015/2120 of the European Parliament and of the Council of 25 November 2015 laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union, OJ L 310/1 of 26 November 2015.

8.8.4 RTR and ERGP

Work with the European Regulators Group for Postal Services (hereinafter ERGP) in 2015 concentrated on developments, changes and standards in the context of universal services and quality surveys, as well as complaint handling and consumer protection, market development and the impact of regulation. Cross-border parcel traffic as part of online retailing also formed a key point of focus.

In the latter context in particular, a European initiative was launched to properly address the growing volume of traffic in this area. Clarity in this respect must be improved for users in the future, since there are considerable differences at present in both standards and costs between the Member States. BEREC and ERGP have collaborated to form a dedicated working group to address this topic. This joint working group aims to utilise the experience gained in the fields of cross-border telecommunications and cross-border parcel traffic to the benefit of both sides, so as to ultimately achieve increased transparency and similar mechanisms on the international parcel market. End users are to be given an optimum set of comparative tools, so as to ascertain the costs and standards they can expect to encounter in the cross-border parcel market. This will act to both strengthen and promote e-commerce between Member States, further expanding the cross-border retail market. The ERGP's programme of work for 2016 has been adjusted appropriately in order to be able to provide information and data from all Member States for this area.

8.9 Security of networks and services

Since November 2011, operators of public communications networks or services have been required to report to RTR, according to a form specified by RTR, any security violation or impairment of integrity that has considerable impact on network operations or the provision of services. Each year, RTR is required to submit a report to the European Commission and to ENISA (European Network and Information Security Agency) concerning the notifications received and the measures taken. Moreover, RTR can inform regulatory authorities in other Member States, ENISA or the public about certain notifications on an ad hoc basis. However, network operators do have to heed requirements on data protection when striving for transparency.

In 2015 RTR received six notifications of security violations or impaired integrity of electronic communications networks or services. On two occasions, defective technical components led to substantial outages to internet access via mobile networks. In the first case, around 550,000 subscribers were affected for 1.4 hours; in the second case, around 100,000 subscribers were affected for a total of 36 hours. In another incident, a cable failure caused by construction work interrupted internet access for 66,000 mobile network subscribers for a period of 7.5 hours. Three notifications concerned the temporary unavailability of emergency telephone numbers. Furthermore, based on media reports RTR examined another three incidents which had not been notified by network operators.

The regulatory authority is also responsible for reviewing the documentation of the security measures taken by network operators (one procedure initiated in the reporting period and two procedures initiated in period before were completed; one procedure not yet completed in the reporting period) as well as ad hoc security checks if required (none in the reporting period).

8.10 Evaluation of the TKG 2003 by RTR

Pursuant to Art. 113 Par. 6 TKG 2003, the regulatory authority is mandated with periodically evaluating the provisions of TKG 2003 and, after consultation with the Federal Minister of Transport, Innovation and Technology, include the results of the evaluation with the Communications Report every two years.

1.) In 2015 the TKG 2003 was extensively revised, especially in terms of its second part (now entitled: "Infrastructure usage"). The aim here was to achieve a reduction in the costs of expanding high-speed broadband networks (implementation of Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks).

The amendment to TKG 2003 was also based on "experience gained in the enforcement of applicable legislation" (government bill; annex 845 to the shorthand verbatim records of the National Council, 25th legislative period). Here, the legislature is striving to respond more quickly to regulatory needs in the electronic communications sector arising over the short term, and primarily by the instrument of empowering regulatory authorities to issue ordinances.

2.) In November 2015, Regulation (EU) 2015/2120 was adopted, which also ushered in a set of provisions governing 'net neutrality'. As regards enforcement, the Regulation assigns the regulatory authority for electronic communication the bulk of the work here. Based on the TKG 2003, the bodies in Austria that can be considered regulatory authorities in this sense are TKK, RTR or KommAustria.

To avoid the procedures expected to be heard by the regulatory authority beginning with 30 April 2016 (date of entry into force of the above Regulation) from being overburdened from the outset with disputes about responsibilities, RTR suggests aiming for a legal clarification of responsibilities in good time.

3.) As part of its Digital Single Market Strategy for Europe (COM [2015] 192 final), the European Commission has begun its review of the European legal framework for electronic communications. In the likely eventuality that this review will result in the need to make amendments to national acts of law, RTR assumes that this will not become relevant for the TKG until 2019/2020.

It would probably be a help to maintaining legal certainty if the TKG 2003 could be considered 'stable' until this point in time and – apart from the proposed clarification as outlined above – underwent no further amendments.

9 Regulatory activities in the postal sector

The Post-Control-Kommission (PCK) and the Regulatory Authority for Broadcasting and Telecommunications (RTR) are both responsible for safeguarding competition in the postal services market. In addition to providing operational support for the PCK, RTR has separate official duties with regard to the notification of services, conciliation and consumer arbitration. The most significant regulatory activities pursued by the two authorities in 2015 are briefly presented below.

9.1 Procedures before the PCK

Closure and discontinuation of postal service points

A postal service point (PSP) operated by Österreichische Post AG (Post AG) may only be closed down where cost-effective management of the PSP is permanently ruled out (i.e. over a period of approximately two years, viewed with reference both to the past and to the future) and the provision of universal service is ensured by another PSP (such as a postal service partner or another existing PSP). When a PSP is slated for closure, Post AG has to present documents proving that the aforementioned closure requirements are met. Prior to the planned closure of a PSP operated by Post AG, the duty falls to Österreichische Post AG to inform the municipalities previously covered by this PSP in good time and seek alternative, mutually acceptable solutions with them. The corresponding letters of invitation to the mayors of the municipalities affected must also be submitted by Post AG.

In any case, comprehensive coverage with PSPs must be consistently ensured. Such coverage is considered to exist if 1,650 PSPs are available in all of Austria. In municipalities with more than 10,000 residents and in all district capitals, it is necessary to ensure that over 90% of residents have access to a PSP within a distance of 2,000 metres. In all other regions, which in the PCK's interpretation includes municipalities up to 10,000 residents, a PSP must be available within 10,000 metres.

Post AG notified the regulatory authority of the planned closure of a total of 21 PSPs it was operating in 2015. In one case the closure of the PSP was prohibited because there was no other PSP with suitable opening hours that could ensure the comprehensive PSP coverage of the population. Two 'contingent' prohibitions were additionally issued, where closure was prohibited pending commencement of operations by the postal partner designated as a replacement. All closure requirements had been met in the remaining cases, so the closures were not prohibited.

As in previous years, supervisory procedures initiated due to the discontinuation of third-party PSPs (e.g. due to bankruptcy of postal service partners or the termination of contracts) played a major role in the year under review. Even in these cases, Post AG is nonetheless required to provide universal service and ensure comprehensive coverage. Under certain circumstances, this may also be ensured through alternative service supply solutions, such as rural delivery personnel. A total of 86 closures of third-party operated PSPs were the subject of supervisory measures by the PCK in 2015. Thus, there was a continuation of the trend observed for a number of years, namely a shift away from procedures to review closures of PSPs operated by Post AG and towards those involving third-party operated PSPs. What is more, the coverage reviews already took into account the changes in municipal structure caused by merging towns in Styria.

The overall number of PSPs in Austria dropped during the reporting year, from 1,804 (as of 31 December 2014) to 1,777 (as of 31 December 2015). As of 31 December 2015 three rural delivery employees were used as an alternative coverage solution.

Table 12: Postal service points operated by Post AG and by third parties, 2011 to 2015

	2011	2012	2013	2014	2015
Post AG-operated PSPs	597	550	533	514	499
Third party-operated PSPs	1,264	1,377	1,357	1,290	1,278
Total PSPs	**1,861**	**1,927**	**1,890**	**1,804**	**1,777**

Source: RTR

Payment orders for the financing contribution

The provisions of the KommAustria Act (KOG) also specify for the postal sector that one portion of RTR's expenses is to be covered by funds from the federal budget and another portion by financing contributions from the postal service industry. Where postal service providers fail to meet their obligation to pay financing contributions, the PCK is required to issue an official decision ordering payment of the financing contribution.

In cases pertaining to financing contributions due for 2014, the PCK issued decisions to three companies, dated 27 July 2015. All of the companies filed complaints against the decision with the Federal Administrative Court (BVwG); a BVwG ruling on the case was still outstanding when this report was prepared. In a further decision dated 23 November 2015, the PCK rejected as late a request filed by a company for an assessment decision stating that the company was due a credit from financing contributions it had paid for the years 2011 to 2013. A further six procedures were pending with the PCK, four with the Federal Administrative Court (BVwG) and three with the Austrian Administrative Court (VwGH) as of 31 December 2015.

Issuing licences

Commercial activities for the purpose of conveying letters up to 50 g require a licence from the PCK. In 2015 such a licence was granted to noebote GmbH. As of the end of 2015, five companies held a licence: feibra GmbH, Klaus Hammer Botendienste, Medienvertrieb OÖ GmbH, RS Zustellservice Rudolf Sommer and noebote GmbH. As a universal service provider by law, Österreichische Post AG is the operator of licensed postal services.

Review of contractual terms

The universal service provider (Österreichische Post AG) is required to issue general terms and conditions for services in the universal service sector, which regulate the services offered and define their associated tariffs. The general terms and conditions are to be notified to the PCK on publication. Where the notified general terms and conditions contradict certain provisions of law, the PCK can raise an objection within two months.

Six procedures involving changes of the general terms and conditions of Post AG were pending in 2015, of which five were completed in 2015. The modifications concerned the terms and conditions for domestic parcels, international parcels, newspaper delivery, Sponsoring.Post and official letters with advice of receipt. All changes to the terms and conditions that were notified to the PCK ultimately complied with the criteria defined in the Postal Market Act (PMG) and no objections were raised.

9.2 RTR procedures

Notification of provision of postal services

Postal service providers are required to notify RTR in advance of the intended provision of a postal service as well as any change to or discontinuation of the service. The list of reported postal services, including the name of the postal service provider, is to be published on the internet by RTR. In 2015 two companies reported the provision of postal services to RTR: DHL Paket (Austria) GmbH and noebote GmbH. The list of postal service providers kept by RTR thus comprised 19 companies at the end of 2015.

Review of Post AG's cost accounting system

The regulatory authority has the mandate to periodically review the cost accounting system used by the universal service provider Post AG. The universal service provider is required to maintain separate accounts in its internal cost accounting systems for services classified as universal services and for those not classified as universal services. The internal cost accounting systems must be based on uniformly applied and objectively justifiable principles of cost accounting. As in previous years the review carried out in the reporting year again revealed that the 2015 cost accounting system complied with the criteria referred to above.

Measurement of average transit times of letters and parcels

At least once a year, the regulatory authority is required to measure and to verify the average transit times of letters for all providers on the basis of the method specified in ÖNORM EN 13850 and the average transit times of parcels for all providers on the basis of real-time data. The PMG requires that postal service providers meet certain transit times when providing services as part of the universal service mandate.

Postal service providers are required to publish comparable, appropriate and current information on the quality of their services at least once a year, in particular the transit times of conveyed postal items based on the methods specified in ÖNORM EN 13850 and to provide this information to the regulatory authority on request. This implies that postal service providers are obliged to take appropriate measurements.

Based on the review of the transit times for letters and parcels conveyed as part of universal services in 2015, the transit times met by the following postal service providers comply with applicable requirements:

- Österreichische Post AG
- GLS General Logistics Systems Austria GmbH

The other postal service providers for whom the review procedure was initiated did not provide any services falling within the scope of universal services, at least not during the period reviewed, and no measurements were consequently required.

Payment orders for the financing contribution

In a statement filed by company in connection with a previously paid invoice issued by RTR for Q1 and Q2 2015, the company requested that the related procedure be concluded without the issue of a payment order for the financing contribution and that the procedure be terminated. This application was rejected by RTR as unfounded in a decision dated 14 October 2015. The company filed a complaint against the decision with the Federal Administrative Court (BVwG); a ruling on the case by the BVwG was still outstanding when this report was prepared.

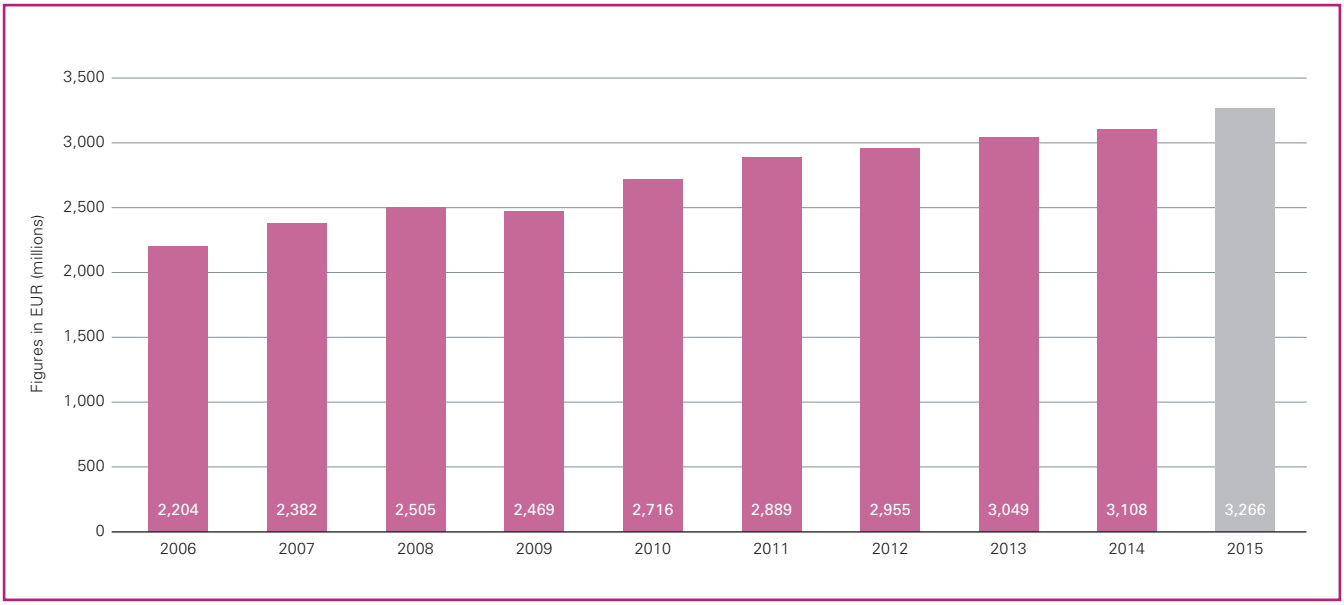
10 The Austrian communications markets in 2015

10.1 The Austrian communications and advertising markets

10.1.1 Development of the advertising market

In 2015 gross advertising sales in conventional media grew at a level not seen for years. To advertise their products and services, Austrian businesses purchased time for radio and television spots as well as space for printed ads and billboards at a total of EUR 3.266 billion. That represents an increase of EUR 158 million or 5% over the previous year.

