

COMMUNICATIONS REPORT

2019

Rundfunk und Telekom Regulierungs-GmbH

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communications report 2019

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Preface

Dear reader,

COVID-19 took everyone by surprise. Public and private life saw radical changes overnight. Carrying on with a job, university course or classroom instruction while staying at home suddenly became a real challenge. Comprehensive, fact-based information on what was happening outside became a central need. Streaming platforms saw unprecedented popularity as a source of leisure activity, especially since sports were banned or heavily restricted. In recent weeks it has become fully clear to each and every one of us what is important and necessary to be able to meet these new challenges: a fully functioning and independent media landscape as well as a robust digital infrastructure, along with a broad set of high-quality digital media services.

Making sure that these are maintained is our role at RTR, KommAustria and the TKK. Our joint responsibility is to create and secure a regulatory framework to ensure that digitalisation progresses smoothly and to our benefit in all areas of our lives. For some time now, our efforts have been focused on the digital transformation and how we can guide this process through convergent approaches that meet even future challenges. This is about ensuring transparency and quality for users of communications products and services, providing businesses with reliable conditions for operating and investing, and making Austria more attractive and competitive as a location for business activities. The overriding aim here is to ensure some benefit for every resident of our country, with each individual as well as society as a whole profiting from the added value created.

At RTR, both our technical standards and our organisation have for some time been enabling us to interact virtually with all market players, businesses and consumers alike, in providing our services. Long before the appearance of coronavirus, RTR had started migrating its public administration services to a digital platform, encompassing both RTR's direct responsibilities as well as those performed on behalf of KommAustria, the TKK and the PCK. The eRTR portal for communications service providers was launched back in 2003. Following that initial spark, all our digitalisation efforts have continued to move forward. Since then we have successively broadened our services through the addition of e-government applications. Another milestone was set with the introduction of eingabe.rtr.at, the digital contact platform, in 2019, allowing documents to be submitted under the most stringent security standards and ensuring legal certainty.

In publishing this 2019 Communications Report, we wish to present information on our regulatory activities in 2019 to everyone with an interest in digital developments in our country. Here you will also find complete details of our activities as a competence centre and about RTR as a private-sector organisation. We also present this report in fulfilment of our statutory reporting requirements under the KommAustria Act (KOG) and the Telecommunications Act 2003 (TKG 2003). In addition, we describe the developments and trends in the markets falling within our regulatory scope.

In the hope that this report will enhance the transparency of our work, we wish you interesting reading.

Vienna
June 2020

Mag. Michael Ogris

*Chairperson
KommAustria
Austrian Communications Authority*

Mag. Nikolaus Schaller

*Chairperson
Telekom-Control-Kommission and
Post-Control-Kommission*

Mag. Oliver Stribl

*Managing Director
Media Division
RTR*

Dr. Klaus M. Steinmaurer

*Managing Director
Telecommunications and Postal Services Division
RTR*

Promoting. Digitalisation.

At the time of publication in summer 2020, this Communications Report reads differently than the ones of previous years. As always, we document activities, strategies and market observations from the previous year, thereby demonstrating our commitment to fulfilling our statutory mandate. The pandemic spread of coronavirus, as well as the measures with which we as a society respond to this threat and its impact, make for a special context, one that casts a special light on some of our accomplishments 2019, especially in the Media Division.

Thanks to the digitalisation of working and private life, our population is well able to work from home, as has now been proven. Thus, in 2020, we have again experienced how digitalisation and online services have become important and indispensable pillars of society. Already back in 2019, we at the RTR Media Division and KommAustria took measures in this regard that paid off in unimaginable ways in 2020. We took steps towards digitalisation within our organisation as well, while consistently expanding and optimising our e-government services. Via the eRTR platform and the submission portal launched in December 2019, it is now possible to submit – digitally and with assured legal effect – all funding applications, entries, complaints, required updates and reports, as well as other concerns. And this can be done easily and at anytime, with no contact required.

Digital broadcasting and online media provide a variety of content and diversity of opinions that in the crisis largely meet both the need for information and the desire for entertainment, especially under the conditions prevalent during lockdown. DAB+ digital radio was launched in 2019, after extensive preparations involving market participants, and since has noticeably diversified radio broadcasting. Accordingly, the task of supporting and regulating the market is becoming ever more complex and exciting.

The successful launch of DAB+ in Austria was also a result of the Digitisation Fund, which provided funding that was possibly vital for introduction. In a small-scale yet fiercely competitive (advertising) market like ours, it is challenging to refinance new companies and projects whilst maintaining the competitiveness of existing products. This realisation, while obviously not new, is the motor driving all media funding within our scope of responsibility. National and regional information, domestic TV, radio and print products, and our own film and TV productions are vital for maintaining our identity. At the same time, the pressure from non-Austrian content with broad audience appeal is growing, and with it the need to fund the Austrian market. Policymakers have responded through important changes. Since 2019, an additional EUR 5 million are at our disposal in the Private Broadcasting Fund. Now, with a total of EUR 20 million, we can additionally fund the production of programmes including those of two TV news channels recently launched in Austria. That is a significant gain in diversity of opinions.

With the introduction of DAB+, the digitalisation of broadcasting in Austria has basically been completed, especially since the Austrian FM radio landscape will not migrate to a digital platform in the foreseeable future. For our Digitisation Fund this means an opportunity to adapt to respond to new, even bigger challenges. We need to use our digital infrastructure and develop new ideas and products as alternatives to international players competing in the Austrian market. The fact that in 2019, for the first time, we used the Austrian Television Fund to finance an Austrian series with support from streaming giant Netflix is no contradiction. Rather, it was a milestone for us and the Austrian film industry, as the ultimate goal is to take advantage of every emerging opportunity and use every argument at our disposal.

**Mag. Oliver Stribl**

*Managing Director
Media Division
RTR*

Cyber security:

an issue of the future and for the future

'Cyber security' involves every facet of security in the domain of information and communications technology. This means expanding the scope of traditional IT security to include every aspect of cyberspace. This and similar definitions are largely responsible for the fact that broad segments of the general public associate the issue of cyber security with computer freaks, nerds and hackers. Most then decide that the subject is far too complex and better left for others to deal with. This leads us to the core of the issue: who indeed should be dealing with cyber security?

As the title above implies, cyber security is an issue impacting countless areas of society. Correspondingly, numerous players are involved in one way or another. The telecoms sector plays a key role here, with telecoms networks and the services they deliver representing the backbone communications technology for today's knowledge society – the umbilical cord, as it were, connecting us to cyber space. The COVID-19 crisis has lucidly demonstrated once again the tremendous potential already available through modern – and domestic – technologies. Office work, schooling and university studies; meeting with family and friends; attending concerts and theatre performances or visiting museums; viewing the latest blockbuster movie at home; enjoying multi-player games; shopping for fashion, electronic gadgets or food: all this and more has long since been possible without even having to open the front door. Every such example from private life is paralleled by numerous others from public administration, business and industry, agriculture and tourism and much more. In short, more and more areas of our lives are becoming dependent on modern communications infrastructures. And the more we depend on such technologies, the more the security of the components and services involved will become a key factor.

Awareness of this fact is leading the European Commission and national governments to focus on the issue of cyber security and take appropriate targeted action. Here the rollout of the new 5G networks, along with associated services, has been playing a pivotal role for over a year. Not only is this designed to enable even faster mobile broadband in the coming years; it is also intended to be a catalyst to encourage more widespread availability of the Internet of Things (IoT) and machine-to-machine (M2M) communications, and to enable real-time applications. RTR sees these developments as reflecting its activities in recent years, thus confirming the course previously charted by the regulatory authority. From RTR's security checks to the definition of minimum security measures and the authority's role as contact point for reporting security violations, RTR's efforts cover a broad spectrum that fits seamlessly into the EU's programme of action. In retrospect, sector-wide risk analysis has proven to be another initiative that points the way to the future. The analysis – now carried out regularly in cooperation with the ministries responsible for security and with industry representatives – has both yielded vital security recommendations and formed the basis for the 5G risk analysis that was required in 2019. The most recent result of RTR's efforts towards enhancing cyber security in the domestic telecoms market is the Telecommunications Network Security Ordinance (NSiV 2020). The ordinance is intended as a more detailed specification of the network security measures previously set out in the Telecommunications Act 2003 (TKG 2003), supplemented by regulations relating specifically to 5G that are taken from the European Commission's 5G toolbox. Currently being drafted in consultation with the Federal Ministry of Agriculture, Regions and Tourism, and the Federal Ministry of the Interior, the ordinance is slated to take effect as of June 2020.

Yet, are Austria's networks and services so at risk as to warrant all this effort? Here we respond firmly with 'no'. The matter is critical nonetheless. Most recently, the COVID-19 crisis impressively demonstrated how unshakeable Austria's networks and services are, even when the behaviour of millions of users radically changed from one day to the next. Here we recall the situation suddenly confronting networks (and other infrastructure) in mid-March 2020. Towns and villages, and later an entire region, were put under blanket quarantine; residents were called upon to refrain from unnecessary movement or, better still, not even leave their homes; travel warnings were issued and the borders shut down; friends and families had to remain apart; and many faced economic restrictions and even joblessness. Altogether, these changes led to a massive need for telecommunications services, either in the form of voice telephony or various types of internet services. One fact deserves prominent mention and special praise in this year's RTR Communications Report: Austria's networks not only handled this once-in-a-century demand rise with little difficulty for the most part; Austrian network operators also demonstrated exceptional crisis management, proving themselves to be mainstays in the midst of highly turbulent times. The ability displayed by all of Austria's providers, both large and small, to respond quickly and flexibly and deploy large numbers of staff, ensured that at no time during the crisis were domestic networks really pushed to capacity limits. And we and the telecoms sector indeed take some small pride in this achievement. Reliable coverage with networks and services as well as conventional security need to be consistently guaranteed and enhanced in the future. To ensure this happens, authorities together with industry stakeholders continue to discerningly grapple with security issues on an ongoing basis.

Finally, 'together with the industry' is also the caption best describing the outlook on RTR's further plans for cyber security. The past year once again demonstrated the key role cooperation plays in achieving success. This holds true for cooperation with various sides: the federal ministries and national bodies responsible for security issues; the network operators, service providers and bodies representing their interests; manufacturers and internet community advocates; or our partners at European level, including the European Commission, the European Union Agency for Cybersecurity (ENISA), the NIS Cooperation Group (NIS-CG) and the Body of European Regulators for Electronic Communications (BEREC). RTR will continue to endeavour to steer a middle course between meeting its responsibilities as a national regulatory authority and helping to ensure that worthwhile and feasible security measures are developed and implemented for the industry. Ideally, we will also achieve this in future through interaction between public and private actors, that is, through the ongoing involvement of and consultation with the sector. For RTR, cyber security is not simply one of several factors figuring into Austria becoming a digital nation; rather, cyber security is a necessary and fundamental prerequisite for more fully connecting the world. Not something just for computer freaks, nerds and hackers but for society as a whole.

**Dr. Klaus M. Steinmaurer**

*Managing Director
Telecommunications and Postal Services Division
RTR*



RTR

and the regulatory authorities

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01

RTR

and the regulatory authorities

1.1 Our company: we stand for competition and media diversity

The Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) is wholly owned by the Republic of Austria. RTR's core mandate is to promote competition in the broadcasting, telecommunications and postal markets as well as to achieve the goals set out in the KommAustria Act and the Telecommunications Act. RTR is headed by two managing directors and structured into two specialist divisions: the Media Division, and the Telecommunications and Postal Services Division. RTR also serves as an administrative agency, providing support to the Austrian Communications Authority (KommAustria), the Telekom-Control-Kommission (TKK) and the Post-Control-Kommission (PCK). With the funds under its administration, RTR supports projects in the broadcasting and media sectors. The two specialist divisions within RTR additionally offer alternative dispute resolution services, also via RTR's officially recognised consumer arbitration centres.

In the 2019 reporting year, Oliver Stribl headed the Media Division. The Telecommunications and Postal Services Division saw a change of management, with Klaus M. Steinmaurer succeeding Johannes Gungl as managing director effective 1 July 2019.

As a public corporation, RTR follows the requirements of the 2017 Federal Public Corporate Governance Code, which takes into account the special responsibility and duty to exercise the diligence that state-owned and state-affiliated businesses – as owners of state property – owe towards such property and thus towards the public. The RTR Corporate Governance Report is published (in German) on the RTR website at www.rtr.at/de/rtr/Aufsichtsrat.

Further information on RTR can be viewed at www.rtr.at/en/rtr/Ueberuns.