Figure 10: Change in total advertising expenditure in Austria 2006–2015



Source: FOCUS Media Research (excluding cinema, conventional flyer and online advertising)

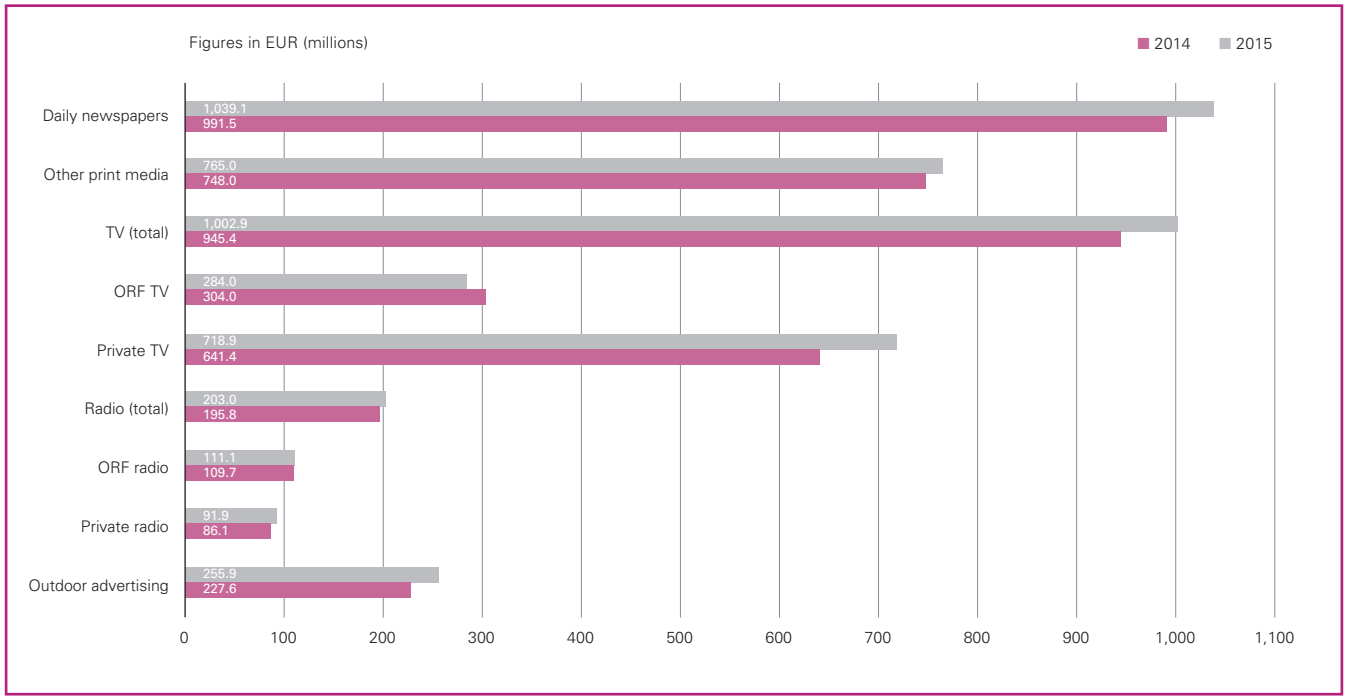
The last time conventional media achieved a better percentage result was back in 2011, with a 6% increase. In 2012 and 2013 revenues grew at considerably lower rates of 2% to 3%, while in 2014 the growth rate at 1.9% was the poorest result of the preceding ten years – with the exception of the crisis year 2009, which showed a negative growth rate of 1.5%.

Growth in gross advertising expenditure benefits (almost) everybody in 2015

2015 was marked especially by the comeback of print media. Both daily newspapers and weekly magazines again increased their gross advertising sales, after the two print media sectors had lost shares in 2014, the first time ever for dailies. A 2.9% drop in gross advertising income among daily newspapers in 2014 compares with an increase of 4.8% in 2015. At a total of EUR 1.039 billion in 2015, daily newspapers improved sales over the previous year by almost EUR 48 million, thus not

only making up for almost EUR 30 million in income lost in 2014 but also recording more than EUR 18 million above the figure recorded for 2013. Magazines increased revenues by 2.3%, after a 2.6% decline in 2014. Taking in EUR 17 million more than in 2014 for a total of EUR 765 million, in 2015 magazines nonetheless fell just short of the result achieved in 2013 (EUR 767.8 million).

Figure 11: Advertising expenditure in Austria by category in 2014 and 2015



Source: FOCUS Media Research (excluding cinema, conventional flyer and online advertising)

Yet, as always, it should be pointed out that the figures provided by FOCUS Media Research are gross values, which do not include any discounts. This is clearly one factor explaining why the results in the print sector were so positive following the losses recorded in 2014. It can be assumed that, in the wake of the shock they experienced in the previous year, newspapers and magazines responded with very generous discounts in an effort to fill their advertising space. But that is only part of the story. Another reason can be seen in the fact that 2015 was a 'super election year'. Apart from the generous amounts that political parties spent on advertising in their election campaigns for the regional parliaments in Vienna, Upper Austria, Styria and Burgenland, municipal councils and mayors were also elected in a total of six of Austria's federal states.

TV broadcasters take in record gross revenues of over one billion euros

With a narrow lead of about EUR 36 million, daily newspapers managed again in 2015 to defend their position against the TV advertising sector, which has been successfully closing the gap for several years. Television broadcasters achieved gross income of roughly EUR 1.003 billion, recording a 6% sales increase and passing the one-billion mark for the first time. Private television channels, meanwhile, take sole credit for this gain, increasing sales by EUR 77.5 million or 12%. Yet, in this regard, attention also needs to be drawn to the widening gap between gross and net figures. Private TV broadcasters increasingly complain about intensified price pressure brought to bear by media agencies. Two factors playing a role in this context are mounting industry competition through a growing number of special-interest channels that target increasingly smaller viewer groups, as well as a sharpening focus of advertisers in online video advertising. Unofficial sources in the private TV industry admit, for instance, that it is no longer uncommon to give discounts of between 50% and as much as 70% off the gross price of an advertising minute.

The Austrian Broadcasting Corporation (ORF) had to absorb a loss of EUR 20 million or almost 7% in gross advertising revenues in 2015. In 2013 the ORF still showed roughly 10% growth in gross income from TV advertising in 2013, against a growth rate of plus 4% in 2014. At EUR 284 million, the gross advertising income earned by ORF TV in 2015 represented more than 28% of total gross revenues in the TV sector. This percentage is substantially smaller than the 35.3% share ORF holds in the television market (among viewers aged twelve and over). In 2014 ORF television's gross revenues still accounted for a share of more than 32% in the TV advertising market – at a viewer market share of 35.1%.

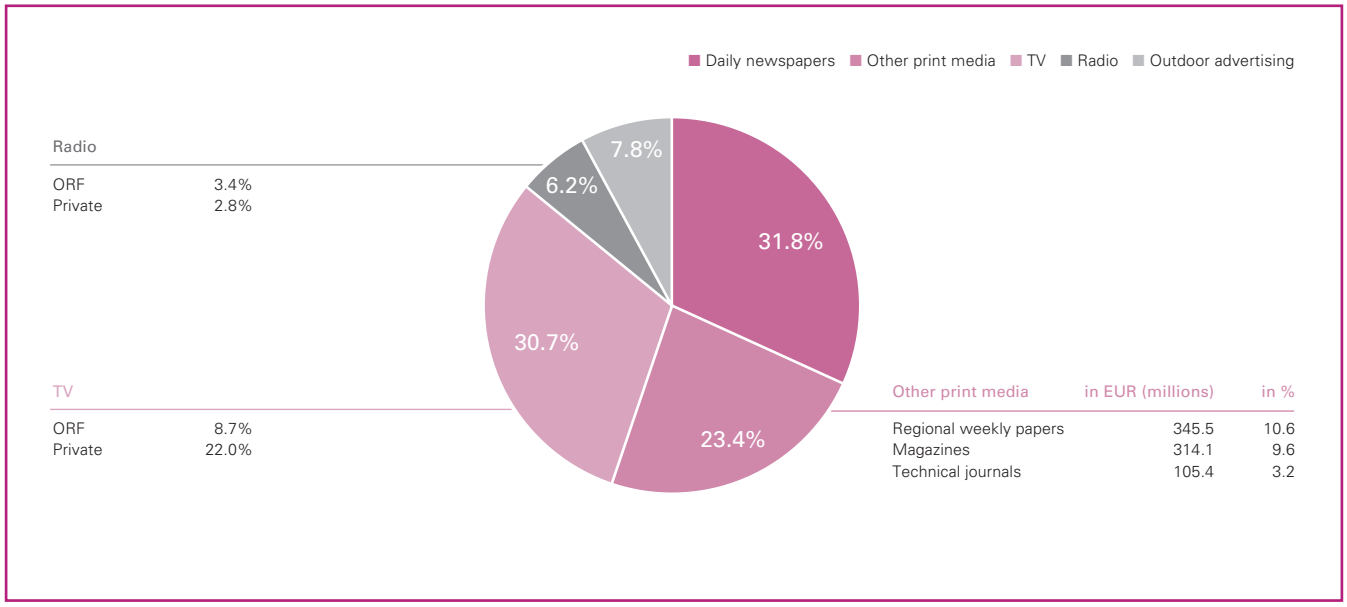
The overall results for radio broadcasters in 2015 are practically identical with the previous year. This sector's gross advertising income grew by EUR 7.2 million to a level of EUR 203 million (2014: an identical increase of EUR 7.2 million). This amount represents 3.8% growth in 2014, while the figure was 3.7% in 2015. Yet, at only EUR 1.4 million or 1.3% higher gross advertising sales, the specific gains made by ORF radio in this sector were smaller than in 2014 (with a EUR 2.1 million or 2% increase). Private radio broadcasters improved their earnings by EUR 5.8 million or 6.7% to total EUR 91.9 million (2014: an increase of EUR 5.1 million or 6.3%).

Most probably due to the 'super election year' in 2015 as mentioned above, outdoor advertising achieved an increase of 12.4% to take in total gross income of EUR 255.9 and place first among conventional media in terms of sales growth (2014: +4.7%). While having nothing to offer in the way of up-to-date products in recent years, this sector is now looking to the future by introducing light boxes with moving displays, initially in urban areas.

Hardly any change in the distribution of advertising expenditures among conventional media

There was virtually no change in the percentages of the total advertising budget distributed to conventional media categories between 2014 and 2015.

Figure 12: Shares of gross advertising expenditure for conventional media in 2015



Basis: EUR 3.27 billion

Source: FOCUS Media Research

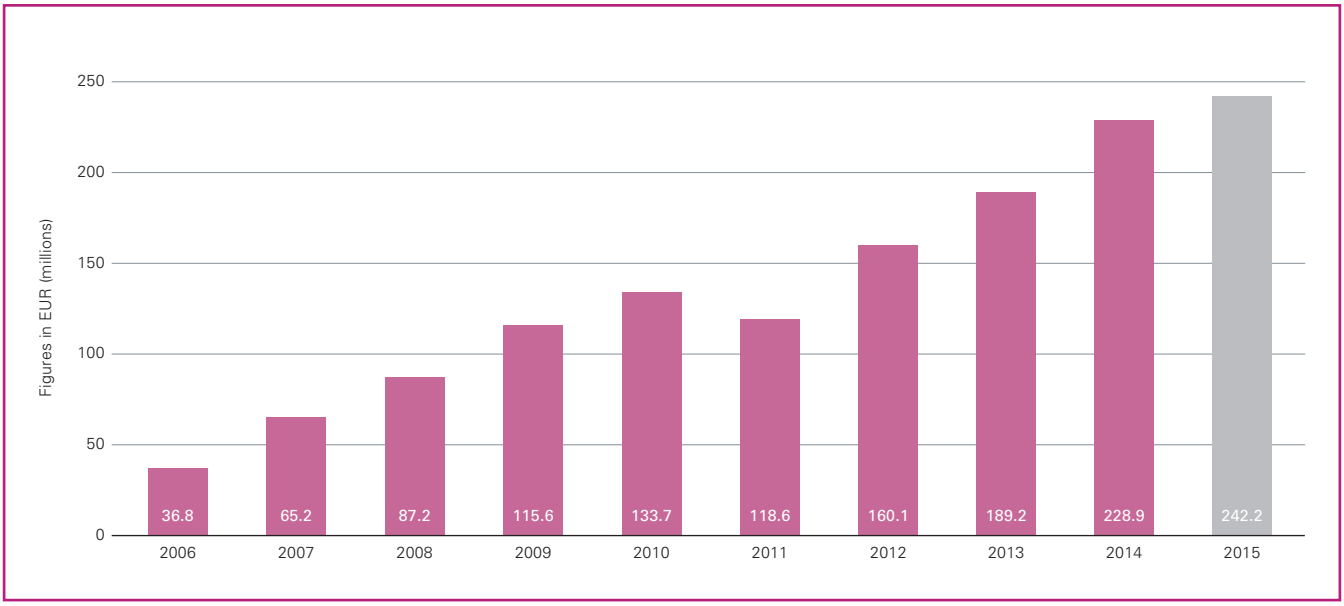
Television, and even more so outdoor advertising, profited from the marginal shifts in spending, amounting to less than one per cent. Daily newspapers and the radio sector each relinquished a tenth of a percentage point. Television gained 0.3 percentage points. Outdoor advertising grew by one half of a percentage point to represent the only positive exception, while magazines and other print publications showed the poorest performance with a loss of 0.7 percentage points. Yet, especially for this print sector, strong fluctuations from year to year are more the rule than the exception.

A more significant fact can be discovered in the details. ORF television was able to claim only 8.7% of total advertising spending in 2015. This represents a loss of 1.1 percentage points from the previous year's level of 9.8% (2013: 9.6%). Private TV broadcasters, in contrast, actually gained 1.4 percentage points for a total of 22%. ORF radio presents a different picture, remaining relatively stable and losing a mere one tenth of a percentage point to finish with a 3.4% share. Private radio broadcasters maintained the previous year's level of 2.8%.

Poor performance of 'conventional' online advertising

Online advertising is spoiled by success: consequently, an increase of 5.8% or EUR 13.3 million for a total of EUR 242.2 million is no reason to celebrate. This sector had still experienced 21% growth in gross advertising revenue between 2013 and 2014. The figures published by FOCUS Media Research tell only part of the story, however, because they only consider expenditures for 'conventional' online advertising such as banners and pre-roll ads, and not advertising in search engines or social media platforms. In fact, advertising based on search words or tailored to the interests revealed by web users probably continues to play an ever more significant role. Consequently, one has to reckon here with the fact that search engines have profited to an overly proportional extent and social media platforms to a comparatively lesser degree from the overall increases in expenditures for online advertising.