Personnel changes in 2019: change of managing director for the Telecommunications and Postal Services Division, and new Supervisory Board member

The year 2019 saw a change in the senior management of the Telecommunications and Postal Services Division. Johannes Gungl, Managing Director of this Division of RTR since 2014, was succeeded by Klaus M. Steinmaurer as of 1 July 2019.

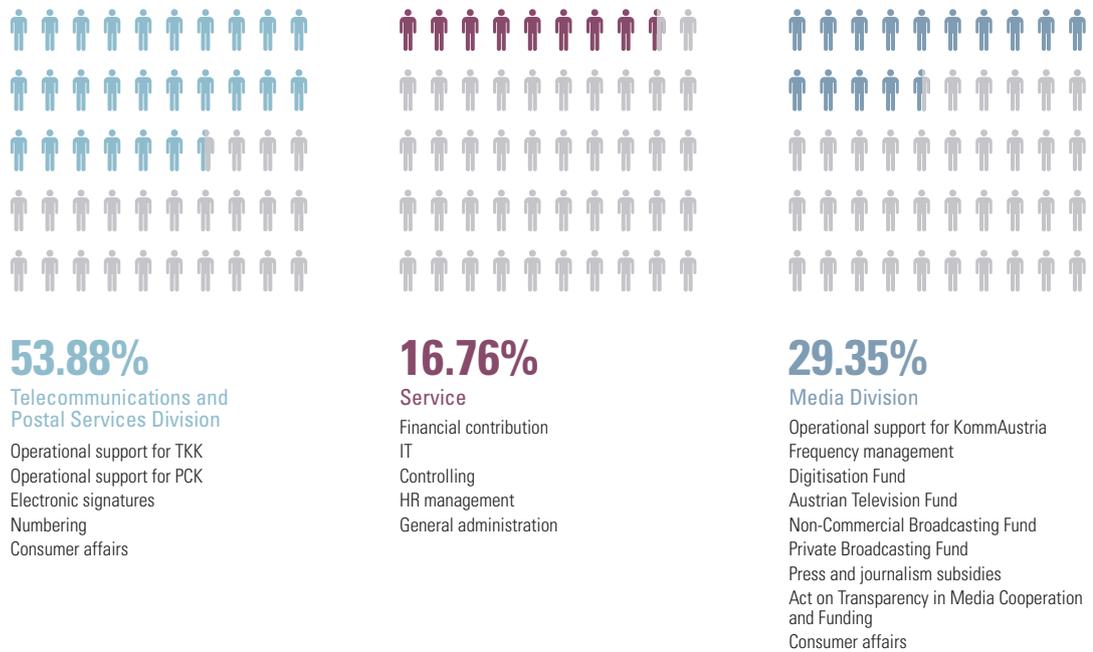
Changes were also seen in RTR Supervisory Board membership in 2019, with the Federal Ministry of Transport, Innovation and Technology portfolio passing to Andreas Weber from Alfred Ruzicka, who had served in this capacity since 2009.

The management change at RTR also marked the start of an organisational restructuring process in 2019, including the establishment of a staff department for Digital Transformation and a new team for International Relations within the Telecommunications and Postal Services Division. This restructuring process will continue in 2020.

RTR staff members: subject specialists in their areas of expertise

The figure below shows the relative proportion of personnel assigned to the two specialist divisions and the service area.

FIGURE 01: SERVICE DEPARTMENTS, MEDIA DIVISION, AND TELECOMMUNICATIONS AND POSTAL SERVICES DIVISION AS OF 31 DECEMBER 2019



As shown in the table below, staff size in 2019 remained virtually the same compared with previous years.

TABLE 01: RTR STAFF SIZE 2017 – 2019

STAFF AS OF 31 DECEMBER (IN FTES)	2017	2018	2019
Telecommunications and Postal Services Division	52.825	53.075	54.629
Media Division	30.175	31.200	29.758
Service	17.800	16.300	16.996
TOTAL RTR	100.800	100.575	101.383

Source: RTR

Continued training: RTR as a Centre of Excellence

The expertise of our staff members is the defining quality of RTR's work as a regulatory authority. Staff development – both in a personal and professional capacity – is therefore a subject of particular importance at RTR. A total of 319 days were invested in training and education in the reporting year, which amounts to 2.7 days per person.

In line with promoting RTR as a centre of excellence, a strategic staff development programme was accordingly started, which is oriented on RTR's long-term corporate objectives and facilitates the targeted deployment of resources.

A day in the life of a regulator: internships at RTR

We at RTR wish to provide interested young people with insights into our work as a regulatory authority. We do this by offering internships during school holidays to allow students to get to know RTR. A total of four young people took advantage of this opportunity in 2019.

In addition, a job rotation programme also offers public service employees the chance to experience at first-hand how we at RTR take care of our wide and varied responsibilities. Two individuals took advantage of the programme in 2019.

Knowledge management at RTR: visualising knowledge

Since 2018, knowledge management at RTR has been concentrated in one department, with the aim of analysing knowledge management processes within RTR in order to further develop and align them with the organisation's objectives.

The next steps here will target the integration of knowledge management with RTR's business processes and workflows.

RTR's journey to becoming a digital regulator

RTR faces the challenge of providing its staff with a digital infrastructure that consistently reflects technological advances while ensuring that its customers are given modern and convenient digital access to all of RTR's services.

Following the upgrading of our client infrastructure in 2018, the server, MFP and network backend systems were all modernised during the 2019 reporting year.

Digital contact platform for legally compliant communication

The project for relaunching RTR's e-government website was completed in 2019. One key feature is a new (German-language) portal for submitting documents, which went online at eingabe.rtr.at in late 2019. This portal facilitates the legally compliant submission of any type of document to the KommAustria, PCK and TKK regulatory authorities as well as to RTR. Immediately after sending their documents, users receive a PDF certificate signed by the authority as an electronic 'proof of postage': this ensures that they have an official, timestamped record of document submission – which is important for documents related to appeals, for example.

Another important feature added in 2019 was an online application form for grants from the Private Broadcasting Fund and the Non-Commercial Broadcasting Fund. This expansion to the service not only shortens the submission process for applicants but also significantly reduces the time taken internally for the processing of individual applications. Further additions to e-government services are planned in 2020. Beginning with the first application deadline in 2020, applications for press and journalism subsidies can also be submitted via the eRTR portal. Other features planned for 2020 include online applications to the Austrian Television Fund, and the online submission of final reports as required by the Private Broadcasting Fund and the Non-Commercial Broadcasting Fund.

Workplace health promotion initiative: a focus on employee well-being

The workplace health promotion initiative continued in 2019, with workplace inspections, eye examinations, vaccinations and medical check-ups again being offered by an occupational health specialist.

Special back fitness classes were also organised for employees, to alleviate the effects of the mostly sedentary activities that staff tend to engage in.

Equality at RTR

In 2019 equality work at RTR mainly involved revisions to the organisation's equality policy. The new equality policy was agreed on between executive management, the equality officer and the works council during the second half of the year, and subsequently signed by all parties in early January 2020. Other results of this work included an income equality report and a report looking at equality as a factor in the use of vocational training and CPD courses. No indication of systematic discrimination was identified by these reports.

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

1.2 RTR's financial statements for 2019

The external auditors at Confida Wirtschaftstreuhandges mbH have issued an unqualified audit certificate confirming RTR's financial statements for the 2019 business year (1 January to 31 December 2019). The financial statements presented below were prepared in accordance with the Austrian Commercial Code (UGB) as amended.

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

Financing

RTR is funded by various sources, depending on the areas of activity in question. Market participants are required by law to assume a portion of the financing, while public funding is also tapped. The financial contribution is calculated based on each entity's estimated revenues in relation to total sector revenues. Once the actual revenues have been determined, the actual financial contributions are calculated and compared with the estimated financial contributions. To simplify administration, entities falling below a certain revenue limit, or threshold, are not required to pay financial contributions.

In 2019, RTR received federal funds amounting to EUR 1.666 million to finance media regulation; the share for financing the market was 60.35 per cent, equivalent to EUR 2.536 million. Public funds totalling EUR 2.698 million were awarded for the regulation of the telecoms market; market participants contributed EUR 4.776 million, which corresponds to 63.91%. For postal service regulation, EUR 0.225 million was allocated from the federal contribution, with the remaining expenditure, amounting to EUR 0.388 million or 63.32 per cent of the total, contributed by market participants.

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

More information is available at www.rtr.at.

RTR closed the 2019 business year (1 January to 31 December 2019) with a balanced result.

**TABLE 02: PROFIT AND LOSS ACCOUNT FOR THE BUSINESS YEAR
FROM 1 JANUARY TO 31 DECEMBER 2019**

	2019 in EUR		2018 in EUR thousands	
1. Net income		13,811,421.40		13,457
2. Other operating income				
a) Income from the disposal of fixed assets (excluding financial assets)	2,560.03		13	
b) Income from the release of provisions	19,694.69		28	
c) Other	1,361,373.63	1,383,628.35	1,140	1,181
3. Personnel expenses				
a) Salaries	-7,604,449.37		-7,417	
b) Social expenses				
ba) Pension insurance expenses	-250,962.71		-246	
bb) Severance pay expenses and contributions to staff provision funds	-104,832.47		-114	
bc) Statutory social insurance contributions as well as payroll-related fees and mandatory contributions	-1,863,911.30		-1,844	
bd) Other	-107,451.69	-9,931,607.54	-107	-9,728
4. Amortisation and write-downs of intangible assets, depreciation and write-downs of tangible assets				
a) Depreciation, amortisation and write-downs	-479,934.68		-373	
b) Release of investment grants	109,463.81	-370,470.87	75	-298
5. Other operating expenses				
a) Other	-4,905,958.15		-4,664	
b) expense subsidy	0.00	-4,905,958.15	45	-4,619
6. Subtotal of Items 1 to 5		-12,986.81		-7
7. Income from other securities held as long-term investments		20,920.00		20
8. Other interest and similar income		5,515.29		2
9. Income from the disposal of and additions to financial assets		6,345.00		9
10. Expenses for financial assets				
Impairment		-4,100.00		-1
11. Subtotal of Items 7 to 10		28,680.29		30
12. Result before taxes		15,693.48		24
13. Taxes on income		-6,878.13		-10
14. Result after taxes / net annual income		8,815.35		14
15. Release of profit reserves		0.00		0
16. Appropriation to profit reserves				
Appropriation to free reserves		-8,815.35		-14
17. Profit carried forward		0.00		0
18. Net result		0.00		0

Sector-specific expenditure in RTR's specialist divisions

In the annual financial statements submitted by RTR, funding use is not reported by division. In view of this, table 03 provides a breakdown of the main items listed in RTR's profit and loss accounts for the Telecommunications and Postal Services Division and the Media Division (as specified in Art. 19 Par. 3 no. 3 KOG).