Figure 13: Online advertising expenditure in Austria excluding search engines 2006–2015



Due to frequent changes in survey methods, the figures shown above are not comparable from one year to the next. Search engine advertising is not included.

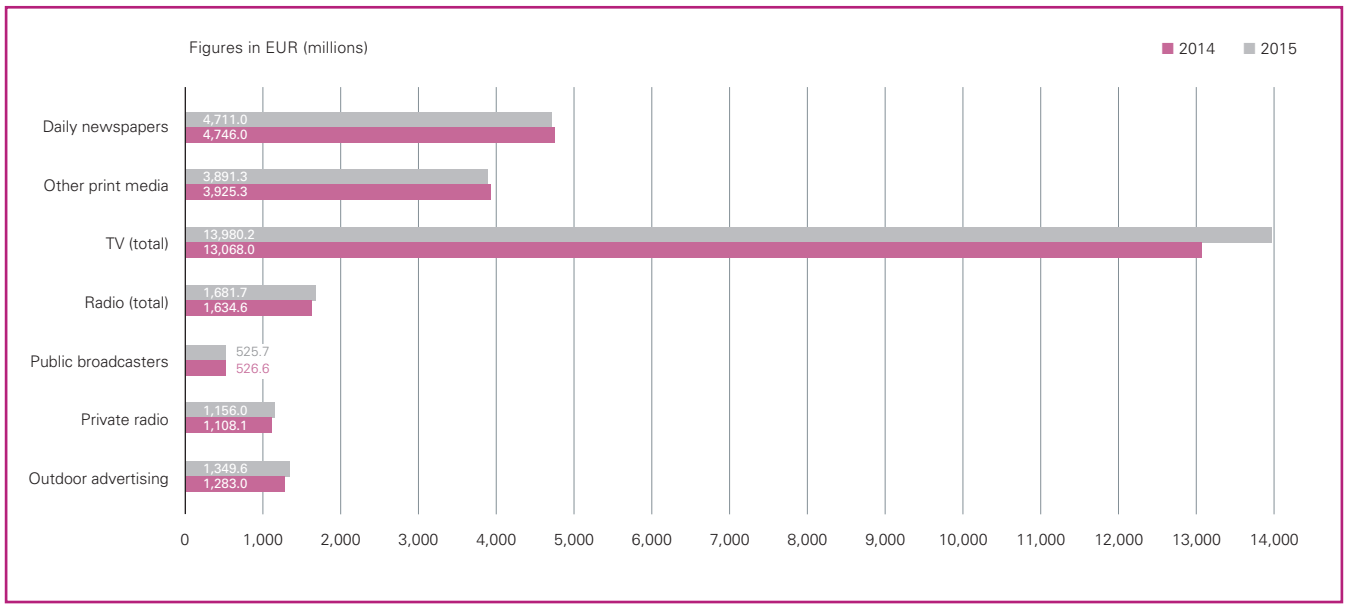
Source: FOCUS Media Research

In contrast to the period until around 2012, FOCUS reports that the figures for the last three years are fairly comparable since little has changed in the monitored websites during recent years. Earlier, the survey methods were repeatedly adapted, existing online services or changes to the range of services sampled were not adequately taken into account, and pricing models were not lucid in many cases. This rendered only an approximate picture of the situation and allowed no more than a rough comparison of figures from one year to the next.

10.1.1.1 Comparison with the German advertising market

The gross advertising income generated by conventional media in Germany totalled EUR 25.614 billion in 2015, representing a EUR 957 million or 3.9% increase over the year before. In 2015 Germany's advertising market thus did not develop quite as strongly as the Austrian market, which grew by 5%. In 2014 Germany recorded a growth rate of 4.5%, expanding significantly faster than Austria at 1.9% during that year.

Figure 14: Advertising expenditure in Germany by category in 2014 and 2015



Source: Nielsen Media Research

Germany's television industry was not only able to defend but even to significantly expand its dominant share of the advertising market. Thus, German broadcasters accounted for – and booked to their accounts – about EUR 912 million, i.e. more than 95% of the increases in gross expenditures for advertising in conventional media in 2015. The comparable figure was 92% in 2014. The Austrian television industry accounted for a 'mere' 36% of increased advertising revenues among conventional media in 2015.

In Germany's print media market, both daily newspapers as well as magazines and other print publications had to cope with only marginal share losses. In total the two categories recorded only a 0.8% drop from the previous year.

German radio broadcasters collected EUR 1.682 billion in gross advertising income, which represents an increase of EUR 47 million or 2.9% over the year before. This gain was exclusively attributed to private radio stations, whereas public broadcasters fell slightly short of their previous year's performance.

Gross revenues collected by outdoor advertising in Germany grew by 5.2% in 2015.

Gross expenditures for advertising in conventional media in Germany were distributed as follows in 2015: 54.6% to TV broadcasters (AT: 30.7%), 33.6% to the print sector overall (AT: 55.2%), 6.6% to the radio market (AT: 6.2%) and 5.3% to outdoor advertising (AT: 7.8%).

10.1.2 Austria's television market

10.1.2.1 Television viewing

On average, 62.4% of Austrians aged twelve and over watched television daily in 2015. This represents one percentage point less than the 63.3% average daily reach recorded in 2014 but is still a half a percentage point above the level in 2013 (61.9%). Average daily viewing time also decreased marginally between 2014 and 2015 by one minute for a daily average of 171 minutes, which is nonetheless the second highest number of minutes ever recorded. It needs to be kept in mind that these figures refer to the viewing of conventional, linear television broadcasts.
Meanwhile, the asynchronous viewing of content provided by individual broadcasters through their online media libraries has probably become a more significant factor. Data on this trend will be surveyed using the new 'Media Server' method and should be available for the 2016 Communications Report. It is expected that the daily reach for television as based on the cumulative figure will then increase by one or two percentage points.

It was skiing competitions more than anything else that attracted viewers to their TV screens in 2015.[10] Of the year's 30 most widely viewed programmes, 20 were broadcasts of skiing events: twelve of these were part of the World Ski Championships, while the others featured the New Year's ski jumping contest or races held in Bischofshofen, Wengen, Schladming and especially Kitzbühel. Other programmes among the top five included the Bundesland heute broadcasts (as totalled over all regions) and the Zeit im Bild 1 news broadcasts by the Austrian Broadcasting Corporation (ORF), in both cases on 11 October, the day of elections to the Vienna state parliament. Yet the Eurovision Song Contest topped the list of most-watched programmes. The 30 most popular programmes were all broadcast by the ORF.

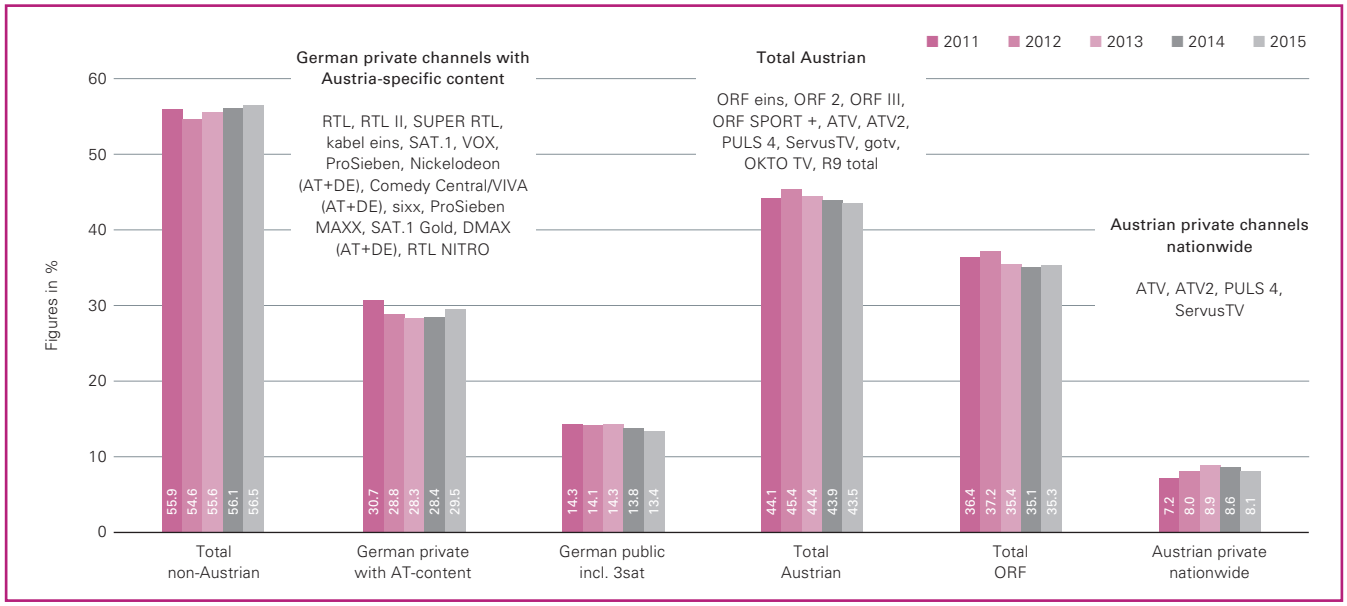
The figures presented here, on TV viewing as well as the market share and reach figures for the individual channels, are based on the TELETEST survey of the TV media category, which is commissioned by the TELETEST Working Group (AGTT) and carried out by the GfK Austria market research institution. In 2015 the TELETEST panel consisted of 1,613 households in Austria, which represented a statistical population of 3.631 million television households. Thus, 3,571 participants are included in the panel. A total of 3,254 individuals aged twelve and over represent the 7,265,000 adults living in households with a television set, while the 317 children in the panel aged three to eleven represent the 716,000 Austrian children in television households.

10.1.2.2 Market share ratio of Austrian to non-Austrian TV channels

For several years, one has become used to seeing Austrian TV channels slowly but surely lose shares in the overall amount of television viewed by Austrian households; this trend continued in 2015. When totalled, non-Austrian channels now account for a market share of 56.5% among Austrian viewers aged twelve and over (2014: 56.1%). Ten years earlier, the share held by non-Austrian channels in the Austrian TV market was almost ten percentage points smaller (2005: 46.9%). Obviously, the market share of non-Austrian channels grew at an above average rate especially when terrestrial television went digital between 2006 and 2008, because many households that had been equipped with antennas were attracted to satellite reception with its widely diverse selection. Nonetheless, the viewing of non-Austrian channels still continues to increase slowly and gradually, as already mentioned. One of the underlying reasons is the continued trend towards a fragmented TV market, with a growing number of special channels from Germany that are aimed at specific target groups.

[10] Source: ORF media research.

Figure 15: Market shares of non-Austrian and Austrian TV channels 2011–2015



Persons aged twelve and over in all of Austria, all reception platforms

Source: TELETEST

German private channels such as SAT.1, RTL, ProSieben and others together hold a total market share of 29.5% in Austria. Yet, when it comes to business, Austrian television broadcasters are especially interested in the market share achieved by German private broadcasters with a separate advertising Austrian channel. Such channels mirror the German satellite channels, representing them as Austrian programmes while selling the advertising time specifically to Austrian advertisers. A relatively large proportion of Austrian households with satellite reception still do not tune into the Austrian versions of the channels, because their receivers are still set to the original German channels. Consequently, the effective market share of German broadcasters with an Austrian advertising channel, at 'only' 23.5%, is somewhat smaller than the share of viewers who watch German private channels. The advertising channels nonetheless gained exactly one percentage point over 2014, in line with the growth trend observed in the long term.

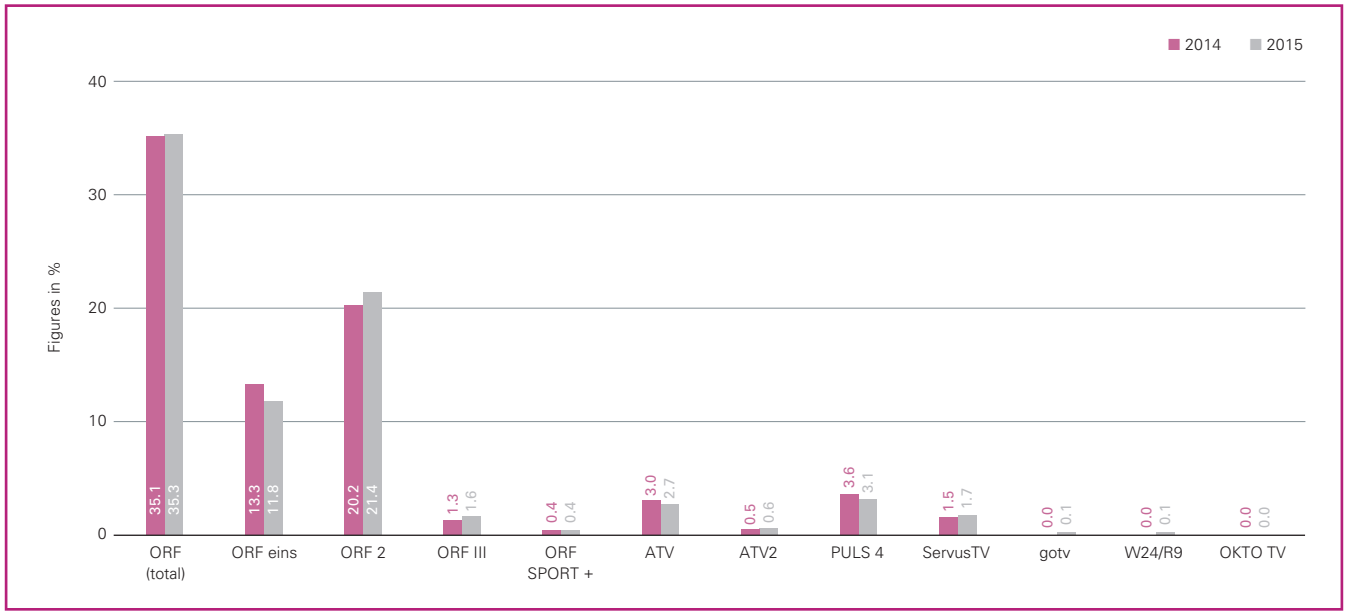
Austrian television channels funded by advertising – i.e. including the ORF with partial funding through advertising – together achieved a total market share of 43.5% in 2015 (2014: 43.9%). Overall, this group, which includes the Austrian private TV channels ATV, ATV2, PULS 4 and ServusTV, lost ground in 2015 and fell by half a percentage point from the previous year to a share of 8.1%, particularly due to the poor performance of ATV and PULS 4. What at first glance appears negligible, amounts on this scale to an almost 6% decline.

Another group of heavyweights in the Austrian TV market includes the German public channels along with 3sat, a public German-language channel operated by three countries; this group's total market share is 13.4% (Das Erste/ARD: 3.1%; ARD 'third' channels totalled: 4.3%; ZDF: 4.3%; 3sat: 1.7%).

10.1.2.3 Developments among Austrian national television channels

The ORF's fleet of channels continues to dominate the Austrian television market and even slightly enlarged their market share by two tenths of a percentage point in 2015 to reach 35.3%. Probably a more significant observation in this context is that, for the first time since 2012, the ORF as a group did not have to surrender any market shares. Yet this was only possible because the sizeable loss shown by ORF eins was compensated by other channels, in particular ORF 2 (gaining 1.2 percentage points for a 21.4% market share) and to a lesser extent ORF III (adding 0.3 percentage points for 1.6%). After a temporary recovery thanks to the Winter Olympics and the football World Cup in 2014, ORF eins continued in 2015 to follow the long-term downhill trend, losing 1.5 percentage points to land at an 11.8% market share.

Figure 16: Market shares of Austrian TV channels in 2014 and 2015



Persons aged twelve and over in all of Austria, all reception platforms

Source: TELETEST

Within the group of private broadcasters, Austria's first nationwide private TV channel ATV again lost shares, passing the three per cent mark on the way down. ATV thus continued the losing battle it has been engaged in since 2011, dropping by 10% (or three tenths of a percentage point) to a share of 2.7% in 2015. Offshoot channel ATV2, in contrast, showed a slightly positive performance, although its gain of one tenth of a percentage point to reach a 0.6% market share was too modest to compensate ATV's losses.

Though previously spoiled by small but consistent gains in market share, PULS 4 also had to absorb a major setback for the first time in 2015. ATV's direct competitor lost one half percentage point of market share, falling back to 3.1%. One factor likely to have played a role here is that PULS 4 surrendered its broadcasting rights for the football Champions League to ORF, effective as of the beginning of the 2015/2016 season in September 2015.

ServusTV has been experiencing a gradual but constant upward trend, improving its market share again in 2015 by two tenths of percentage point to reach 1.7% after no movement the previous year.

By way of comparison, in 2015 the five most popular German private channels in Austria achieved market shares of 5.2% (ProSieben), 5.0% (RTL), 4.6% (SAT.1), 4.1% (VOX) and 2.5% (kabel eins).

10.1.3 Austria's radio market

10.1.3.1 Note on current developments

Radiotest is the market survey for the media category of radio, with the results serving as this sector's 'currency'. During final preparations for this report, it was revealed that Radiotest supplied erroneous figures on daily reach and market share for the period from 2011 up to and including 2015. GfK Austria (GfK), the market research institute commissioned by Radiotest, released this information to the general public and, above all, to the parties commissioning the study, specifically ORF-Enterprise GmbH, private radio marketing firm RMS Austria and private broadcaster KRONEHIT, on 19 April 2016. According to GfK, the original figures published on daily reach and market shares of radio stations deviated from actual values by between one and three percentage points. The statistics reported for listening time are also affected. The deviations were reportedly caused by manipulations on the part of GfK staff.

According to media reports with regard to the background of the irregularities, GfK explained that these staff members – in some cases as they saw fit and in others based on their 'gut feeling' –had 'smoothed' the data collected from radio listeners in 24,000 phone interviews conducted each year for Radiotest. Bribery or other forms of corruption allegedly played no part in the manipulations. Spokespersons for private radio assume that the faulty analyses mostly benefits ORF radio while discriminating against private stations, in some cases involving regional radio to a substantial degree. The ORF claims on the other hand that the results were overly embellished for only some of its stations, while for other stations the figures reported were lower than had actually been the case.

One certain and unfortunate fact is that the confidence of the industry, and in particular of the advertising industry, in Radiotest is most likely significantly damaged, despite the fact that the test was fundamentally designed along solid research principles. When, as expected, GfK is recommissioned with the study, all parties concerned will be called upon to repair this damage, through decisions and actions that both instil confidence and provide the highest degree of transparency.

As of the end of April 2016, GfK was able to present at least preliminary corrected figures for all of 2015, which partially give a somewhat different impression of the situation in the radio market with its public and private broadcasters. According to information from the industry, initial reviews have apparently revealed some of the figures for regional radio that in fact deviate by more than the one to three percentage points previously admitted to by GfK.

It will reportedly take several more weeks to deliver the corrected data for the years 2011 to 2014, which will have repercussions for the present 2015 Communications Report. Usually we present not only the situation in Austria's radio market in the past year based on the Radiotest figures, we additionally trace developments during the previous five-year period. However, the KommAustria Act requires us to submit the annual Communications Report to the Federal Minister for Arts and Culture, Constitution and Public Service and to the Federal Minister for Transport, Innovation and Technology by no later than 30 June of each year. Prior to that, the report has to be proofread and layouted, which this year requires an editorial deadline far ahead of the date when complete delivery of the Radiotest data is expected. Hence, we have to omit the presentation of past developments from this year's Communications Report. Instead, we can report exclusively on the market situation in 2015. The description is supplemented with references to the discrepancies between the originally supplied Radiotest figures for 2015 and the corrected data received at the end of April, allowing readers to independently assess the 'Radiotest case'. This chapter of the 2016 Communications Report should then be able to provide a valid overview of the market situation.

10.1.3.2 Radio listening in 2015

In 2015 the 14 to 49-year-olds, the group especially relevant for advertising, listened to radio for an average of 179 minutes daily. The average listening time for the entire radio audience aged ten and over was 180 minutes. These values alone accentuate the difference between the actual figures and the previously falsified ones: originally Radiotest had reported a listening time of 188 minutes for the group of 14 to 49-year-olds and 189 minutes for the entire audience aged ten and over in 2015.

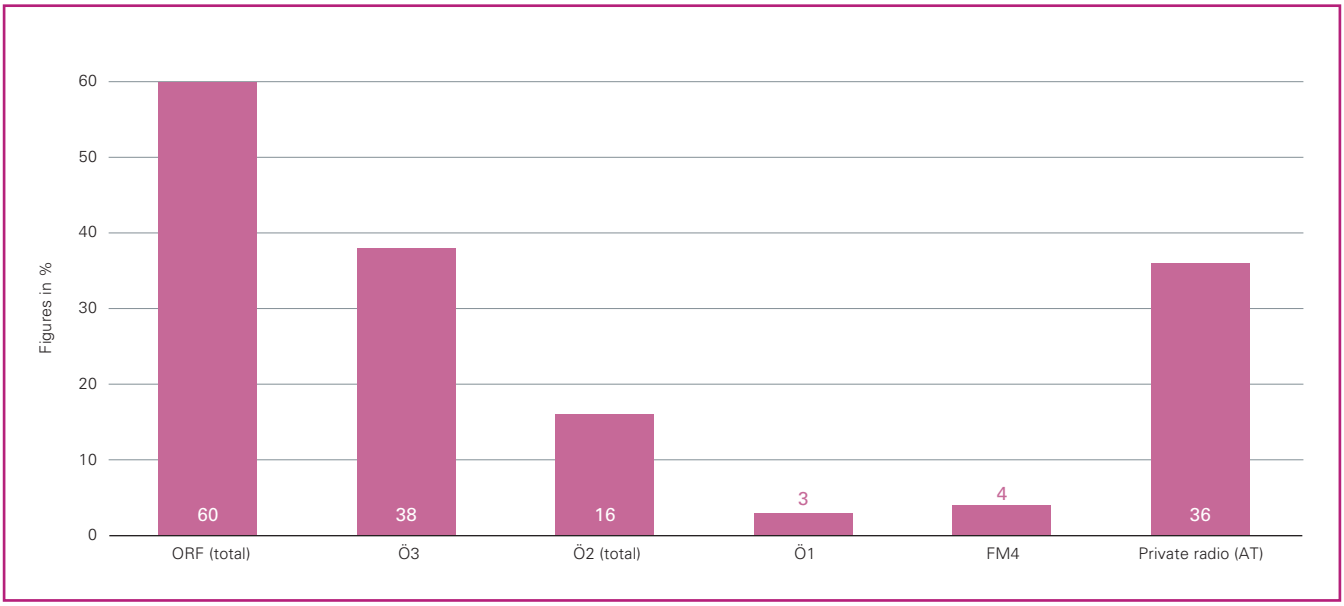
The daily reach figures supplied for radio, while not deviating as strongly in percentage terms, were nonetheless incorrect as well. Among 14 to 49-year-olds, 76% actually switched on the radio daily in 2015, whereas GfK had originally reported a daily reach figure of 78.7% for this group. For the entire listening audience aged ten and over, daily reach had originally been given as 79.9%, while the actual figure is in fact 77.2%.

10.1.3.3 Market share and daily reach of national ORF and national private radio

It is important here to focus once again in simple terms on the significance of daily reach and market share in the radio sector from the viewpoint of the advertising business. This will help to get a proper perspective on the differences between the initially falsified and the later corrected Radiotest figures for 2015. When describing how successful a station is, the radio industry usually and primarily refers only to daily reach, whereas for the advertising business the market share is highly significant. Daily reach represents the number of listeners in the target group who switched on the radio at least once 'yesterday' and listened to one or more radio stations for a minimum of 15 minutes. If an individual listened to not only one

but also a second station for at least 15 minutes (or perhaps even for two hours) yesterday, that person contributes positively to the daily reach figure for both radio stations. In contrast, market share indicates the proportion of average daily radio listening minutes accounted for by a given radio station. In other words, a radio station's market share increases the longer people listen to it daily. Consequently, the daily reach figure for two radio stations could be identical whereas their market shares vary considerably, if the public listens to the one station for only 15 minutes on average but to the other for two hours. Any station with a high daily reach is clearly attractive for an advertiser, yet the station with the larger market share is always more attractive in comparison, because that station provides a much higher probability of the audience listening to an advertising spot once or more.

Figure 17: Shares in the national radio market among the target group of 14 to 49-year-olds in 2015



Persons 14 to 49 years of age in all of Austria

Source: Radiotest

The correction of the Radiotest figures for all of 2015 considerably alters the national market shares of ORF stations and private radio stations in total, affecting in particular the relative distribution. Among 14 to 49-year-old listeners, the group relevant for advertising, all ORF stations together achieved a market share of 60%. This number was first supposed to have been 64%. Ö3, for which Radiotest had originally recognised a market share of 40%, actually accounted for 38%. The total market share held by its direct competitors in private radio was corrected from 33% to a more respectable 36%. The impact becomes clear when it is recognised that Ö3's original purported lead of seven percentage points has now been whittled down to a mere two points.

At 17% the market share held by the Ö2 regional radio stations had also been first depicted more positively. This value has now been revised to 16%. The only ORF station to profit from adjustment of the figures was Ö1: a market share of 3% is now shown instead of 2% for the ad-free culture and information programme. Only in the case of ORF youth station FM4 has the market share remained unaltered at 4%.

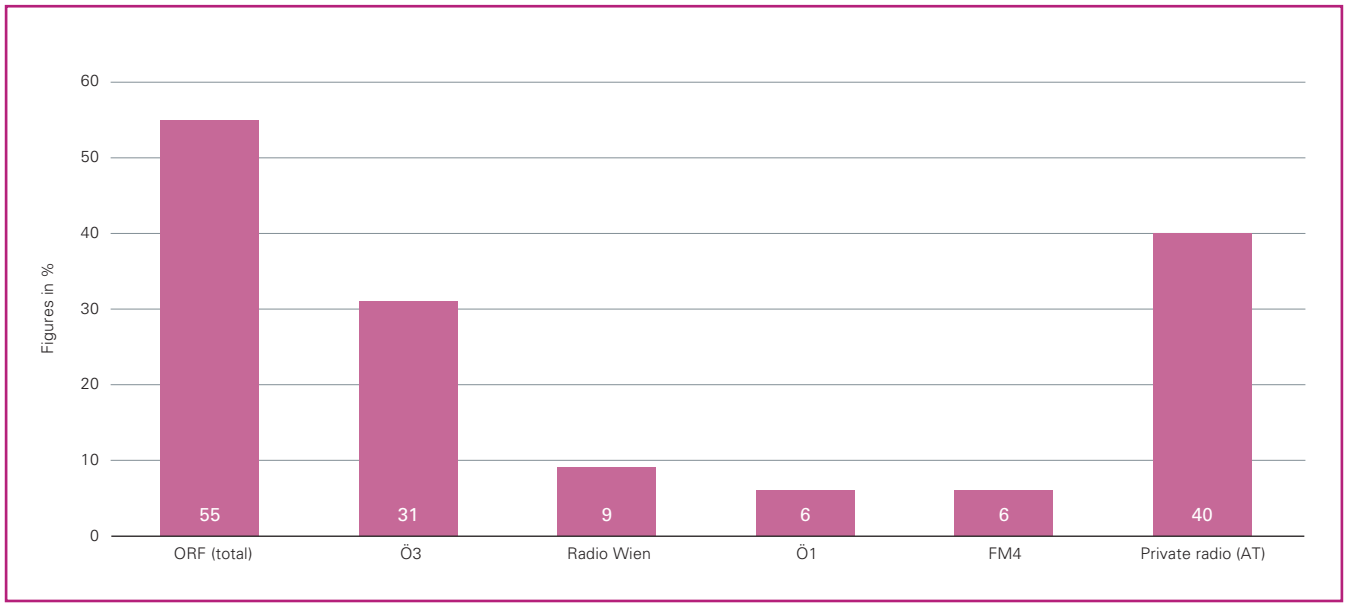
Substantial adjustment of the daily reach figures was required for the target group of 14 to 49-year-olds, in particular in the case of Ö3 and of the overall total for the Ö2 regional stations. Specifically, Ö3 was downgraded from 43.8% to 40.5%, while the total for the Ö2 regional stations was reduced from 17.1% to 15.9%. This also clearly impacts the total daily reach figure for the group of ORF radio stations: instead of 59.9% as initially published, the figure is now 55.7%. The corrections for Ö1 and FM4 were negligible and in any cases within the margin of fluctuation. Daily reach for Ö1 is now given as 4.7% instead of 4.8%, while the figure for FM4 was slightly reduced from 6.2% to 6.1%.

After correction, total daily reach for the category of private radio at 37.4% is now higher than the original 37.2%.

10.1.3.4 Vienna's radio market in 2015

As can already been seen when looking at the national radio market, in the final analysis correcting the Radiotest results for 2015 has had a more than negligible impact on the relative distribution of shares in the highly competitive Vienna radio market.