TABLE 03: RTR INCOME AND EXPENSES BY DIVISION

In EUR thousands	Telecommunications and Postal Services	Media	Total
Net income	8,231	5,581	13,812
Other operating income	670	714	1,384
Personell expenditure	-6,463	-3,468	-9,931
Depreciation, amortisation and write-downs	-260	-111	-371
Other operating expenses	-2,185	-2,722	-4,907
Operating result	-7	-6	-13
Financial result	19	10	29
Result before taxes	12	4	16
Taxes on income	-4	-3	-7
Result after taxes / net annual income	8	1	9
Release of profit reserves	-8	-1	-9
Profit carried forward	0	0	0
Net result	0	0	0

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 2019 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 04: BALANCE SHEET AS AT 31 DECEMBER 2019 – ASSETS

	2019-12-31 in EUR		2018-12-31 in EUR thousands	
A. Fixed assets				
I. Intangible assets				
1. Industrial property and similar rights	591,135.51		418	
2. Prepayments	145,389.75	736,525.26	0	418
II. Tangible assets				
1. Buildings on third-party land	286,971.93		366	
2. Other equipment, operating and office equipment	474,232.55	761,204.48	290	656
III. Financial assets				
Long-term securities		2,937,408.16		2,935
		4,435,137.90		4,009
B. Current assets				
I. Receivables and other assets				
1. Trade receivables	1,467,998.44		1.301	
(Thereof with a maturity >1 year EUR 0 thousand; previous year: EUR 0 thousand)				
2. Other receivables and assets	983,918.39	2,451,916.83	701	2,002
(Thereof with a maturity >1 year EUR 0.00; previous year: EUR 154 thousand)				
II. Cash at bank and in hand		1,653,980.45		1,629
		4,105,897.28		3,631
C. Prepaid expenses		136,973.81		124
D. Trustee accounts – funds		22,256,470.90		17,120
		30,934,479.89		24,884

TABLE 05: BALANCE SHEET AS AT 31 DECEMBER 2019 – LIABILITIES

	2019-12-31 in EUR		2018-12-31 in EUR thousands	
A. Equity capital				
I. Called-up and paid-in nominal capital	3,633,641.71		3,634	
II. Capital reserves				
Appropriated	1,924.59		2	
III. Profit reserves				
Other reserves / free reserves	41,370.25		32	
IV. Net result	0.00		0	
Thereof profit carried forward (previous year: EUR 0 thousand)	0.00	3,676,936.55	0	3,668
B. Special item: investment grant		240,154.43		350
C. Provisions				
1. Provisions for severance pay	136,900.00		136	
2. Other provisions	1,454,225.00	1,591,125.00	1,345	1,481
D. Liabilities				
1. Trade payables (Thereof with a maturity <1 year EUR 1,188,718.39; previous year: EUR 733 thousand; thereof with a maturity >1 year EUR 0 thousand; previous year: EUR 0 thousand)	1,188,718.39		733	
2. Other liabilities (Thereof with a maturity <1 year EUR 1,841,837.44; previous year: EUR 1,443 thousand; thereof with a maturity >1 year EUR 0 thousand; previous year: EUR 0 thousand; thereof from taxes EUR 339,731.32; previous year: EUR 425 thousand; thereof from social security obligations EUR 189,874.13; previous year: EUR 178 thousand)	1,841,837.44	3,030,555.83	1,443	2,176
E. Deferred income		22,395,708.08		17,209
		30,934,479.89		24,884

1.3 National regulatory authorities KommAustria, TKK and PCK

One of RTR's main responsibilities is to serve as the administrative agency for the national regulatory authorities KommAustria, TKK and PCK, introduced briefly below.

Austrian Communications Authority (KommAustria)

The RTR Media Division provides support for all of the duties performed by KommAustria, Austria's regulatory authority for electronic audio media and electronic audiovisual media. 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 held the role of chair for KommAustria during the reporting year and Susanne Lackner served as deputy chair. Thomas Petz was appointed as a member of KommAustria effective 1 February 2019, after a vacancy arose as a result of the passing of Michael Truppe.

More information, including the KommAustria Rules of Procedure, is available at www.rtr.at/en/rtr/OrganeKommAustria.

Telekom-Control-Kommission (TKK) and Post-Control-Kommission (PCK)

The TKK is responsible for regulating the telecommunications market in Austria. The PCK is the regulator for the postal services market. The two regulatory authorities are assisted by the experts at RTR's Telecommunications and Postal Services Division.

The TKK and PCK each comprise three primary members and three substitute members who act independently and autonomously. Each member is appointed by the federal government for a term of five years. During the year under review, Nikolaus Schaller, justice at the Vienna Regional Court (Oberlandesgericht), held the position of chair. Elfriede Solé, senior official with the Austrian Supreme Court of Justice, served as deputy chair.

More detailed information is available on the RTR website at www.rtr.at/en/rtr/OrganeTKK and www.rtr.at/en/rtr/PostControlKommission.



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Regulatory activities

of KommAustria

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02 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 that ranges from regulation of market access for content services as well as general and specific monitoring of compliance with statutory provisions, and additionally includes infrastructure regulation, and press and journalism subsidies. It is responsible both for providers under private law (broadcasters, media service providers and communications network operators) and the Austrian Broadcasting Corporation (ORF) and its subsidiaries.

KommAustria decisions are published (in German) on the RTR website at www.rtr.at/de/m/EntscheidungenGesamtrf.

2.1 Access to media markets

KommAustria regulates access to the media market by assigning broadcasting frequencies, issuing licences for broadcasting, accepting and reviewing notifications from cable broadcasters and providers of on-demand audiovisual media services, and by reviewing new services prior to launch by the ORF or its subsidiaries.

2.1.1 Private radio broadcasting licences

The licensing procedures conducted by KommAustria during the period under review involved processing applications for creating new or expanding existing coverage areas, as well as officially tendering licences after expiry at the end of the legal term. Furthermore, numerous licences were also granted for radio event broadcasting and educational broadcasting.

Nationwide radio broadcasting

Since December 2014, KRONEHIT Radio BetriebsgmbH. has held a renewed, ten-year licence authorising private terrestrial broadcasting throughout Austria. The station broadcasts KRONEHIT, an adult contemporary radio format, across large parts of the country.

In 2019 the licensee was assigned a total of twelve tunnel radio broadcasting systems to expand its coverage throughout Austria, with the licence referred to above being modified accordingly. As a result, KRONEHIT Radio BetriebsgmbH. was again able to increase its coverage level in 2019. The licensee had consequently been assigned a total of 167 frequencies by the end of the current reporting period. Also during the reporting period, KRONEHIT Radio BetriebsgmbH. requested four changes to broadcasting equipment, which KommAustria subsequently approved.

For the first time, an additional nationwide licence was also awarded, to Antenne „Österreich“ and Medieninnovationen GmbH (now Radio Austria GmbH). On the basis of this licence, the station Radio Austria has been on air since November 2019.

Once in receipt of the licence, Radio Austria GmbH was assigned 48 frequencies, potentially allowing coverage of 61 per cent of the resident population. To expand and improve coverage under that licence, the licensee was awarded rights to operate two additional frequencies later in 2019, as well as additional single-frequency broadcasting facilities. Five procedures for assigning additional frequencies were still pending at the end of the period under review. Requests to modify broadcasting equipment were approved in five cases, some involving the assignment of radio data system programme identification codes (RDS PI codes).

Regional and local radio broadcasting

In the local and regional terrestrial broadcasting sector, a total of 18 procedures were carried out in 2019, eleven of which were still pending at the end of the reporting period. One licence procedure related to a licence relinquished by the previous holder that had to be resubmitted for tender and re-awarded as part of official duties. A final decision was issued in this case, awarding the licence for the coverage area referred to as 'Raum Köflach' (Köflach area) to WESTSTEIRISCHE KABEL-TV GesmbH.

Other cases were still pending as of the end of the reporting period, specifically, one procedure involving an expired licence that had to be re-awarded and four other licensing procedures in response to requests filed by parties for the creation of new coverage areas.

In a number of other instances, the parties applied for permission to expand existing coverage areas or improve coverage in existing areas. In response to those requests, the following frequencies were assigned by official decision:

- 'UNTERTILLIACH (Sangerberg) 100.0 MHz' to Radio Osttirol GesmbH
- 'BAD VOESLAU (Harzberg) 95.5 MHz' to Superfly Radio GmbH
- 'KIRCHDORF KREMS 4 (Lauterbach) 101.4 MHz' to Radio Arabella Oberösterreich GmbH & Co KG
- 'JAINZEN (FF Jainzen) 94.0 MHz' to Verein Freies Radio Salzkammergut, Verein zur Förderung freier, nichtkommerzieller Radioprojekte im Salzkammergut (FRS)
- 'ASPANG 2 (Kulmariegel) 89.6 MHz', 'S VALENTIN (Rittmannsberg) 101.6 MHz' and 'BERNDORF 2 (Guglzipf) 87.6 MHz' to Radio Eins Privatrado Gesellschaft m.b.H.
- 'GFOEHL (Silo) 94.9 MHz' and 'HORN 3 (Steindlberg) 103.0 MHz' to Radio Arabella GmbH

Five such procedures were still pending at the end of the period under review.

For the first time ever, KommAustria received an application for the assignment of a medium-wave frequency in 2019. The related procedure is still open.

Event and educational radio licences

Event radio refers to radio broadcasting licences granted for a maximum of three months that are used locally during and around the time of an independent public event. A total of ten event radio licences were issued in 2019 that were used to provide radio coverage for events in Vienna and Styria.

Educational radio licences refer to licences authorising an institution of education or training to broadcast radio programmes in the nearby vicinity. The purpose of these programmes must be related to the mission of the particular institution. Such licences can be granted for a maximum of one year. Eight licences of this kind were granted in 2019.

Procedures under telecommunications law

To simplify administration, the Telecommunications Act 2003 (TKG 2003) empowers KommAustria as a kind of 'one-stop shop', additionally authorising it to issue 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 based on applications under telecommunications regulations and with no direct relationship to broadcasting law. Cases of the latter kind usually relate to technical changes planned for broadcasting equipment, such as the use of new transmitter antennas, the relocation of transmission sites or increased transmission power.

In addition to the procedures described above relating to the two nationwide broadcasting licences, KommAustria approved five changes to broadcasting equipment in 2019, as well as two applications by private radio broadcasters requesting permission for test transmissions. Procedures involving a requested change to broadcasting equipment and a test transmission were still open at the end of the period under review. Tunnel radio systems for broadcasting were approved for one private radio broadcaster. KommAustria also approved 29 requests for permission to operate broadcasting equipment under broadcasting frequency bands to provide services other than broadcasting (for example to cover drive-in cinemas, conferences and similar events).

Radio broadcasting frequency assignments to the ORF

As part of its responsibility for assigning radio broadcasting spectra and for issuing corresponding permits under telecommunications law, KommAustria is also active where radio transmission systems used by the ORF are involved.

A total of four related procedures were carried out in 2019, each involving permits for ORF tunnel radio systems.

Nationwide digital radio

The MUX I multiplex platform began operating nationwide on 28 May 2019. Here two requests for changes to the programme line-up were approved. During the reporting period, five licences for the retransmission of digital terrestrial radio broadcasts were issued to allow migration from a regional to the nationwide platform. The broadcasters are: Arabella Digital GmbH, N&C Privatrado Betriebs GmbH, RTG Radio Technikum GmbH, Klassik Radio Austria GmbH and ERF Medien Österreich GmbH.

Regional and local digital radio

Two change requests relating to the programme line-up broadcast over the MUX II Vienna regional DAB+ multiplex platform were approved. In addition, four licences for digital terrestrial radio were issued during the period under review, to: Vienna Hood Music, HighLive Radio, Planet Sol and Radio Fantasy.

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

Nationwide television

A total of 20 changes to telecommunications licences for the nationwide multiplex platforms A, B, D, E and F were approved during the reporting period. Six changes to programme line-ups were also approved.

Preparations began in 2018 for freeing up the 700 MHz band, planned for mobile use (5G broadband service) starting in 2020. The aim is to ensure availability of the spectrum for mobile telecommunications as of 30 June 2020. In related cases, 19 changes under telecommunications law were approved in 2019.

Regional and local television

The licences listed below were issued in the period under review, permitting operation of new regional multiplex platforms (MUX C):

- MUX C – Western Styria and Graz central area, channel 29
- MUX C – Eastern Styria and Graz, channel 24
- MUX C – Außerfern region, channel 23

As of the end of the period under review, 15 licences to operate regional and local multiplex platforms were valid, allowing service to roughly 64 per cent of the Austrian population.

Also in the reporting period, 14 licences or approvals for the retransmission of digital terrestrial television were issued, to: kabel eins Doku Austria, ProSieben MAXX Austria, kanal3, oe24 TV, schau TV, VOL.AT TV, Oberland TV, RE / eins – Das Außerfernsehen, Servus TV, Schladming-Dachstein TV, ATV – Das Magazin, KULT1, LT1 Privatfernsehen and RTV. A total of seven changes to programme allocations and programme line-ups were also approved.

Satellite television licences

In 2019 KommAustria issued satellite television licences for seven channels: DM SAT, n-tv Austria, MediaShop Neuheiten, MediaShop Meine Einkaufswelt, MediaShop Immer etwas Neues, PULS 24 and MediaShop Life.

Media services subject to notification requirements

A total of twelve cable television channels, 14 (linear) television channels broadcast over the internet and 67 on-demand media services were notified to KommAustria in the 2019 reporting period.

Trial operation under Article 22 Audiovisual Media Services Act

In the period under review, Österreichischer Rundfunksender GmbH & Co KG was issued a permit to operate a terrestrial multiplex platform for trial use of the frequencies 'WIEN 1 (Kahlenberg) 739 MHz' and 'WIEN 8 (Liesing) 739 MHz', to test digital transmission technologies and programme developments based on Further evolved Multimedia Broadcast Multicast Service (feMBMS) between 1 December 2019 and 30 June 2020 (5G test broadcasting in Vienna).