Figure 18: Shares in the Vienna radio market among the target group of 14 to 49-year-olds in 2015



Listening audience 14 to 49 years of age in the Vienna region

Source: Radiotest

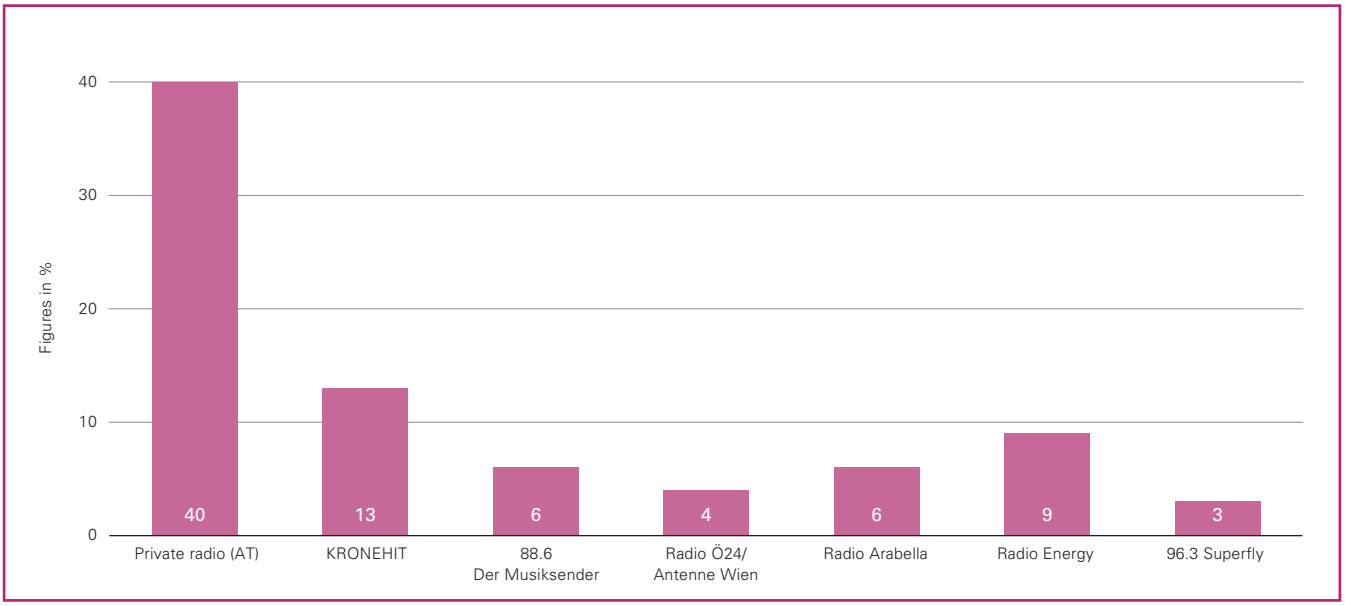
The overall market share held by private radio in Vienna among listeners aged 14 to 49 only had to be revised upwardly by one percentage point from 39% to 40%; however, a downward correction by four percentage points, to 31% from the previous 35%, was required in the case of Ö3's annual market share within this radio audience category. As a result, the market share lead held by private radio as a group over the mainstream station Ö3 suddenly grew wider, from the previous four to nine percentage points.

For the regional ORF (Ö2) station Radio Wien with a 9% market share and youth station FM4 with 6%, the re-analysis of the Radiotest data for Vienna did not result in altered figures with regard to the target group relevant for advertisers. There was good news for the Ö1 team, on the other hand, because Radiotest now attests the information and culture station a 6% market share instead of the previous 5%.

The overall market share held in the Austrian capital region by the group of ORF stations (including die regional Ö2 stations Radio Burgenland and Radio Niederösterreich) has now dropped to 55% from the previously reported 58%. This reduces their lead over the private radio stations (with 40%) in terms of total market share in the Vienna region, from the initial 19 percentage points to 15.

As a result of correcting the Radiotest figures, the total market share held by private radio in Vienna rose by only one percentage point. Nonetheless, in detail the changes are hardly insignificant for these stations as most of them account for less than a ten percent share. Rounding also plays a role here, however.

Figure 19: Shares of private radio in the Vienna radio market among the target group of 14 to 49-year-olds in 2015



Listening audience 14 to 49 years of age in the Vienna region

Source: Radiotest

KRONEHIT was the only station to lose market shares in the target group of 14 to 49-year-olds, falling by one percentage point to 13%. While no changes resulted for the radio stations 88.6 (at 6% market share) and 98.3 Superfly (at 3%), three private stations now show better results than before data was corrected. A one-percentage-point increase in market share resulted for each of Radio Ö24 (at 4% total), Radio Arabella (6%) and Radio Energy, which focuses on particularly young listeners and achieved a market share of 9% among 14 to 49-year-olds, putting it well ahead of all other private radio stations in Vienna with the exception of KRONEHIT. The gap of six percentage points separating Radio Energy and KRONEHIT at the start of the year has thus further closed to four percentage points. The improvement in the market share of Radio Ö24, now with 4%, is also significant; in 2014 the station was relaunched with a new name and programme format – it had been known as 'Antenne Wien' until September 2013 – and introduced as the 'radio of the new generation'.

In certain regions of Austria, the discrepancies between the originally reported and the subsequently corrected figures are so considerable, particularly for private radio, that a mere case of 'smoothing according to gut feeling' appears rather unlikely here. The examples below are taken from the market share analysis for the target group of 14 to 49-year-olds (Mondays to Sundays).

The most spectacular effect concerns Antenne Vorarlberg, which has suddenly taken over the market lead in its region now that the Radiotest data has been corrected. Radiotest had originally shown a 21% market share for Antenna in the first six months of 2015; however, the same figure was later corrected to 33% (a difference of a full twelve percentage points). Initially attributed 35% in Vorarlberg, Ö3's share was later reduced to 30%. Whereas a market share of 27% was first reported for the ORF regional station Radio Vorarlberg, this shrunk to 17% after correction, rendering ten percentage points less in reality.

For the latter half of 2015, Antenne Vorarlberg's market share was previously given as 21%, but after correction the share is now 30%. Ö3, in contrast, had to be relegated from 34% to 27% following the correction, while Radio Vorarlberg's market share shrunk by eight percentage points, from 24% to 16%.

In the region of Styria, for the first six months Antenna Steiermark was first reported with a market share of 22%, four percentage points below the real level, whereas at 38% the share awarded to Ö3 was four percentage points above the true level. The discrepancy is even greater for the latter half of the year. Instead of 24% as originally claimed, Antenne Steiermark's market share grew by seven percentage points to become 31% as a result of correction. From the previous 37%, Ö3's share was reduced to 32%.

In the region of Carinthia, the figure first given for Antenna's market share in the second half of the year was four percentage points too low and later revised to 26%. Ö3's market share remained unaltered at 37% after correction. However, four percentage points had to be subtracted from the Ö2 regional station Radio Kärnten and awarded to Antenna Kärnten. Radio Kärnten fell back to a 22% market share, swapping positions with Antenna Kärnten after the correction of Radiotest data.

The analysis of the data for the regions of Austria reveals further deviations ranging between one and five percentage points in favour of ORF stations, while the results given for other private stations were between one and three percentage points lower than what they should have been.

In a press release published on 29 April, the ORF claimed that some of its radio stations were first rated too poorly. While the claim is justified, in this context, the ORF cites almost exclusively examples from the target group of listeners aged ten and over, which is not as relevant for advertising. Most of the discrepancies within this group amount to less than one percentage point. Only one of the cases reported by the ORF involves a discrepancy of three percentage points to the ORF's disadvantage, also within the target group of 14 to 49-year-olds. Specifically, Ö3's market share in Tyrol during the second half of 2015 was first given as 40% and was subsequently corrected to 43%. However, for the first half of the year Ö3 had originally been awarded a share of 41%, three percentage points higher than the actual share.

10.2 Development of the Austrian telecommunications markets

The sections below provide a summary of the most significant market developments in the segments of mobile telecommunications, broadband, fixed network, leased lines and Ethernet services.

10.2.1 General market development

While revenues from mobile telecommunications and broadband services increased once again, the trend towards declining revenues from fixed network voice telephony continued in 2015.

Driven by the expanding choice of services available for mobile use, the volume of mobile data traffic grew exponentially. On the other hand, mobile call minutes and text messaging decreased as a result of messaging and call apps such as WhatsApp and Skype.

In the segment of fixed network voice telephony, the reason for declining revenues within both end user and wholesale markets are reflected in the further decrease in voice telephony subscribers and call minutes. For broadband services, in contrast, unbroken growth can be observed both in the number of subscribers and in revenues.

Table 13 shows retail revenues in each segment (mobile, broadband, fixed network and leased lines). Whereas total revenues dropped by 0.4% between 2013 and 2014, they remained stable between 2014 and 2015.

Table 13: Retail revenues 2013–2015

	2013 (EUR millions)	2014 (EUR millions)	2015 (EUR millions)	% change 2013–2014	% change 2014–2015	% of total revenues 2013	% of total revenues 2014	% of total revenues 2015
Mobile services	2,240	2,263	2,284	1.0	0.9	61.9	62.8	63.4
Broadband*	769	782	812	1.7	3.8	21.3	21.7	22.6
Fixed network**	560	511	461	-8.7	-9.7	15.5	14.2	12.8
Leased lines	49	46	44	-6.9	-4.0	1.4	1.3	1.2
TOTAL	**3,618**	**3,602**	**3,601**	**-0.4**	**0.0**	**100.0**	**100.0**	**100.0**

* Revenues from mobile broadband services are included in mobile service revenues.
** Includes voice telephony revenues from the fixed network retail market and public phones. Voice telephony revenues collected as part of a broadband package are listed under broadband.

Source: RTR

Table 14 shows the changes in traffic volumes and the number of lines or connections in each business area.

Table 14: Overall changes in traffic volumes and lines/subscribers 2013–2015

	Unit	2013 (millions)	2014 (millions)	2015 (millions)	% change 2013–2014	% change 2014–2015
Mobile services	Call minutes	22,513.68	21,814.70	20,852.80	-3.1	-4.4
	Subscribers (contract and prepaid)*	13.27	12.95	13.47	-2.4	4.0
Broadband	Fixed network subscribers	2.23	2.35	2.46	5.7	4.3
	Mobile subscribers	2.20	2.17	2.18	-1.3	0.4
	Mobile upload/download volumes** in million GB	113.40	169.93	306.54	49.9	80.4
Fixed network	Call minutes***	3,835.67	3,515.35	3,142.41	-8.4	-10.6
	Subscribers	2.63	2.54	2.51	-3.4	-1.3
Leased lines	64 kbps equivalents	6.69	7.44	17.90	11.2	140.7

* Number of activated subscriber numbers (SIM cards)
** Mobile broadband incl. smartphone use
*** Minutes including public phones, not including dial-up and service numbers

Note: Due to subsequent corrections by the operators, the values shown here differ slightly from those listed previously in the 2014 Communications Report.

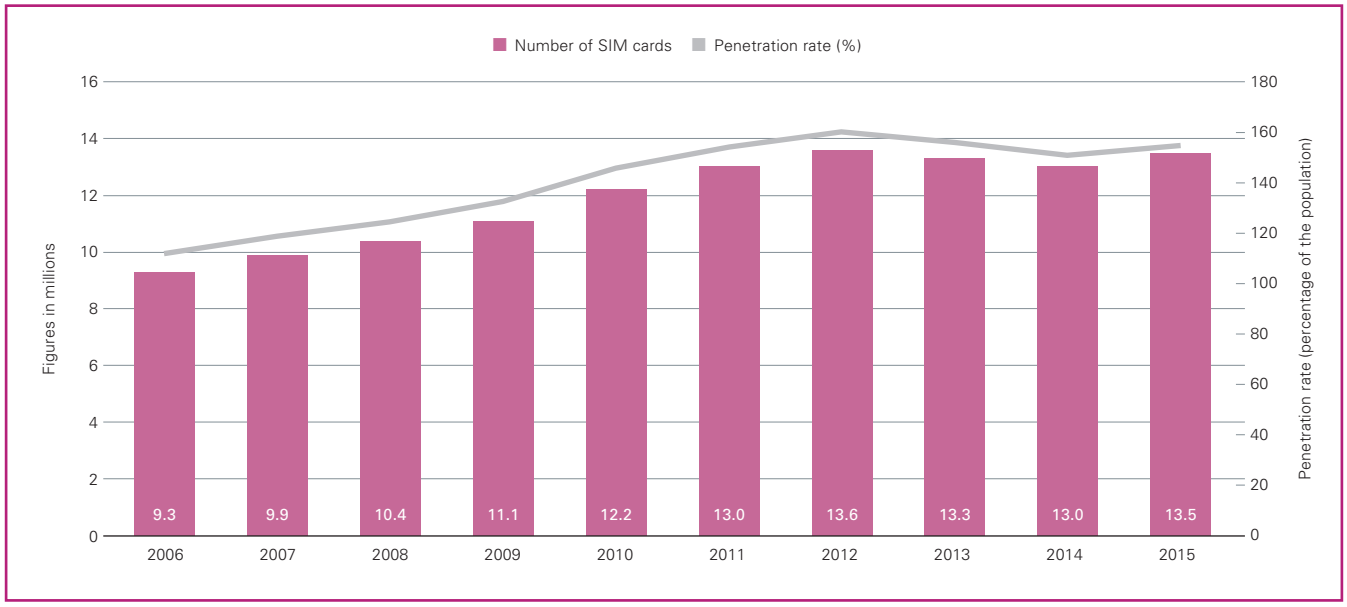
Source: RTR

10.2.2 Mobile communications

For the main trends related to competition and prices in the mobile telecommunications market in 2015, refer to Chapter 2. Changes in data relating to penetration and to the usage of minutes, text messaging and mobile data are discussed in detail in the following.

Figure 20 shows changes in activated SIM cards and in the penetration rate. The penetration rate has been relatively constant in recent years and was about 155% at the end of 2015. The decline in SIM cards in 2013 and 2014 can primarily be attributed to a database clean-up by network operators. The penetration rate, measured in terms of the Austrian population, increased by roughly 50 percentage points over the past ten years.