2.1.3 Approvals and notifications of new ORF services

Two prior evaluation procedures were carried out in the 2019 reporting year. One was in response to an application by the ORF for approval of a public on-demand service for providing mainly fictional content (films and series). This video-on-demand platform is mainly designed to make available a relatively minor share of ORF productions (including direct and commissioned productions as well as co-productions) and other content broadcast previously or in future via ORF channels, as well as other productions. The new service was approved by KommAustria based on Art. 6b Par. 1 in conjunction with Par. 2 and Par. 3 of the ORF Act (ORF-G).

The other prior evaluation procedure involves an ORF service plan for providing brief online news broadcasts. According to the proposal, online news broadcasts each lasting less than three minutes are to be made available at TVthek.ORF.at and as part of other ORF services, without previously broadcasting them via linear TV. The procedure had not yet been completed in the reporting period.

During the reporting period, the ORF also submitted several changes to plans to KommAustria for review, relating to the online services oesterreich.orf.at and oe1.orf.at. The authority either did not prohibit the changes or identified them as minor. In the period under review, KommAustria also reviewed the ORF's relaunch of TVthek (TVthek.ORF.at) as part of official duties, identifying only minor changes as a result of the modifications.

Also in the reporting period, the procedure based on Art. 4a ORF-G was initiated to determine whether the ORF complied with its procedure for revising the quality assurance system in 2017 – 2018.

2.2 Legal supervision

In addition to monitoring compliance with regulations on commercial communication, KommAustria is also responsible for the legal supervision of private broadcasters and media service providers (as well as multiplex operators) under the provisions of the Private Radio Act (PrR-G) and Audiovisual Media Services Act (AMD-G). By virtue of the ORF Act, KommAustria also serves as the legal supervisory authority for the ORF and its subsidiaries.

Breaches of those provisions may occur through programming; besides advertising infringements, examples here include breaches of fundamental programming principles such as those relating to youth protection. Breaches also potentially occur through other conduct on the part of broadcasters and media service providers, including breaches of notification requirements or imposed requirements. In response to non-compliance with the requirement to update information on an annual basis, a total of 51 infringement procedures and 70 administrative penal procedures were completed in 2019.

In principle, KommAustria can initiate procedures in response to a complaint (based on certain conditions defined in law), a petition (in the case of the ORF) or as part of official duties (*ex officio*). Such procedures may result in an official decision identifying a breach of law and, in the case of repeated or severe infringements, the licence may ultimately be revoked, thereby prohibiting radio broadcasting activity or provision of the media service. The legal consequence of licence withdrawal or prohibiting service does not apply to the ORF, however. In addition, when certain rules are breached, KommAustria has the duty to conduct administrative penal procedures, potentially resulting in fines.

In the course of issuing a private broadcasting licence, an official decision is always issued in approval of the submitted programming plan: As a rule, the programming plan is a key consideration in choosing which of several qualified applicants to award available frequencies to. Consequently, a licensee can only make fundamental changes to the programming format at a later date as part of a special procedure and after meeting certain requirements. A broadcaster's licence may be revoked in the event of any unapproved fundamental modification of the programming format.

In addition, KommAustria has specific powers relating to the legal supervision of the ORF and its subsidiaries, especially with regard to the business purpose of the corporation, its legal mandate and the supervision of its business activities.

2.2.1 Commercial communication

Based on Art. 2 Par. 1 no. 7 of the KommAustria Act, ex officio evaluations of audiovisual media services and radio stations were periodically carried out during the reporting period. Two focuses were pursued within the period, one involving programmes and content for children and teenagers, and the other election coverage.

Monitoring activities were carried out for ORF broadcasts as follows in 2019: the regional radio stations Radio Tirol, Radio Wien and Radio Salzburg (once each); Radio Steiermark (twice); the nationwide radio stations Ö3, Ö1 and FM4 (once each); and the nationwide television channels ORF eins (four times), ORF 2 (three times), ORF III and SPORT + (once each). Procedures were initiated in four instances in response to suspected breaches of advertising provisions under the ORF Act.

In the case of eleven private radio broadcasters, broadcasts were evaluated or corresponding recordings requested. Four procedures, still pending, were initiated in response to suspected breaches of advertising provisions under the Private Radio Act (PrR-G).

Broadcasts from eight private television broadcasters were reviewed. Procedures were introduced in eight cases due to suspected breaches of advertising provisions. Breaches were ascertained with final effect in four of those cases, while four others are still pending.

Recordings were requested from 18 providers of on-demand audiovisual media services and subsequently evaluated. Here, procedures due to suspected breaches of advertising provisions under the AMD-G were initiated in eight cases, with a final decision being handed down in four of the cases. The other four cases are still pending.

2.2.2 Programming principles

In their television and radio programmes, broadcasters are required to uphold the principles of objectivity and diversity of opinions.

Similar principles are set forth in the ORF-G for the ORF, which in all of its service offerings is required to strive for quality, innovation, integration, equal rights and mutual understanding. Information must be comprehensive, independent, impartial and objective, and help the public freely form opinions and so contribute to democratic discourse.

Based on its public service remit, the ORF is also obliged to reflect the diversity of opinions represented 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.

Five procedures involving complaints of alleged breaches of programming principles by the ORF were pending in the period under review.

Here the ORF was mainly alleged to have breached the principles of objectivity and impartiality in its reporting. In two cases, the complaint was dismissed due to failure to comply with the order to remedy deficiencies. In one procedure, KommAustria found the complaint to be unjustified. Two complaint procedures are still pending with KommAustria.

Within the scope of legal supervision of private broadcasters, during the reporting period, two complaints alleging breaches of programming principles by private television broadcasters were filed with KommAustria, with one of the procedures subsequently dismissed and the other dropped. A complaint was also submitted requesting an ex officio review of a radio broadcaster, to examine the general requirements applying to such a service. No grounds for the complaint were identified, however, and no corresponding procedure was initiated.

2.2.3 Conciliation procedures in media

The RTR Media Division acts on behalf of KommAustria among other things as the conciliation body for complaints relating to communications networks and services used in broadcasting. The main prerequisite for a conciliation procedure is a previously unsuccessful attempt by the customer and operator or provider to reach an agreement. In the course of a conciliation procedure, RTR attempts to negotiate an amicable solution or informs the participants of its position on the case in question.

The conciliation body received 82 complaints in the period under review. Details about conciliation cases are available in the annual conciliation report (Schlichtungsbericht), published annually in German (www.rtr.at/de/inf/Schlichtungsbericht_2019).

2.2.4 Specific supervision of the ORF and its subsidiaries

2.2.4.1 Purpose of business, public mandate and bodies

In the 2019 reporting period, KommAustria initiated proceedings for confiscating revenues from the ORF, in the aftermath of an Austrian Administrative Court ruling that had rejected as unfounded the ORF's petition for a review of a judgement in an administrative penal procedure relating to the publication entitled 'ORF-Nachlese Edition Winterzeit'. By doing so, the high court had confirmed that the main purpose of the publication was not to provide information relating to programmes and content broadcast by the ORF. The ORF had transgressed the limits of its public mandate with this activity, and the related expense was to be confiscated from the programme fee. The procedure for confiscating revenues had not yet been completed in the reporting period.

In the reporting period, KommAustria also completed the administrative penal procedure involving the ORF online programme referred to as 'Fakt oder Fake'. In the preceding infringement procedure, the authority had found that, by making the programme available, the ORF had breached several provisions of Art. 4e and Art. 5a ORF-G, while also failing to comply with Art. 6 of that act by not carrying out a prior evaluation procedure. An appeal against the penal decision was brought before the Federal Administrative Court.

In other cases, seven procedures during the reporting period related to complaints due to individuals failing to be included in the eligible voters list in the editors' spokesperson elections. Of these cases, one complaint was confirmed, one case was closed without issuing a decision in favour of the complainant, and the other complaints were rejected.

In the reporting period, one procedure was also carried out and completed involving a complaint against the appointment of the ORF director for the Province of Styria. The complaint was rejected as unfounded.

Finally, one complaint filed against GIS Gebühren Info Service GmbH was rejected.

2.2.4.2 Supervision of business activities

As part of supervising the ORF's business activities, during the 2019 reporting year KommAustria audited the consolidated financial statements and the individual financial statements as at 31 December 2018. In this case, the KommAustria audit commission issued, based on the service agreement, audit reports with unqualified audit certificates.

A key part of the supervision of ORF business activities is to perform a business audit to ascertain whether ORF management is complying with the principles of economy, efficiency and expediency. In the 2019 reporting year, the business audit for the 2017 business year was materially concluded with the submission of the audit report by the audit commission. The audit reports for 2018 were also submitted to KommAustria.

Finally, one procedure was pending involving a complaint against the ORF for acquiring broadcasting rights at inflated prices, thus breaching the requirement to conform with market practices. The respective complaint was withdrawn.

In the reporting period, two additional complaints were filed with KommAustria against the ORF and a subsidiary (Österreichische Rundfunksender GmbH & Co KG, ORS), alleging breaches of competition rules in the context of satellite broadcasting and access to the encryption system. Neither of the complaints was processed to completion during the year under review.

During the reporting period, KommAustria also carried out several procedures, based on Art. 38b ORF-G, to confiscate revenues from the economic advantage the ORF gained by breaching advertising provisions. Two such procedures relating to radio broadcasting were completed with final effect. The ORF has appealed to the Federal Administrative Court against two other, television-related confiscation decisions by KommAustria. Another procedure for confiscating revenues relating to television was still pending at the end of the reporting period.

2.2.5 Specific supervision of private providers

One main area of KommAustria's responsibilities in the way of legal supervision involves monitoring ownership of private broadcasters and media service providers as well as multiplex operators.

The aim here is to ensure consistent compliance with the legal prerequisites for broadcasting or for providing a media service even after a licence is issued or a service notified. These prerequisites include professional, financial and organisational qualifications, absence of grounds for disqualification, and safeguarding a diversity of opinions (by avoiding excessively concentrated media ownership). Any breach of or failure to adhere to these (licensing) prerequisites constitutes grounds for revoking the broadcasting licence or for prohibiting broadcasts.

In order to enable the monitoring of broadcasters' compliance with these legal prerequisites, the PrR-G and the AMD-G require any and all (direct or indirect) changes in ownership or membership shares to be reported to the regulatory authority. As of 1 August 2015, entities subject to notification requirements only need to report any shareholder changes once a year.

In three cases in the 2019 reporting year, KommAustria carried out procedures to identify infringements involving tardy compliance or non-compliance with requirements to report changes in ownership. In an additional five cases, administrative penal procedures were initiated on account of parties' belated or absent reporting of ownership changes.

In those cases where new partners acquire more than 50 per cent of the shares in a broadcaster, prior to the transfer of shares, an official decision must be obtained from KommAustria to determine whether the relevant legal prerequisites for broadcasting will continue to be met under the new conditions. Two such procedures based on the AMD-G or the PrR-G were completed with final effect in the 2019 reporting year.

Another area of activity under the legal supervision of KommAustria is the option for radio broadcasters to request an official decision from KommAustria to determine whether a planned programming change actually represents a fundamental change of the programme format. Whether a change in programme format is fundamental is to be decided based on the original licence decision. No official approval is necessary for implementing the programming change in cases where in its decision KommAustria does not identify any resulting fundamental change of the programme format. The broadcaster is required to obtain official approval, though, if KommAustria determines that a planned change does in fact constitute a fundamental change in programming. One programme change by a radio broadcaster was approved in the reporting period.

Under the AMD-G, holders of broadcasting licences for satellite television and digital terrestrial television channels also have the option of applying for approval of major changes to television programmes they broadcast via satellite or digital terrestrial transmitter. As these licences are not issued by way of a competitive selection procedure, more flexible options for programme changes are available. Four related procedures were conducted and completed during the reporting year.

Holders of licences for multiplex platforms similarly have the option of making changes to the programme line-up being broadcast via their platforms and can request a decision to determine whether the prerequisites for the licence to operate a multiplex platform will continue to be met after making the change. KommAustria conducted and completed a total of twelve such procedures in the 2019 reporting year.

During that year, KommAustria also conducted one procedure to identify infringements due to delayed or omitted notification of operation of recently approved radio transmission equipment, as well as four procedures because of tardy compliance or non-compliance with a request for recording of a broadcast.

2.3 Public communications networks and services

Operators and providers must notify to KommAustria any planned operation of a public communications network or provision of a public communications service used to transmit broadcasts (radio and television programmes) or to provide additional broadcasting services, as well as any changes to or discontinuation of such services. This notification requirement applies to all operators of such communications networks and all providers of such services in Austria, regardless of their domicile. After receiving a complete notification report, KommAustria issues confirmation (general authorisation) pursuant to Art. 15 Par. 3 in conjunction with Art. 120 of the Telecommunications Act 2003 (TKG 2003).