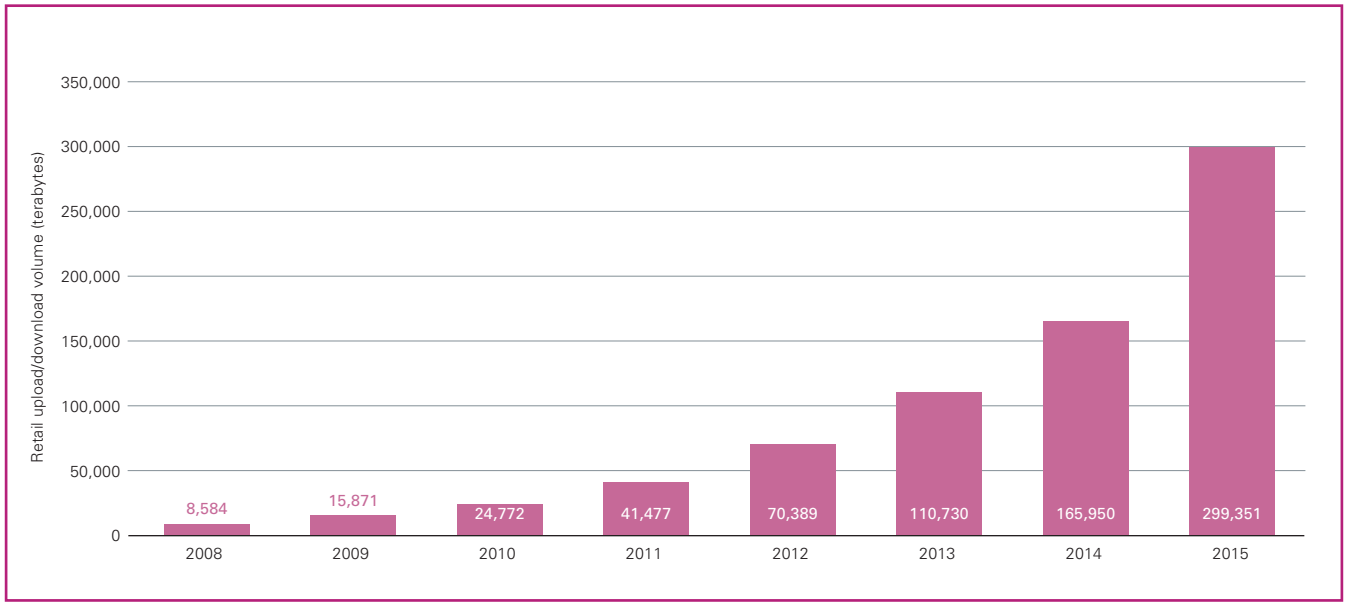
Figure 20: Number of SIM cards 2006–2015



Source: RTR

The striking feature here is the rapid growth in the data volume requested by mobile customers. While 8,600 terabytes (TB) were uploaded or downloaded in 2008, a total of about 300,000 TB was used in 2015 – almost 35 times the data volume in 2008. In response to the growing selection of services, patterns of daily usage among customers have become drastically altered over the years. The largest share of the data is accounted for by streaming services such as television programmes, videos and films viewed 'on demand'. It is expected that data usage will continue to grow in future, particularly in the face of LTE, increasing video viewing and of the 'Internet of Things', i.e. the interconnectivity of devices via the internet.

Figure 21: Data volumes in the retail mobile market 2008–2015



Source: RTR

The downward trend in call minutes and text messages observed in recent years continued (refer to Figure 22). In total there were roughly 800 million fewer text messages sent and about 1 billion fewer minutes of calls placed in 2015 compared with 2014. Since the all-time record in 2012, SMS use has fallen by more than half and call minutes have decreased by about 10%. This is mainly attributed to widespread use of mobile apps that support, for example, instant messaging services (e.g. WhatsApp, iMessage etc.), social networks and voice-over-IP services (including Skype, FaceTime and others).

Figure 22: Call minutes and text messages in the retail mobile communications market (technical measurement)* 2006–2015

* Technical measurement refers to the call minutes or text messages actually used or sent by Austrian retail customers. The billed quantity, on the other hand, is the number of minutes or messages charged to retail customers.

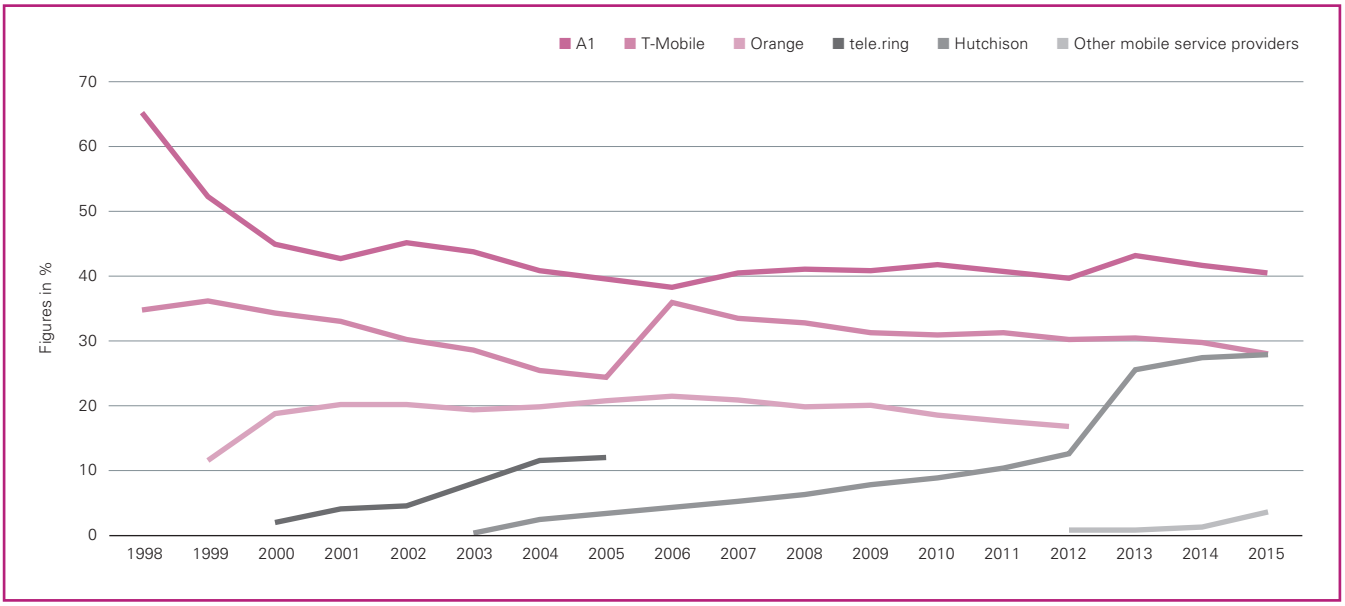
Source: RTR

Figure 23 shows the market share held by each of the mobile operators as measured in terms of the number of subscribers. Resellers are included in the data for the host network operator to which they belong (i.e. the operator whose network the reseller uses in order to provide services).

A1 (including all brands under it such as bob and yesss!) continues to hold the largest market share in terms of subscribers, remaining unchanged at 40% since 2004. After taking over Orange, Hutchison has almost closed in on T-Mobile's market share: only 0.1 percentage points separated the two at the end of 2015, while T-Mobile at 28.0% stayed in front of Hutchison at 27.9% to remain Austria's second-largest mobile network operator.

T-Mobile's takeover of tele.ring in 2006 accounts for the sharp jump in its market share curve. At the end of 2006 T-Mobile and A1 held nearly equal market shares. Further market consolidation took place in late 2012, as reflected by the chart data for 2013. In addition, MVNOs and independently owned resellers are listed separately from 2012 onwards. The category of 'other mobile service providers' already achieved a 3.6% market share in terms of subscribers by the end of 2015; this category includes new market entrants such as HoT, UPC, Lycamobile and Spusu.

Figure 23: Mobile market share based on number of subscribers 1998–2015



The chart displays Orange including yesss! until 2013. From 2013 onwards, A1 Telekom is shown including yesss! and Hutchison including Orange. The category of 'other mobile service providers' was first listed in 2012.

Source: RTR

10.2.3 Broadband

Broadband internet access is provided in Austria mainly via DSL, cable broadband and mobile broadband. The most important broadband access technologies as well as their availability and the largest providers on the market are presented in Table 15. The providers shown in the table below make available more than 95% of all broadband connections.

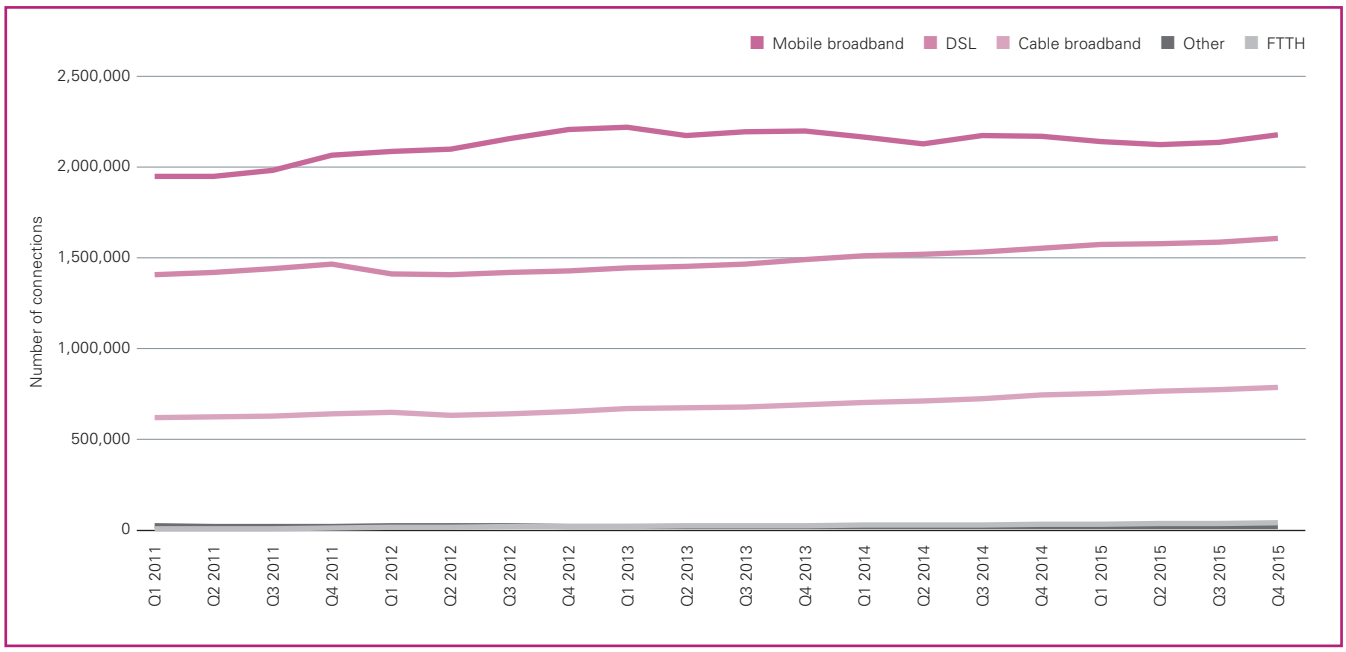
Table 15: Broadband access technologies

Access technology	Major providers	Availability (in % of population)
(x)DSL: transmission technology based on copper wire pairs	A1 Tele2, UPC (unbundled lines)	> 99% Unbundled lines: approx. 65%
Cable broadband: DOCSIS coaxial cable-based transmission technology	UPC, LIWEST, Salzburg AG, kabelplus	Approx. 50%
Mobile broadband: UMTS/HSPA/LTE transmission technology in mobile networks	A1 (incl. bob and yesss!), T-Mobile (incl. tele.ring), Hutchison (Drei)	Approx. 95%
FTTH (fibre to the home) / **fibre optics**	A1	< 5% (estimate)

Source: RTR

At the end of 2015, about 47% of all broadband subscribers were provided with service via mobile broadband, roughly 35% via DSL and about 17% via cable broadband. While DSL and cable broadband subscriptions have continued to gain ground in recent years, the number of mobile broadband subscriptions has remained mostly stable (refer to Figure 24). The data volume transferred via mobile networks nonetheless increased sharply last year (refer to Section 10.2.2 Mobile communications).

Figure 24: Number of broadband subscribers 2011–2015



Mobile broadband: dedicated mobile broadband subscriptions that include a data volume of at least 250 MB in the basic monthly fee or – in the case of prepaid cards – were used by the subscriber to access the internet at least once during that particular quarter.

Note: Due to subsequent corrections by the operators, the values shown here differ slightly from those listed previously in the 2014 Communications Report.

Source: RTR

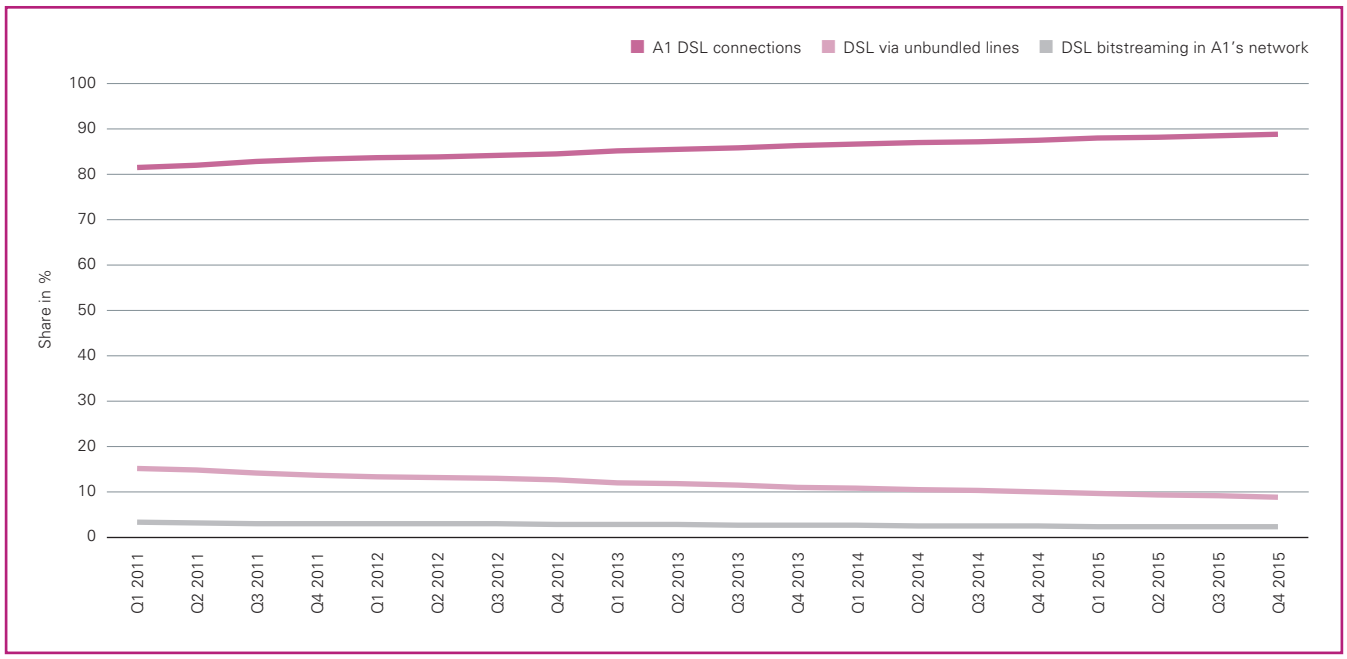
Restructuring of access networks to offer customers faster broadband service further progressed last year as well. In detail, A1 installed additional cable branch boxes with fibre optics (referred to as 'fibre to the cabinet/curb' or FTTC) and in certain cases rolled out fibre optics to the building (FTTB) or directly to end users ('fibre to the home' or FTTH). VDSL vectoring has been implemented in an increasing number of cable branch boxes. This technology allows increased potential bandwidth by compensating signal interference between adjacent copper-wire lines ('crosstalk'). Mobile network operators have continued rolling out LTE and meanwhile supply the majority of the population with this technology.