In practice, this notification requirement is especially significant 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 ruling of 30 April 2014 in case C-475/12, UPC DTH, certain services are considered broadcasting services and thus subject to notification requirements. Such services consist in detail of providing access rights to a programming package that comprises of radio and television programmes and that is distributed via satellite or cable in return for a fee.

Notification was made of one new broadcasting network and of seven discontinued broadcasting networks during the reporting period.

Additional information can be found on the RTR website at www.rtr.at/en/m/RFAGGVerzeichnis.

Pursuant to the TKG 2003, KommAustria is also responsible for regulating competition among public communications networks and services used for broadcasting. In a related case involving Österreichische Rundfunksender GmbH & Co KG and ORS comm GmbH & Co KG (ORS), KommAustria issued a decision on 31 January 2018, ruling that there was effective competition within the wholesale 'market for access to transmission systems and the digital terrestrial transmission of television signals to end users', and that no further need for sector-specific regulation existed. Later, in a procedure also involving ORS, KommAustria published a decision on 1 August 2018 declaring the wholesale market for 'analogue terrestrial transmission of FM radio broadcasting signals to end users' to be a relevant market subject to sector-specific regulation. In the 2019 reporting year, KommAustria also reviewed ORS' adherence with imposed obligations relating to the wholesale market for FM radio in 2018, specifically with regard to the cost accounting system and the question of whether the rates offered were in line with the costs of efficient service provision.

2.4 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 full transparency when public authorities award advertising contracts or funding (cf. government bill in annex 1276 to the shorthand verbatim records of the National Council, 24th legislative period).

The MedKF-TG consequently requires certain legal entities to provide KommAustria with quarterly reports of expenses resulting from advertising placed in periodical media and from grants awarded to media owners, specifically all legal entities that under constitutional and ordinary legal provisions are subject to business auditing by the Court of Audit. As the independent recipient of the reports, KommAustria has the duty to verify compliance with reporting requirements.

To achieve the objective of full transparency of advertising contracts and funding, the MedKF-TG sets out two disclosure measures.

Firstly, KommAustria publishes quarterly lists classifying legal entities under those that have fulfilled their reporting obligations by the regular reporting deadline and those that 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 products that were actually awarded advertising contracts, as well as the names 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.

Reports have been submitted for a total of 30 quarters since the MedKF-TG entered into force on 1 July 2012. After a clear trend towards increased reporting discipline in the initial quarters, the reporting rate has been stable at a high level in recent years, including in 2019. Over the year on average, more than 99 per cent of the legal entities required to report had complied. Some three penal procedures were initiated on average each quarter as a result of failure to report. In addition to this, a total of three administrative penal procedures were initiated in 2019 due to reports having obvious inaccuracies or being incomplete.

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

2.5 Administration and coordination of broadcasting frequencies

As a major focus in the reporting period, television broadcasting services continued to vacate the 700 MHz band. The western and southern regions of Austria as well as Upper Styria were fully migrated to the recently coordinated TV channels in 2019. Numerous DVB-T2 gap fillers in western Austria also had to be converted or adapted. This was necessary as a result of the new frequency usage plan as well as the need to adapt coordination to Switzerland's wishes to protect TV channel 38 for radio astronomy.¹

As a result of the migration activities in southern Austria in particular, all TV transmitters using a TV channel in the mobile band of the 700 MHz range are now only approved until 30 June 2020. This means that no requirements to protect broadcasts within Austria need to be included in the terms of frequency use when auctioning off the 700 MHz mobile band.

Preparations have already begun for the relocation of the remaining TV channels in eastern Austria, including Vienna, Lower Austria and northern Burgenland, so that the migration can take place on schedule in early June 2020. All neighbouring countries affected have given their consent.

Activities in early 2019 were also focused on the licensing of a second nationwide FM radio network. Later in the year, the licensee submitted a number of applications for approval of additional radio transmitters to improve technical coverage.

The first nationwide DAB+ multiplex, entailing seven broadcasting systems in total, was launched in May. Three additional DAB+ high-power transmitters started operating in December.

Coordinating these transmitters with neighbouring countries to the east proved highly challenging. As an initial achievement in view of further negotiations, Austria succeeded at least in getting neighbours' preliminary consent to the first nationwide multiplex.

Further advances were made during the reporting year towards agreeing a more comprehensive assignment plan, specifically for additional DAB+ broadcasting network coverage, within the framework of several rounds of multi-lateral frequency negotiations. Further rounds of talks will be required next year.

Assignment planning has a domino effect, so it is crucial to bring to the negotiating table as many administrations in the closely meshed frequency planning area as possible. The Hungarian administration has volunteered to hold the next meeting in Budapest. The countries expected to attend are: Austria, Bosnia and Herzegovina, Croatia, Hungary, Montenegro, Romania, Serbia, Slovakia, Slovenia and Ukraine.

¹ Radio astronomy involves studying astronomical objects based on the radio waves emitted by those objects.

2.5.1 Collaboration in licensing and assignment procedures

Focus activities in radio

In early 2019, KommAustria approved the second nationwide FM licence, for Radio Austria. The RTR Broadcasting Frequency Management department supported the process through evaluations, contributing technical expertise and coverage range estimates.

For successful completion of coordination in the licence procedures listed below, frequency evaluation reports involving extensive calculations were required, in addition to close consultation with applicants' technical service providers in order to determine transmission parameters.

Two new coverage areas in Graz were put to tender in the reporting year. After completion of planning and coordination, tenders were also invited for a new coverage area in Vienna. Although taking in only part of the city, the new area entails potential service to 1,000,000 Vienna residents.

In the year under review, Antenne Salzburg GmbH began broadcasting its Antenne Salzburg radio station at 95.2 MHz from the newly established SALZBURG 11 location. The launch proved challenging due to the close proximity of the LINZ 1 radio transmitter, also operating at 95.2 MHz. Extensive measurements finally demonstrated the feasibility of the plan, thanks to sufficient topographic barriers in the critical area.

In 2019 Radio Arabella GmbH was able to improve technical coverage within the area referred to as 'Wien und Teile Niederösterreichs', by increasing power levels at these broadcasting sites: 'ALTLENGBACH (Steinhutberg) 95.0 MHz', 'JUDENAU (Raiffeisen Silo) 99.4 MHz', 'KREMS (Kalorisches Kraftwerk Theiß) 107.1 MHz', 'WAIDHOFEN YB 6 (Eben) 107.3 MHz'. During the prior procedure, the applicant had been required to submit documents demonstrating compliance with coordination obligations for two of the broadcasting systems, ALTLENGBACH (Steinhutberg) 95.0 MHz and JUDENAU (Raiffeisen Silo) 99.4 MHz.

Focus activities in digital television

As part of freeing up the 700 MHz band, 71 broadcasting systems were switched over in 2019. Relocating channels within the 700 MHz range directly affected only 16 broadcasting systems. Switching over the remaining broadcasting systems mostly involved relocating channels within the 470 to 694 MHz frequency band, transport stream modifications or changes to the output filter.

In connection with compensation for freeing up the 700 MHz band, roughly 170 broadcasting systems were evaluated by the first application deadline (24 May 2019); by the end of 2018 all broadcasting systems eligible for compensation had been listed and the corresponding frequencies tested.

Allocating the 700 MHz band for mobile telecommunications means more intensive use of the remaining broadcasting spectrum. Practically no more major gaps can be detected, while identifying channels for local coverage is increasingly challenging.

Focus activities in digital radio

Setting up and expanding initial nationwide T-DAB+ coverage progressed more speedily in the reporting year than originally envisaged. Seamless coverage of the Westautobahn motorway was, for instance, achieved in good time for the 2019 holiday season. The nationwide multiplex I platform delivers indoor service via portable receivers to approximately 73 per cent of Austrian residents.

2.5.2 Frequency coordination procedures and frequency usage

The following table lists the number of frequency coordination procedures for radio, initiated at international level, with Austrian involvement in 2019.

TABLE 06: NUMBER OF INTERNATIONAL FREQUENCY COORDINATION PROCEDURES IN 2019

Country	Analogue radio	Digital radio	Digital television	Analogue AM
Austria	55	18	46	1
Bosnia	0	0	0	0
Germany	7	114	1	0
Italy	0	0	0	11
Croatia	2	0	0	0
Poland	3	0	0	0
Switzerland	6	73	0	0
Slovakia	9	1	4	0
Slovenia	18	0	0	0
Czech Republic	15	30	8	0
Liechtenstein	0	0	0	0
Hungary	2	0	14	0
TOTAL	117	236	73	12

In the case of international coordination for digital radio, requests again came mainly from Germany and Switzerland. Besides improving output levels of existing high-power transmitters, these two countries launched numerous additional broadcasting sites. Requests for T-DAB+ coordination came especially for Bavaria, relating not only to the multiplexes covering all of Bavaria but also to regional and local multiplexes.

AUT-CZE-SVK-HNG working group meetings

In the reporting year, meetings of this working group were held in Banska Stiavnica, Slovakia and Budapest, Hungary.

The topic again discussed was the restructuring of Band III to allow all of the countries to employ T-DAB+ high-power transmitters.

Final decisions are still pending, however, and negotiations will continue next year. The negotiations are resulting in lengthy discussions because of Slovakia's plan to also provide DVB-T2 services in addition to T-DAB+ in that band.

AUT-HNG-SVN-HRV-BIH working group meetings

In October 2019 Austria hosted a DAB planning meeting attended by Bosnia and Herzegovina, Croatia, Hungary and Slovenia. Discussions centred again on improvements and changes to the current Geneva Plan for implementing digital terrestrial radio (T-DAB+) in each of the countries using high-power transmitters.

2.5.3 Measurement projects

In the context of licensing and coordination procedures, measurements were taken to examine the propagation characteristics of broadcasting transmitters under real conditions. In the reporting year, RTR's measuring bus was deployed for testing on 22 separate occasions.

The main activities included measuring FM coverage and trial transmissions, in particular to test single-frequency FM networks as part of expanding the second nationwide radio network and to measure DAB+ coverage as provided through the nationwide multiplex.

Terrestrial television broadcasts were tested once in southwestern Lower Austria. The channel chosen as a replacement for the vacated 700 MHz band was test-measured for suitability.

The other measurement tours were related either to international coordination procedures or to frequency planning, in the latter case to investigate potential mutual interference of radio frequencies.

2.5.4 Frequency register

At present, the frequency register and transmitter map include about 1,360 radio transmitters in the FM band, with a power output ranging from less than 1 W to 100 kW.

Approximately 850 frequencies are accounted for by the ORF, while the remaining roughly 500 frequencies are used by private broadcasters.

With regard to the 470 to 790 MHz television frequency band, the currently approved DVB-T/T2 transmitters in the frequency register were distributed among the individual multiplex platforms as shown below at the end of 2019.

TABLE 07: APPROVED DVB-T/T2 TRANSMITTERS (AS OF 31 DECEMBER 2019)

Multiplex	No. of transmitters
DVB-T2 multiplex A (ORS multiplex)	316
DVB-T2 multiplex B (ORS multiplex)	43
DVB-T2 multiplex C (regional/local multiplex platforms)	18
DVB-T2 multiplex D (ORS comm multiplex)	43
DVB-T2 multiplex E (ORS comm multiplex)	43
DVB-T2 multiplex F (ORS comm multiplex)	43

In the VHF band III, which is assigned to T-DAB+ services, the T-DAB+ multiplexes listed below were approved as at the end of 2019.

TABLE 08: APPROVED DAB+ TRANSMITTERS (AS OF 31 DECEMBER 2019)

Multiplex	No. of transmitters
DAB+ multiplex I (ORS comm)	14
DAB+ multiplex II (RTG Radio Technikum GmbH)	1

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

2.6 International activities

2.6.1 KommAustria and ERGA

The European Regulators Group for Audiovisual Media Services (ERGA) was created as an association of the heads or high-level representatives of the independent national European regulatory authorities in the field of audiovisual media services, and tasked with advising the European Commission in the implementation of the Audiovisual Media Services (AVMS) Directive, in which ERGA was enshrined in 2018. KommAustria actively participated in ERGA's committees and was a main contributor to the outcomes of the working group involved in implementing the Directive.

ERGA covered a wealth of issues in 2019 within the framework of multiple working groups, workshops and events organised by the ERGA Academy, a project launched in 2017. At the focus of one of the working groups were questions relating to implementation of the revised AVMS Directive. In its report entitled Implementation of the revised AVMS Directive, ERGA examines in detail the revised material provisions applying to audiovisual media services and the revised scope of application, specifically including video-sharing platforms and the evaluation of concrete regulatory mechanisms. Another report prepared by ERGA features good industry practices in relation to gender diversity in the European audiovisual sector.