Alternative operators without proprietary access networks can make use of wholesale services that allow them to provide broadband internet access to their customers. Regulated wholesale services include copper-wire unbundling (partial and full unbundling), virtual unbundling (an Ethernet-based service in which, like full unbundling, traffic is transferred at the main distribution frame) and bitstream services (transferred at central points in the regional capitals), within the A1 network. To a limited extent, (non-regulated) wholesale products are also offered by cable network operators and unbundling partners. Lastly, (non-regulated)[11] wholesale services also exist in mobile telecommunications networks; such serve as the basis for alternative operators to be active as resellers or virtual operators (MVNOs).

[11] However, the wholesale service provided by Hutchison (Drei) differs as it stems from an obligation related to the Hutchison-orange merger procedure.

Figure 25 shows the percentage of retail broadband subscribers that are provided with service via DSL, either by A1 itself or by alternative operators using unbundling or bitstream access. The trend away from bitstream access and unbundling continued in 2015. Virtual unbundling is planned as a long-term substitute for (physically) unbundling copper-wire lines, which support only limited bandwidths. While allowing alternative providers to offer higher bandwidths, virtual unbundling is currently used by only few such providers. The corresponding regulation will be re-evaluated as part of Telekom-Control-Kommission (TKK) procedure M 1/15, introduced in March 2015. The findings are expected in the course of 2016.

Figure 25: Percentage of DSL subscribers with access via bitstream and unbundling technology 2011–2015



Note: Due to subsequent corrections by the operators, the values shown here differ slightly from those listed previously in the 2014 Communications Report.

Source: RTR

10.2.4 Fixed network telecommunications

Within the fixed network sector, a variety of business models can be observed, which differ in terms of the type and amount of network infrastructure used. As incumbent operator, A1 is the only company with nationwide network infrastructure, whereas alternative subscriber network operators only have a limited scope of proprietary infrastructure at their disposal. Carrier network operators and resellers provide primary carrier services on a call-by-call (CbC) and carrier pre-selection (CPS) basis.

Retail markets

2015 saw a continuation of the trends in fixed network retail markets observed in recent years. The market share held by A1 remained stable at a high level, while CbCs and CPSs continued to lose shares. The five largest providers in the fixed network retail market collectively account for more than 80% of the call minutes (Table 16).

Table 16: Major providers in the fixed network retail market in 2015

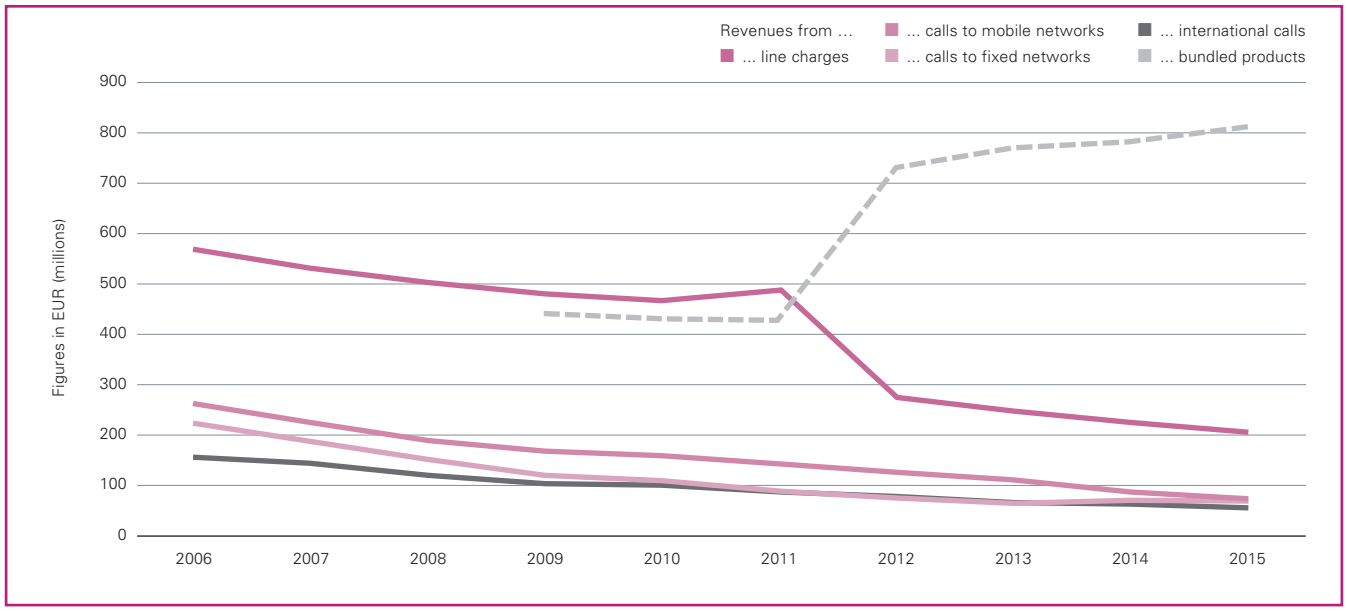
Company	Share of call minutes
A1	> 50%
Tele2	< 20%
COLT	> 5%
UPC	< 5%
FINAREA	< 5%

Source: RTR

Figure 26 shows the changes in revenues for each charge category (line charges, calls to mobile networks, calls to fixed networks and international calls) in recent years. The trends observed in recent years continued in 2015. An exception here relates to the revenues from connecting calls to fixed networks: surprisingly, such income increased by roughly 8% in 2014. This increase is attributed to higher charges for calls to fixed networks placed by A1's private customers, with the higher rates becoming effective as of 1 May 2014. Revenues from this source fell again slightly, by 1%, in 2015. The steady downward trend in charges for calls to mobile networks and to other countries has continued for several years. The decline in connection fees for calls to other countries amounted to 13%, while there was a 15% drop in fees for calls to mobile networks.

There was a repeated drop in line charges in 2015, namely by about 9%. Such revenues had plummeted by 44% in 2012 in the wake of a revision of the data query as specified by the Communications Survey Ordinance (KEV), which now classifies those fees collected as part of broadband packages as broadband revenues. Broadband retail revenues rose reciprocally, since this category now also includes revenues from broadband package products that include fixed network (and other services). This effect can be clearly identified in Figure 26.

Figure 26: Fixed network retail revenues by type of business 2006–2015



Note: Due to subsequent corrections by the operators, the values shown here differ slightly from those listed previously in the 2014 Communications Report.

Source: RTR

Wholesale markets

To provide fixed network voice telephony services across networks, certain wholesale services are required, specifically services that telecom operators provide to other telecom operators. Three kinds of wholesale services are significant here: origination, termination and transit services.

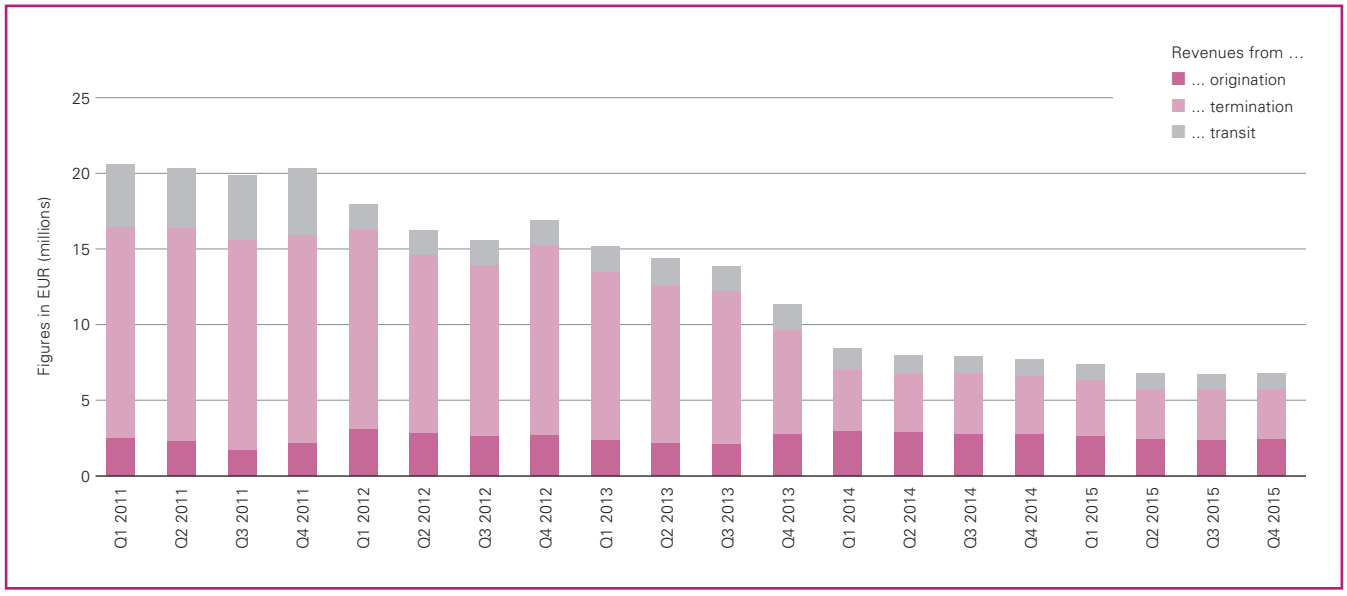
Origination refers to transferring traffic from the subscriber to a switching exchange capable of interconnection. Origination is used as a (payable) wholesale service in two cases: by carrier network operators, when they provide their customers with connection services via the wholesale services provided by A1; and by service providers, in order to ensure the availability of the services they provide.

Termination refers to the case where an operator conveys traffic from a switching exchange capable of interconnection to a subscriber within the operator's network. As termination services can only be rendered by the provider network to which a subscriber is connected, specific termination markets are defined for each individual operator. Every subscriber network operator has significant power in that operator's market and is required to provide termination services against regulated charges.

Transit refers to conveying traffic between networks. Where networks are not interconnected directly (or not everywhere), operators can make use of a transit network operator to ensure 'any-to-any' interconnectivity.

Figure 27 shows the changes in revenues within such wholesale markets for the years 2011 to 2015. Compared with 2013, revenues from termination declined significantly in 2014 due to a reduction of fixed network termination fees as of 1 November 2013.[12] In step with a decline in fixed network and mobile network call minutes, the revenues also declined in 2015.

Figure 27: Revenues from fixed network wholesale markets 2011–2015



Source: RTR

[12] Refer to the TKK decision of 30 September 2013 in procedure M 1.8/12, www.rtr.at/de/tk/M_1_8_12 (in German).

10.2.5 Leased lines and Ethernet services

Leased lines refer to symmetrical, bidirectional point-to-point connections that support voice or data transmission. They are made available to customers as exclusive and uninterrupted connections with a guaranteed minimum bandwidth. The technical implementation of such lines involves various types of infrastructure (e.g. copper wire pair, fibre optics, microwave radio) and various transmission technologies, such as synchronous digital hierarchy (SDH) and plesiochronous digital hierarchy (PDH).

Conventional leased lines with traditional interfaces are meanwhile gradually becoming obsolete, while Ethernet services are more and more frequently requested by telecommunications companies (i.e. at wholesale level). Like leased lines, Ethernet services can similarly be used for transmissions, such as of data and voice traffic, but Ethernet is generally more flexible (i.e. with more bandwidth levels as well as switching functions) and less expensive than leased lines. For these reasons, the trend towards replacing leased lines with Ethernet services is continuing at wholesale level. Meanwhile, almost 100% of new demand is for Ethernet services. Telecoms make use of leased lines and Ethernet services to implement their networks. For example, leased lines and Ethernet services are used to connect mobile transmission stations or unbundled main distribution frames, or to connect business customers to the network. Other companies (at end user level) generally employ leased lines and Ethernet services to create a network between two or more business locations, for example to connect a branch and headquarters (intranet) or to connect business partners, suppliers and customers (forming an extranet).

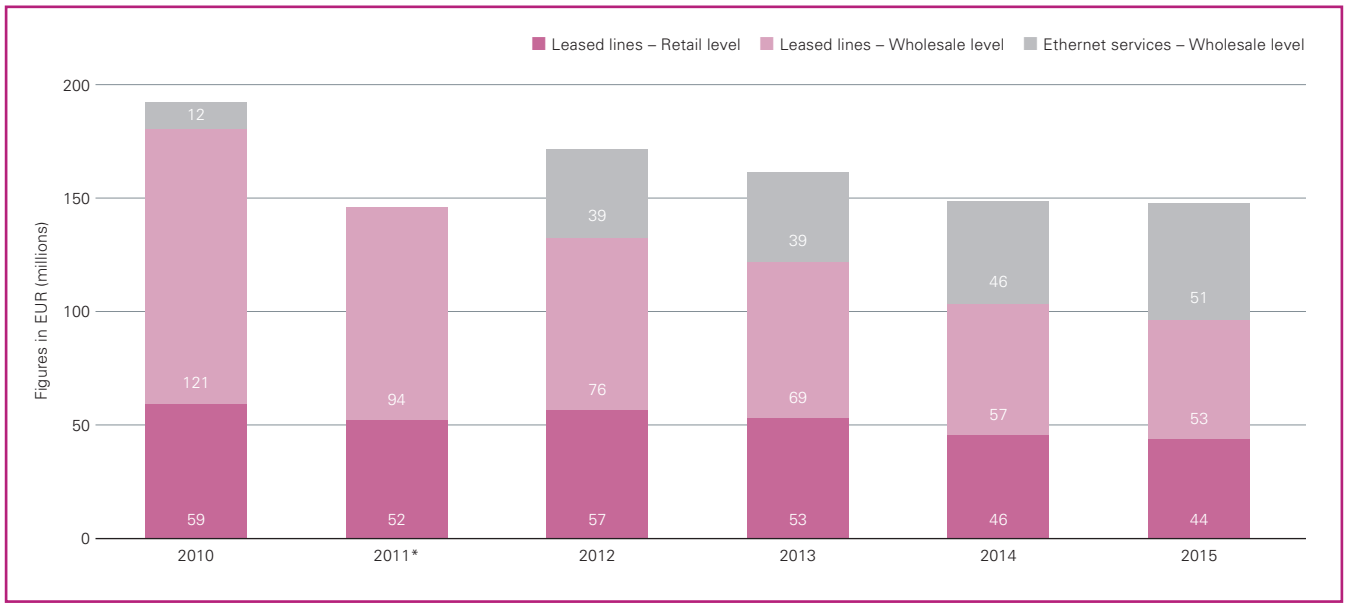
At wholesale level, it is necessary to distinguish between trunk segments and terminating segments. Trunk segments refer to those leased lines and Ethernet services that do not extend to the user's network termination point and serve to link exchange points in those 28 Austrian cities and towns where A1 has established points of interconnection (POIs) with other telecommunications operators. Terminating segments, in contrast, refer to those leased lines or Ethernet services at wholesale level which are not classified as trunk segments.