To help meet the goals of the 2018 Action Plan against Disinformation, ERGA supported the European Commission in monitoring the implementation of the commitments undertaken by signatories of the Code of Practice on Disinformation.

In 2019 ERGA also put extensive effort into revising its articles, in preparation for new responsibilities arising from the revised AVMS Directive. The ultimate goal here is to make ERGA more effective and transparent and to enhance its relevance and capacity to integrate. Corresponding changes were included in ERGA's revised rules of procedure.

2.6.2 KommAustria and EPRA

The European Platform of Regulatory Authorities (EPRA), which currently counts 52 European regulatory authorities as members, held two meetings to discuss the annual work programme. In 2019 EPRA focused its efforts on youth protection in the online world, reporting on current infringements in Member States as well as the challenges facing both regulators and providers. Another topic of study was sports rights, with KommAustria playing a leading role in organising the workshop on this subject. A further issue presented by various regulators was the potential offered by artificial intelligence (AI) in regulation. Expanding on this issue, individual meetings featured expert discussions and presentations of good practice relating to the topics of media competence, putting European products upfront, preventing hate speech in the media, achieving enhanced broadcasting diversity, and access to television and on-demand services.

2.6.3 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.

As part of related activities in 2019, KommAustria was involved in the implementation of the recast Regulation (EU) 2017/2394 of 12 December 2017, which had resulted from revising an earlier Regulation.

2.6.4 Participation in ITU study group 6

Study group 6 of the ITU-R met again this year on two occasions in Geneva; the ITU-R is responsible for global standardisation of broadcasting systems. Discussions focused on new standards and reports for digital terrestrial broadcasting systems, specifically on calculation methods used in planning and determining compatibility.

2.6.5 Participation in the EU RSPG working group: Good Offices

This EU working group supports the Member States in resolving disputes that arise from coordination issues. As the deadline for freeing up the 700 MHz band was approached, several regions resolved the challenges arising from relocation. It was only in the Adriatic region that no solution to relocating TV channels in a coordinated manner was identified, and the issue will be further discussed in 2020.

2.7 Press and journalism subsidies

The federal press and journalism subsidies are direct support measures in the form of financial contributions. Decisions on the allocation of subsidies are made by the Austrian Communications Authority (KommAustria), while the administration of grants is assigned to one member of the authority. The Press Subsidies Commission and the Journalism Subsidies Advisory Board have been set up as bodies to advise on these matters. One exception is the subsidies allocated to the Austrian Advertising Council under the terms of Art. 33 KOG, for which no advisory body is required. RTR provides specialist technical and administrative support in these funding activities.

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

2.7.1 Press subsidies

In 2019 KommAustria received 115 applications for subsidies under the PresseFG 2004. KommAustria allocated funding in 111 cases, while four applications had to be rejected for not meeting legal requirements.

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

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

TABLE 09: PRESS SUBSIDIES – GRANT AMOUNTS, APPLICATIONS AND APPROVAL RATES, 2015 – 2019

Year	Grant amount (EUR)	Applications	Approvals	Approval rate in %
2015	8,880,406.80	115	114	99.10
2016	8,446,853.85	113	105	92.90
2017	8,912,000.00	105	104	99.05
2018	8,863,000.00	110	108	98.18
2019	8,863,000.00	115	111	96.52

Note: List includes contributions to the Austrian Press Council that originate from the funds.

Details on grant awards have been published on the RTR website <http://www.rtr.at>.

2.7.2 Funding for self-regulation of the press

In 2019 the Austrian Press Council dealt with 297 cases. Of those cases, 291 were submitted by external parties, while in six cases the Council's senates took action on their own initiative. Of Austria's dailies, only Kronen Zeitung and Heute have still refused to recognise the Press Council's status as arbitrator.

The Austrian Press Council requested a cost contribution of EUR 196,000 for 2019. KommAustria granted this request.

TABLE 10: PRESS COUNCIL – NUMBER OF CASES HANDLED AND COST CONTRIBUTIONS, 2015 – 2019

Year	Cases	Cost contribution in euros
2015	251	204,000
2016	306	155,000
2017	320	225,000
2018	302	176,000
2019	297	196,000

2.7.3 Funding for self-regulation of commercial communication

In 2019 the Austrian Advertising Council was again the only applicant for a subsidy from the fund for the promotion of self-regulation in commercial communication in media, once again receiving the entire amount allocated to the fund (EUR 50,000).

As defined in Art. 33 KOG, the goals of this form of financial assistance, existing since 2009, are as follows:

- to ensure the independence of the body in question;
- to ensure that the body carries out the duties set forth in its articles of association; and
- to ensure effective enforcement of its decisions and resolutions.

2.7.4 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 issues related to politics, culture and world views at a high level. Overall, the periodicals that receive funding represent a broad range of content. The publications range from feminist periodicals to journals that are centred on religious topics or discuss political and scientific issues. Also included are periodicals by associations that are active in the fields mentioned above and are familiar with the topics through practical experience.

KommAustria received 75 applications for journalism subsidies in 2019, complying with 73 requests while rejecting two due to failure to meet statutory funding requirements.

The amount of the grant is determined by KommAustria on a case-by-case basis, with due consideration given to the recommendation by the Journalism Subsidies Advisory Board as well as to the scope, circulation, resources and financial situation of the relevant print periodical. By law, grants may be no less than 0.4 per cent and no more than 4 per cent of the funds earmarked for this purpose under the Federal Finance Act. Funds totalling EUR 340,000 were available in 2019, with the individual amounts granted ranging between EUR 1,360 and EUR 12,684.

TABLE 11: JOURNALISM SUBSIDIES – GRANT AMOUNTS, APPLICATIONS AND APPROVAL RATES, 2015 – 2019

Year	Grant amount (EUR)	Applications	Approvals	Approval rate in %
2015	340,000	80	72	90.00
2016	340,000	83	76	91.60
2017	340,000	80	67	83.75
2018	340,000	80	74	92.50
2019	340,000	75	73	97.30

Details on grant awards have been published on the RTR website <http://www.rtr.at>.



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Digital broadcasting – usage and developments

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03 Digital broadcasting – usage and developments

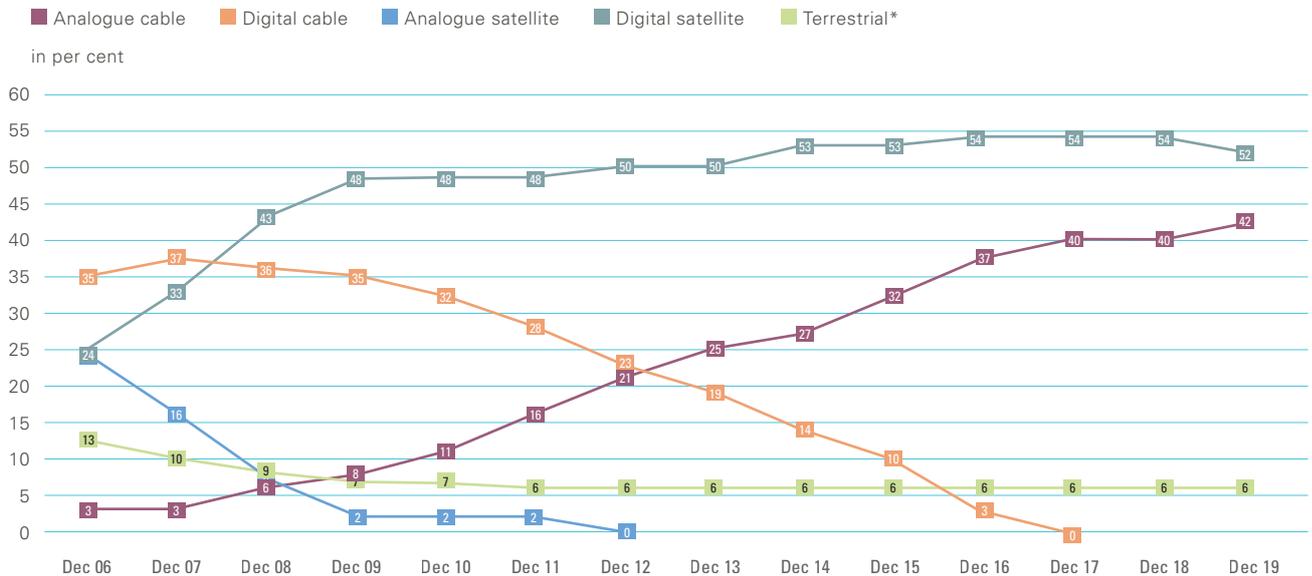
3.1 Digital linear television

As of the end of 2019, 7.530 million Austrians aged twelve and over were residing in 3.851² million television households. Compared with the figures at the end of 2018, this represents a minor increase of 29,000 TV households (2018: +27,000) and 29,000 individuals (2018: +30,000). Between 2016 and 2017, the number of TV households in Austria had risen by 101,000, while the number of residents aged twelve and above living in those households had climbed by 169,000.

Minor shift in relative use of conventional TV reception modes

For the first time in three years, the relative numbers using satellite, cable or terrestrial as TV reception platforms – all of which have been exclusively digital since late 2017 – shifted in 2019. The share of TV households using satellite reception shrank by 2 percentage points to 52 per cent, while TV households connected with a cable TV provider increased by 2 percentage points to a total of 42 per cent. Only the percentage of terrestrial viewers remained the same. Six per cent of television households watch programmes on their only or main TV set via a roof or room antenna.

FIGURE 02: DISTRIBUTION OF RECEPTION MODES AMONG AUSTRIAN TELEVISION HOUSEHOLDS



Source: AGTT/GfK Austria.
* Terrestrial includes around 20,000 cable households with basic coverage (reception of roughly eight TV channels).

² Unless otherwise specified, all data originate from the TELETEST Working Group/GfK Austria (2019).

Cable households increase as viewers drop satellite

As previously in 2018, all of Austria's new TV households in 2019 selected cable as their reception mode. In contrast to the previous year, though, the satellite platform lost another 45,000 customers, who also switched to cable reception. Similarly, customers also abandoned terrestrial reception and moved to cable.

The terrestrial reception mode continued to serve 224,000 households in December 2019 (226,000 the year before). At the same time, 2.004 million households were still using satellite reception (2.049 million in December 2018). The number of cable households, on the other hand, rose to 1.623 million by the end of 2019 (2018: 1.547 million), an increase of 76,000 (2018: +28,000).

As recently as in 2017, the increase in Austrian television households – 101,000 that year – was distributed more or less according to the relative shares of satellite, cable and terrestrial reception among TV households overall.

3.1.1. Satellite

The percentage of satellite households relative to TV households in total dropped for the first time in years. Satellite reception now accounts for 52 per cent of television households. This represents a decrease of 2 percentage points compared with the previous year. This means that satellite television now reaches 2.004 million individuals aged twelve and over in satellite households, instead of the previous 2.049 million. The percentage of the viewing population living in satellite television households dropped by 1 point to 55 per cent.

3.1.2 Cable including IPTV

As of the end of 2019, Austria had 1.623 million cable television households (2018: 1.547 million). This share thus increased to 42 per cent of all television households (2018: 40%). The percentage of television viewers aged twelve and above who live in cable households also increased from the year before, by 1 percentage point to 40 per cent. This equates to 2.990 million individuals (2018: 2.885 million). With 105,000 more cable viewers, the increase was of almost the same magnitude as in 2018 (115,000).

IPTV households are classified under cable reception and correspondingly included in the number of cable TV households overall. Even though many conventional cable TV providers have already been supplying a portion of customers with IP signals rather than with DVB-C for some time, this report nonetheless classifies such households among conventional cable users. Subscribers to the A1 TV service supplied by A1 Telekom Austria, on the other hand, are included under IPTV households here. Such households increased by 10,000 in 2019, totalling 318,300.³ This growth figure nonetheless falls short of previous years (2018: +17,000; 2017: +12,000). The percentage of IPTV households in relation to total cable households saw a minor drop, from 19.9 per cent in 2018 to 19.6 per cent by the end of 2019.

³ As of Q3 2019, Telekom Austria Group: 'Results for the first nine months and third quarter 2019', Oct 2019.

3.1.3 Terrestrial

At year-end 2019, 224,000 Austrian television households were using digital terrestrial television as their primary or sole form of television reception. This means that, as previously in 2017 and 2018, another 2,000 households abandoned terrestrial TV. The number of TV viewers aged twelve and over residing in terrestrial reception households dropped again, but not as sharply as in the previous year. Here the decrease by 6,000 viewers was only half that seen in the previous year, leaving a total of 374,000 (2018: 380,000; 2017: 392,000). This figure includes 20,000 residents of households with 'basic cable service'⁴.

DVB-T2 use with second sets drops again but only moderately

In addition to the 6 per cent of TV households who have digital terrestrial television as their only form of reception, DVB-T2 is also used in satellite/cable television households as an additional reception platform for second TV sets, for instance in bedrooms. Yet here the use of terrestrial reception has also lost popularity in recent years. This trend, while continuing, was less pronounced in 2019: as previously in 2018, a counter-trend – surprisingly originating among households primarily supplied with cable service – partially made up for what would otherwise have been a significant loss for terrestrial reception.

As of December 2019, viewers living in households using terrestrial TV with access via DVB-T2 totalled roughly 554,000, equating to 7.4 per cent of the TV-viewing population aged twelve and over (a total of 7.530 million individuals); this group includes both households solely using terrestrial reception as well as cable/satellite households with secondary terrestrial use.

The roughly 374,000 viewers aged twelve and over who live in terrestrial-only television households are thus complemented by the 126,000 residents of satellite households with additional terrestrial usage (2018: 155,000; 2017: 169,000), and a further 54,000 viewers (2018: 35,000; 2017: 27,000) in cable households with secondary terrestrial reception. This corresponds to 554,000 individuals, or 7.4 per cent of the viewing population aged twelve and over. At the end of 2018, this figure was still 569,000 persons or 7.6 per cent of the population (540,000 not including households with basic cable service). At the end of 2016, as many as 867,000 individuals or 12 per cent of all TV viewers still had access to terrestrial reception in their own homes.

2019 saw a drop in both the overall number of residents living in terrestrial-only households and of those in satellite households who used DVB-T2 as well. Indeed the latter group declined disproportionately by 29,000 individuals, to a total of 126,000 (2018: a decrease of 14,000 to a total of 155,000). This contrasts with surprising growth in the trend among cable households, which first began in 2018, when such households were the only ones using the DVB-T2 reception mode to show an increase (in that case by 8,000 residents). The number of residents of cable households with additional DVB-T2 access rose by 19,000 to 54,000 in 2019.

⁴ Non-cable subscriber households in residential complexes with cable service, with the number of channels comparable to free TV via DVB-T2.

Technical range of terrestrial multiplexes (DVB-T2) in 2019

The nationwide multiplex A continues to have a technical coverage range of 98 per cent of the population, while the technical range for the other nationwide multiplexes, B, D, E and F, is also constant, at 92 per cent of the population.

The percentage of the population also living in the multiplex C reception area, with programming varying from region to region, likewise remains unchanged at 64 per cent.

3.1.4 Digital terrestrial television – spectrum refarming (second digital dividend)

It has been agreed across Europe that the ‘second digital dividend’ – that is, the television spectrum above channel 48 (700 MHz band) – is to be freed up by June 2020, primarily for subsequent use by mobile broadband services. KommAustria has been taking this target into account for some time when putting to tender expiring licences for regional and local terrestrial television transmission capacities (multiplex C). The national regulatory authority also had the duty of issuing several decisions in 2019 to allow frequency migrations in numerous broadcasting systems.

Previously, in 2018, a legislative solution had been adopted to provide compensation for migration expenses to broadcasting system operators who hold long-term licences to operate frequencies above channel 48. The legislature passed an amendment to the KommAustria Act (KOG) effective as of 1 December 2018, with Art. 33a, b and c specifying a related compensation procedure and entrusting the RTR Media Division with administering this task. Now that legal certainty has been established for the operators concerned, the migration process for the affected broadcasting systems was launched in 2019.

Of the three multiplex C broadcasting systems still operating above channel 48 in 2018, two remained as of year-end 2019.

Broadcasting systems belonging to the nationwide multiplexes B and D no longer operate above channel 48. In the nationwide multiplexes E and F, 15 broadcasting systems were migrated in 2019, with a total of 20 still needing to be shifted from the 700 MHz band to the UHF band below it (470 MHz to 694 MHz) in 2020. Of those, eight belong to multiplex E (2018: 11) and twelve to multiplex F (2018: 24).

The nine broadcasting systems belonging to multiplex A that were still operating in the 700 MHz band at year-end 2018 will also be migrated in 2020.

3.1.5 5G broadcasting trials

To test broadcasting applications based on the 5G transmission standard, KommAustria approved a related pilot study by Österreichische Rundfunksender GmbH & Co KG (ORS) in the Vienna area in November 2019. With 5G broadcasting, television and radio programmes are broadcast in the real sense as ‘one-to-many’ signals, but in this case via 5G.

Test transmissions were approved from two large broadcasting systems in Vienna, at Kahlenberg and Liesing. For the tests, the authority made available a channel within the 700 MHz band (a broadcasting frequency previously within KommAustria’s scope of responsibility) for a limited term until 30 June 2020. In the auction in early 2020, that frequency was among the spectrum reassigned for the purpose of setting up and expanding 5G mobile telecommunications, and it has accordingly been allocated for mobile services throughout Europe from 1 July 2020.

ORS applied for funding for the test transmissions, which was subsequently granted from the Digitisation Fund by the RTR Media Division, which is responsible for approval.

In addition to use for mobile services, 5G can be deployed as a carrier for broadcasting signals when combined with a technology specifically developed for mobile telecommunications standards. For this application, a broadcasting mode is currently available for use in testing, referred to as Further evolved Multimedia Broadcast Multicast Service (feMBMS). Here, exactly as with conventional digital terrestrial television and radio, a broadcast signal can be received by an unlimited number of 5G devices without the need for SIM cards or user authentication. Such devices might be smartphones, tablets or even, in a future scenario, large-screen TV sets in people’s living rooms. The only prerequisite is that the receiving device has a chip that is both 5G-enabled and supports 5G broadcast mode. The FeMBMS signals in trials and in the future the 5G New Radio-broadcast signals will be transmitted over separate frequencies apart from mobile spectrum. Users’ mobile data volumes are not affected through receiving such broadcasts, nor will there be any added traffic within mobile cells.

3.2 Digital radio

As of year-end 2019, Austrian listeners had potential access to 22 domestic radio stations that were being broadcast based on the DAB+ digital standard.

Identically to FM radio, DAB+ is broadcast and received via antenna. To listen to the broadcasts, a radio receiver compatible with the DAB+ digital transmission standard is required. Such receivers, which usually support FM reception in addition to DAB+, are available in Austria.

Nine of those 22 DAB+ radio stations are accommodated on a multiplex that first began transmitting nationwide on 28 May 2019 and will be fully expanded to reach 83 per cent of the population by late August 2020. Thirteen digital radio stations are broadcast in greater Vienna under a regional licence.

3.2.1 Nationwide DAB+ expansion underway

KommAustria granted a licence for nationwide DAB+ broadcasts on 2 August 2018, and the rollout of the initial radio line-up began on 28 May 2019. A ten-year licence, applying to the nationwide multiplex platform and for broadcasting digital terrestrial radio based on the DAB+ standard, was awarded to applicant ORS comm GmbH & Co KG (ORS comm), based in Vienna.

In 2019 ORS comm stepped up rollout of the broadcasting network, which had originally been slated for completion in four stages by September 2020. Of the 83 per cent planned for the final stage, 77 per cent of Austrian residents already had DAB+ reception by the end of 2019 (73 per cent in terms of portable indoor coverage). This level of coverage was not due to have been reached until late March 2020, according to original plans. Coverage of the additional 6 per cent of residents is to be achieved in two stages, by the end of May and the end of August 2020. This means that the licensee would reach the goal of 83 per cent population coverage much earlier, ultimately about a month more so than originally planned.

3.2.2 Changes in DAB+ service to the Vienna region

The initial digital radio line-up based on the DAB+ transmission standard began service to the Vienna region on 4 April 2018. As of year-end 2019, 13 stations were broadcasting over the regional multiplex, after some 14 stations had initially switched to the nationwide multiplex while new regional broadcasters had come on board. The operator's licence awarded by KommAustria to RTG Radio Technikum GmbH for the multiplex applies to the broadcasting region of greater Vienna and parts of its neighbouring areas, with technical coverage of roughly 2.25 million people.

Neither the Austrian Broadcasting Corporation (ORF) nor most of the private FM broadcasters have participated to date in the launch of regional or nationwide digital radio based on the DAB+ transmission standard.

3.2.3 Digital radio via DVB-T2

Besides via DAB+, radio stations can also be received in digital terrestrial mode via the DVB-T2 multiplexes primarily used for terrestrial television. ORF radio stations Radio Österreich 1 (Ö1), Hitradio Ö3 and radio FM4, for example, are broadcast without encryption via multiplex A, which achieves the highest technical range of coverage among the population (98%).

Among private radio stations, Radio Maria is the only one still broadcast at no charge and without encryption by way of multiplex F, which is also nationwide and has a technical range of 92 per cent of the population. The other private radio stations that had been broadcast over that multiplex in previous years, Oe24 and Kronehit, stopped using the platform during the first half of 2019.



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Management of funds and grants

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04 Management of funds and grants

4.1 Digitisation Fund

The purpose of the Digitisation Fund is to promote digital transmission technologies and digital applications based on European standards relating to broadcasting. In 2019 the Digitisation Fund was endowed with EUR 0.5 million, which was apportioned from those broadcasting fees that, while levied jointly with ORF programme fees, are primarily allocated to the federal budget.

4.1.1 Funding of 5G broadcasting trials

Österreichische Rundfunksender GmbH & Co KG applied for project funding to test the suitability of further evolved Multimedia Broadcast Multicast Service (feMBMS) for future use as a potential standard for broadcasting terrestrial signals. feMBMS is a technology based on a specification by the 3rd Generation Partnership Project (3GPP). The research project was launched in 2019 and is slated for completion in 2021.

A pivotal aspect of the funded project involves expanding two broadcasting systems in Vienna, at Kahlenberg and Liesing, to perform the required field measurements and simulations. The aim here is to enable the technical option of broadcasting signals via feMBMS to be compared with established technologies, specifically DVB-T2 and DAB+. The insights gained should pave the way for ensuring terrestrial broadcasting in the long term, while also advancing terrestrial technology in general. A total of EUR 929,061 has been budgeted for the overall project, with funding already approved to cover 50 per cent of the costs.

4.1.2 Funding of DAB+

One of the key points of focus for the Digitisation Fund in 2019 was funding the rollout of regular DAB+ service, based on the funding guidelines issued in 2018.

The project involves the introduction of a regular service based on the DAB+ standard for the digital broadcasting of the radio stations operated by funding recipients. The funding provided covers the planning, procurement and setup costs for technical infrastructure (technical broadcasting costs) or the prescribed portion of the fees to be paid by broadcasters in order to cover the technical costs of broadcasting DAB+ radio programmes. The latter portion refers to the fees charged by the multiplex operators to the broadcasters of digital terrestrial radio stations for the technical broadcasting of their radio programmes.

Funding for launching a regular service for eleven radio broadcasters via the regional MUX II in Vienna began in 2018 and continued in the year under review. Funding was prematurely stopped in five cases, however, because broadcasters switched from the regional to the nationwide platform. These cases involved ERF Medien Österreich GmbH,

N & C Privatrado Betriebs GmbH, Radio Eins Privatrado Gesellschaft m.b.H., Verein Radio Maria Österreich and RTG Radio Technikum GmbH. ITM-NET GmbH and Verein Planet SOL were in turn awarded funding to broadcast their stations on a regional basis.

Over the course of the year, nine radio broadcasters applied for funding based on the guidelines to have their stations broadcast via the nationwide MUX I DAB+ multiplex platform. These nine broadcasters were Arabella Digital GmbH, Klassik Radio Austria GmbH, max digital gmbH, ROCK ANTENNE GmbH, ERF Medien Österreich GmbH, N & C Privatrado Betriebs GmbH, Radio Eins Privatrado Gesellschaft m.b.H., Verein Radio Maria Österreich and RTG Radio Technikum GmbH. The Digitisation Fund assisted these projects with grants covering 50 per cent of the project costs eligible for funding. In accordance with the reporting requirements for the Digitisation Fund, an evaluation of the regular service is to be summarised in a report at the end of the funded project term and this report is to be submitted to RTR for publication.