Alongside A1, the major providers of leased lines and Ethernet services at the end of 2015 were Energie AG Oberösterreich Telekom, Tele2, Salzburg AG, T-Systems Austria, kabelplus and Wien Energie.

Figure 28 shows the volume of revenues generated in Austria through national leased lines and Ethernet services from 2010 to 2015, according to segment. Total revenues from leased lines and Ethernet services remained stable in 2015, after a steady decline in previous years. Nonetheless, a strong trend towards substituting leased lines with Ethernet services, which are more economical and support more flexibility in practice, continues to be observed.[13]

[13] The category of leased lines additionally includes leased lines with Ethernet interfaces, which when viewed from the demand side and in terms of price are closer to Ethernet services.

Figure 28: Revenues from leased lines and Ethernet services 2010–2015



* Revenue data were not available for Ethernet services in 2011.

Note: Due to subsequent corrections by the operators, the values shown here differ slightly from those listed previously in the 2014 Communications Report.

Source: RTR

11 RTR's activities as a competence centre

11.1 Media Division

11.1.1 Study on the "Quality of Daily Information in the Austrian Media"

This study led by Dr. Josef Seethaler, Deputy Director of the Institute for Comparative Media and Communications Studies, was the first time that an analysis of news content had been carried out, involving a cross-media and systematic examination of transparency, variety, relevance and professionalism in the four media sectors of daily newspapers, radio, television and online.

For the purposes of the study, daily news in 36 different media was examined on 24 randomly selected days in 2014; this included eleven different broadsheet and tabloid newspapers ranging from Der Standard and Die Presse through Kleine Zeitung to Heute. The electronic media evaluated included national ORF television channels (except ORF SPORT +), as well as ATV, PULS 4 and ServusTV, the nationwide and four regional ORF radios, the nationwide private-sector radio KRONEHIT and five other regional private radio stations, as well as the online providers orf.at, derstandard.at, krone.at, oe24.at and gmx.at.

On the one hand, the study now scientifically confirms common assumptions, making specific mention for example of Die Presse, Der Standard and the ORF information services, whereas according to the study the ORF is very limited in terms of how it can present information due to its statutory duty to remain objective. On the other hand though, the study contradicts some preconceptions and also attests to the high quality of information provided by private stations and channels, as they often scored well at classifying daily events and therefore providing guidance.

It is with these very aspects of guidance and classification that online services in particular sometimes performed very well, as they (can) often cover topics in much more detail than 'conventional' media providers; furthermore they frequently amass a particularly varied range of information via cross references to other online publications related to the same topic.

The study, which was largely financed by RTR and the Austrian Academy of Sciences (ÖAW), entitled "Quality of Daily Information in the Austrian Media" was also supported by Erste Bank and the City of Vienna, and was published as part of a publication series by RTR. It is available online (in German) at www.rtr.at/de/inf/SchriftenreiheNr12015.

11.1.2 Research Institute for Electronic Mass Media Law (REM)

REM was founded in 2005 and is established as a non-profit association within RTR. Also in the year 2015, REM devoted its efforts to the scientific study of the legal issues affecting electronic mass media.

The members of REM's Board of Directors are: Michael Holoubek (Vienna University of Economics and Business, Constitutional Court – VfGH, Chair) Hans Peter Lehofer (Austrian Administrative Court – VwGH), Barbara Leitl-Staudinger (University of Linz, VfGH), Alfred Grinschgl (RTR), Walter Berka (University of Salzburg), Christoph Grabenwarter (Vienna University of Economics and Business, VfGH), Michael Ogris (KommAustria) and Michael Traimer (Austrian Federal Chancellery).

REM held a workshop on 23 April 2015 on the topic of "Advertising Restrictions in Broadcasting in Practice".

REM's Austrian Broadcasting Forum (Österreichisches Rundfunkforum), which facilitates an exchange of views among researchers and practitioners on issues affecting broadcasting law, took place for the eleventh time on 15 and 16 October 2015. The forum dealt with the activities of private individuals on the web from a number of perspectives, under

the heading of "Citizens in the Web". The presentations covered a wide range of topics including citizen journalism, data protection online, 'shitstorms' and the limits (set in criminal and civil law) for weblogs, user forums and other commentaries on the web.

11.2 Telecommunications and Postal Services Division

11.2.1 Internet Society Competence Centre (Kompetenzzentrum Internetgesellschaft): coordinator for promoting ICT

The Internet Society Competence Centre (KIG), for which RTR provides operational support, was established in 2010 and works together with Internet Offensive Austria (Internetoffensive Österreich - IOÖ) to drive development in the field of information and communication technologies in Austria (ICT). Among industrialised countries, Austria currently ranks in the middle of the pack by international comparison in terms of the progressiveness of its ICT sector.

One focal point in the 2015 reporting year was preparing the third catalogue of priorities, which presents 21, largely new projects in the field of ICT.

The 21 projects from public administration, the economy and science were selected partly on the strength of their relevance for the "Cornerstones of an ICT strategy" ("Eckpunkte einer IKT-Strategie"), which was published in 2013 by KIG and is being further developed as stipulated in the Austrian government programme. The projects are also designed to help improve Austria's position compared to other countries, primarily in the Networked Readiness Index, an indicator measuring the progressiveness of the ICT sector in a country. The third catalogue of priorities was formally acknowledged by the Ministerial Council on 16 February 2016, and presented to the general public on 18 February as part of the ICT Convention organised by the IOÖ.

11.2.2 Study on user behaviour with communication services

Telecommunications are vitally important for both Austrian households and for companies and have increasingly gained in importance recently particularly due to the development of data-based communications. This is clearly demonstrated by the results of the study entitled "The Austrian Telecommunications Markets from the Perspective of Consumers in 2015", which was conducted by RTR in 2015 during a market analysis. More than 2,000 Austrian households and more than 1,000 companies responded to the questions. The study is available (in German) at: www.rtr.at/de/inf/BerichtNASE2015.

Fixed network phones abandoned in favour of mobile phones

The share of households without a fixed network telephone has more than doubled in ten years: this amounted to almost 60 percent of Austrian households in 2015. A very small proportion of Austrian households (2.8%) only have a fixed network connection, but no mobile phone.

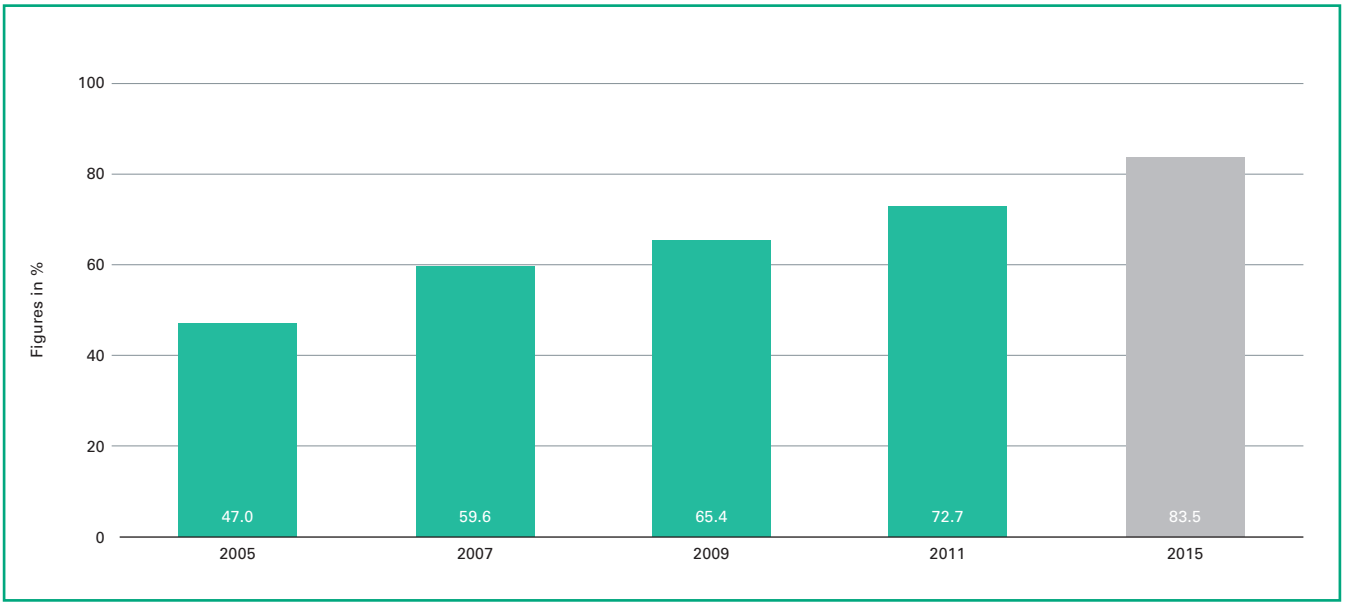
Despite higher prices, mobile phone customers reluctant to switch

The result on the topic of willingness to change providers is quite surprising. Although 40.3% of the mobile phone users surveyed have been affected by higher prices in the last two years, only 6.7% of them actually changed providers. For 56.2% of them this was due to the lack of cheaper alternatives, while 35.7% believed the price hikes were not high enough to warrant changing.

Internet connections of Austrian households up significantly since 2005

In 2015 some 83.5% of Austrian households had an internet connection. This figure has risen by 36.5 percentage points since the first RTR survey in 2005.

Figure 29: Households with internet connections in 2005, 2007, 2009, 2011 and 2015



Source: RTR

The internet penetration of the population is, at about 85%, highest among those aged between 16 and 49, but just around 40% for the older population above the age of 70.

The proportion of Austrian households without an internet connection in 2015 still totalled 16.5%. The reasons given were that they had no need for the internet, they use it elsewhere, they do not have a computer or they are not well-versed in such things. These results show that there is still some educational work and support needed to bring about a comprehensive inclusion of all groups in the population.

11.2.3 RTR-NetTest

The RTR-NetTest is a tool developed by RTR that has allowed consumers to check the speed and quality of their internet connection, free of charge, reliably and independently of their provider since the beginning of 2013.

The test measures a number of parameters of the internet connection. These include the upload and download speeds, latency (ping speed) and signal strength. In addition, the RTR-NetTest provides data on the access method used for the connection (GPRS, EDGE, UMTS, HSPA, LTE, LAN or WLAN), specific measures relating to location and identifies the operator of the fixed or mobile network used for internet access. The RTR-NetTest is available as a mobile app for Android and iOS as well as a browser test, at www.netztest.at/en.

RTR-NetTest: versatile

Yet RTR uses the RTR-NetTest itself as well to meet its own statutory obligations from the Telecommunications Act. For example, the RTR-NetTest is used by the conciliation body in conciliation cases where necessary. Furthermore, the RTR-NetTest tool provides fixed and mobile network operators as well as third parties with valid and reliable data for statistical and scientific evaluation as well as analysis.

In the past year roughly 477,000 measurements were carried out in Austria using the RTR-NetTest (with a location accuracy of < 2 km). Roughly 236,000 tests were related to mobile measurements, while the number of 4G measurements totalled about 140,000.

11.3 Public relations work: information and transparency

The Austrian Communications Authority (KommAustria), the Telekom-Control-Kommission (TKK), the Post-Control-Kommission (PCK) and RTR rely on numerous public relations tools to communicate regulatory activities.

In the reporting year for example, a total of 54 press releases were published and four press conferences held to provide timely information about regulatory decisions and regulatory topics. In addition, numerous media inquiries were answered and individual interviews conducted with media representatives.

New website focusing on clarity

The www.rtr.at website is the central means of communication for regulatory activities and also for various promotional measures, ensuring comprehensive information and transparency. The site also offers a range of e-government and online services for both companies and users. A relaunch was carried out in 2015 to modernise the now outdated website and additionally enable it for mobile devices. Another objective of the website revamp was to make content easy for the respective target groups to find, as well as to improve the clarity and meet accessibility requirements.

The new website went 'live' in July 2015. The most visited pages on the RTR website include the RTR-NetTest (www.netztest.at/en), the search for assigned numbers (www.rtr.at/en/tk/Rufnummernsuche) and the disclosures on the Act on Transparency in Media Cooperation and Funding (in German) (www.rtr.at/de/m/veroeffentl_medkftg_daten).

Publications: variety of content

The content of publications released every year is broad. The publications released in 2015 include: the Communications Report, which covers all legally required reporting duties of the body; the report on the activities of the conciliation body on developments and problem areas in issues relating to end-consumer arbitration; the RTR Telecom Monitor and the RTR Post Monitor, which provide market data on the respective sectors; and the RTR newsletter RTR AKTUELL. Furthermore, the studies "Quality of Daily Information in the Austrian Media" and "The Austrian Telecommunications Markets from the Perspective of Consumers in 2015" were published.

Enquiry management: increased complexity of enquiries

The large number of telephone and written enquiries answered by the RTR team each year demonstrates the public's perception of the regulatory authority as a competent point of contact. While the number of enquiries dropped from 2014 to 2015, the complexity of the questions has risen sharply in recent years. This is why tailored, detailed responses are required for the vast majority of enquiries. The subjects of the enquiries in the reporting year related to the entire scope of the regulatory authorities' activities, with the majority concerning end users. In respect of end-user matters, the written and telephone enquiries provide important information about the problems which could arise in subsequent conciliation procedures. The trend over the years is that the increase in the number of enquiries correlates with the development in conciliation procedures.

Table 17: Volume of enquiries, 2011 to 2015

	2011	2012	2013	2014	2015
Number of enquiries to rtr@rtr.at	4,263	3,572	2,817	3,300	2,262
Number of phone enquiries	6,578	4,909	3,497	4,034	2,640

Source: RTR

A team is available workdays from 8:00 am to 5:00 pm at the service hotline 0810 511 811 to answer enquiries by phone. Responses were given to a total of 2,640 telephone enquiries in 2015. As in previous years, the major focuses were content services, contract disputes and fees charged for mobile data services.

12 Appendix

12.1 Tables

12.2 Figures

Publishing information

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