4.1.3 Funding the digital transition of regional television

RTS Regionalfernsehen GmbH applied for funding for a national HbbTV portal aimed at providing the technical infrastructure for the combined broadcasting of regional programmes for each of Austria's nine provinces, as well as an on-demand service for programme viewers. Plans also envisage the installation of a related measurement system, to track which regional programmes are viewed and over what period of time. With eligible project expenses amounting to EUR 150,820, funding to cover 50 per cent of these costs was approved for the duration of the project from 1 May 2019 to 31 December 2020.

4.1.4 Notes on the 2019 annual accounts

Based on the statement for the trustee account as at 31 December 2018, and considering the credits and disbursements as well as the grants already approved but not yet disbursed, EUR 2,489,297.91 was available in the fund as at 31 December 2019 (see the table below for details).

TABLE 12: DIGITISATION FUND – EXCERPT FROM THE 2019 ANNUAL ACCOUNTS

Income and expenditure statement	(EUR)	
Trustee account balance as at 31 December 2018		3,337,068.39
Credits		
Revenues received in 2019	500,000.00	
Repayment of administrative expenses from 2018	14,815.69	
Interest	489.27	515,304.96
Debits		
Administrative expenses and RTR participation in projects in 2019	-88,600.00	
Grant disbursements in 2019	-543,931.81	-632,531.81
Balance resulting from initial amount, credits and debits in 2019 = Trustee account balance as at 31 December 2019		3,219,841.54
Outstanding administrative expenses in 2019 and RTR participation in projects in 2019, for repayment in 2020		14,136.91
Balance of trustee obligations as at 31 December 2019		3,233,978.45
Approved grants pending disbursement		-744,680.54
Funds available in 2020		2,489,297.91

Source: RTR

4.2 Austrian Television Fund

The Austrian Television Fund (FERNSEHFONDS AUSTRIA) was set up in 2004 by the Austrian federal government to provide support to the Austrian film industry and promote Austria's attractiveness for the media industry. The fund supports the production and commercial exploitation of television films, series and documentaries. RTR manages the fund, for which it is allocated EUR 13.5 million annually from the Austrian public purse. Grants awarded from this fund are subject to guidelines that, together with Articles 26 to 28 and Articles 23 to 25 of the KommAustria Act (KOG), constitute the legal basis for the activities of the Austrian Television Fund.

One of the aims of the Austrian Television Fund is to provide financial backing to independent Austrian producers, in this way stimulating the productivity of the domestic production sector. Funding the production of film projects creates long-term employment opportunities while ensuring the diversity of Austria's cultural landscape by improving the quality of TV productions. Grants from the fund also strengthen the audiovisual sector in Europe as a whole. Key criteria considered by the grant award process include value creation and spending in Austria.

Support for television films in 2019

Production grants

The Austrian Television Fund enjoyed a record year in 2019. Never before had so many applications been submitted and subsequently approved for funding. A total of 92 proposals for television film projects were submitted. This is roughly 20 more submissions than the average in recent years. In particular, the number of series and documentaries awarded funding has seen a significant increase in recent years.

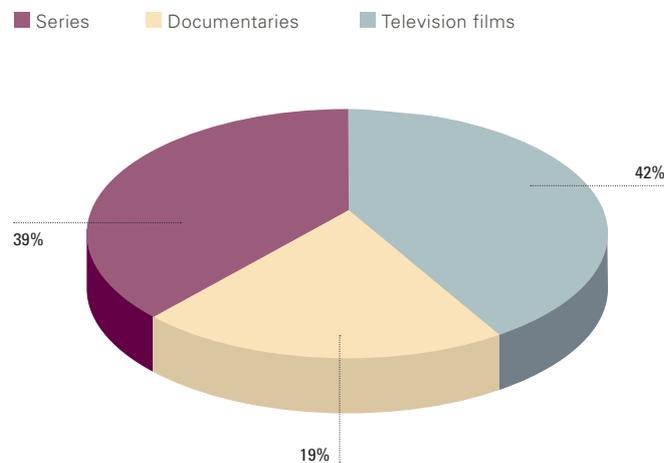
Grants totalling EUR 12,782,891 were ultimately approved for 73 projects.

Funding was approved to cover roughly EUR 81.6 million of planned total production costs. About EUR 45 million is expected to be spent in Austria on the production of these films. The latter figure represents 3.5 times the amount of total funding awarded by the Austrian Television Fund.

Details of production grants

The 73 grants approved provided assistance to twelve television films, four series and 57 documentaries. The figure below gives details on how the funding shares were distributed:

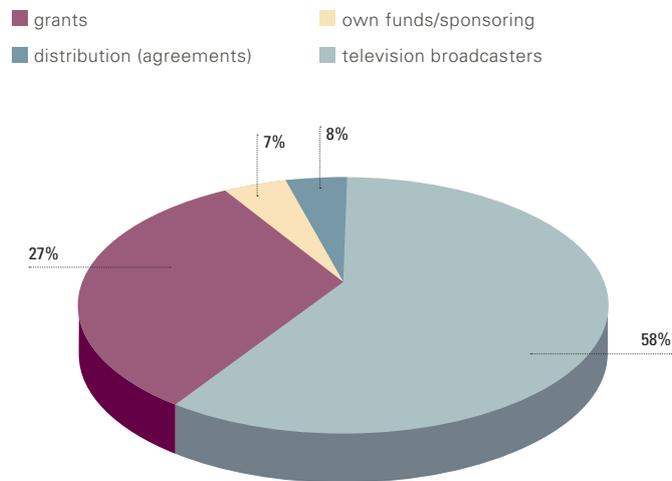
FIGURE 03: AUSTRIAN TELEVISION FUND – GRANTS APPROVED IN 2019



Source: RTR

The proportion of funding awarded to the television film segment fell year-on-year from 57 per cent to 42 per cent compared with the previous year. This contrasts with the increase in grant share for series, which rose from 25 per cent to 39 per cent. The proportion of funding awarded to documentaries remained more or less the same, rising slightly from 18 per cent to 19 per cent.

FIGURE 04: AUSTRIAN TELEVISION FUND – SHARE CONTRIBUTED TO PROJECTS FUNDED IN 2019



Source: RTR

For the productions funded, the share of financing provided by the various sources – grants, television broadcasters, distribution and own funds/sponsors – remained roughly the same compared with the previous year.

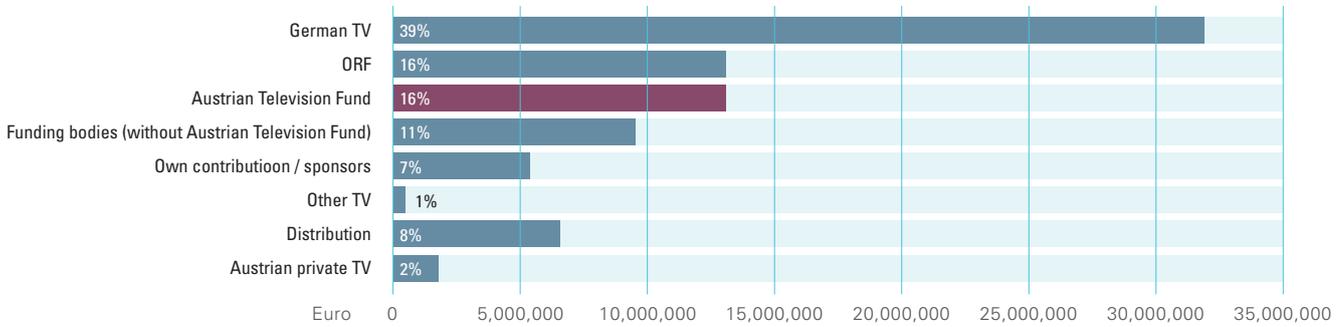
The supported projects sourced 58 per cent of their funding from television broadcasters, 27 per cent from grants, 7 per cent from own funds and sponsoring, and 8 per cent with distribution agreements.

Compared with the year before, the share of financing from distribution agreements was the only one to increase, rising from 6 per cent to 8 per cent. The amount covered by own funds and sponsoring dropped in turn from 9 per cent to 7 per cent.

Co-financing provided by funding bodies other than the Austrian Television Fund accounted for 11 per cent of the total in 2019, 2 per cent more than the year before. Of a total of 73 film productions supported, only four of these projects received grants from European funding bodies. In the case of the other 69 grant approvals, funding came solely from bodies based in Austria.

The chart below gives a breakdown of the funding in detail:

FIGURE 05: SOURCES OF FINANCING FOR TELEVISION FILM PROJECTS FUNDED IN 2019 (Y-AXIS INDICATES EURO AMOUNT)



Source: RTR

Participation by television broadcasters

Of the 73 projects funded, 61 television productions were co-financed by the ORF. While the number of productions receiving funding from Austrian private television broadcasters remained the same as the year before, the share of financing covered for these five productions rose from 1 per cent to 2 per cent.

German television broadcasters participated in a total of 24 projects. In the case of eight productions, contributions were made from a European broadcaster not based in Germany. The participating broadcasters were based in Czechia, France, Italy and Sweden.

As in previous years, all productions co-financed by European broadcasters were documentaries. Germany was the only European country whose broadcasters contributed to funding films or series.

At an international level (European countries excluded), one US broadcaster and one Russian broadcaster participated in funding projects.

Six projects were produced solely by foreign television broadcasters.

Women's share in the funded projects

In terms of appointments to senior management positions – direction, screenplay and production – there was a shift in trends compared with the previous year. The percentage of female executive producers more than doubled, from 11 per cent to 23 per cent. In contrast, however, the proportion of female directors fell from 40 per cent to 29 per cent. The proportion of female screenwriters also declined, from 44 per cent to 40 per cent.

TABLE 13: AUSTRIAN TELEVISION FUND – GENDER STATISTICS FOR FUNDED PROJECTS

2019	Women		Men	
	Number	Percentage	Number	Percentage
Executive producers	17	23%	56	77%
Directors	29	29%	74	71%
Screenwriters	47	40%	72	60%

Exploitation grants

Grants totalling EUR 136,415 were approved in 15 cases in 2019. To support the broader distribution of their film projects, producers received Austrian Television Fund grants to produce versions for the hearing and visually impaired, as well as versions in other languages and for submission to film festivals.

Full details of the projects supported and the grant award guidelines are published on the websites of the Austrian Television Fund (www.fernsehfonds.at) and the film library (www.rtr.at/en/ffat/filmarchiv).

Notes on the 2019 annual accounts

Based on the statement for the trustee account as at 31 December 2018, and considering the credits and disbursements as well as the grants already approved but not yet disbursed, EUR 5,601,811.37 was available in the fund as at 31 December 2019 (see the table below for details).

TABLE 14: AUSTRIAN TELEVISION FUND – EXCERPT FROM THE 2019 ANNUAL ACCOUNTS

FERNSEHFONDS AUSTRIA	(EUR)	
Trustee account balance as at 31 December 2018		3,388,217.94
Credits		
Revenues received in 2019	13,500,000.00	
Repayment of administrative expenses from 2018	50,931.61	13,550,931.61
Grant repayments	0.00	
Debits		
Interest	-2,140.99	
Administrative expenses in 2019	-731,400.00	
Grant disbursements	-10,653,556.68	-11,387,097.67
Balance resulting from initial amount, credits and debits in 2019 = Trustee account balance as at 31 December 2019		5,552,051.88
Administrative expenses from 2019 to be repaid to the fund in 2020		49,759.49
Balance of trustee obligations as at 31 December 2019		5,601,811.37
Approved grants pending disbursement		
Committed funds from 2017	-45,995.00	
Committed funds from 2018	-548,166.68	
Committed funds from 2019	-4,958,360.16	-5,552,521.84
Funds available in 2020		49,289.53

Source: RTR

4.3 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). A total of EUR 6 million was originally allocated to the two funds. The funding was continually increased to EUR 18 million until 2013. This level was then maintained until 2018. In 2019 the Private Broadcasting Fund received an additional EUR 5 million, bringing the total available that year to EUR 23 million.

The funds serve to promote the Austrian broadcasting system and help broadcasters deliver a diverse portfolio of 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 awarded on the basis of relevant legislation and approved guidelines.

4.3.1 Non-Commercial Broadcasting Fund

4.3.1.1 Application dates in 2019

In 2019 a total of about EUR 3 million was available in the Non-Commercial Broadcasting Fund.

In the first round of applications (due by 31 October 2018), 78 applications were submitted by radio broadcasters, two by education and training initiatives, and 14 by television broadcasters. The fund awarded grants to 14 non-commercial radio stations, three community television stations and two educational institutions in radio broadcasting.

In total, EUR 2,754,740 was awarded. Of the funding, 31.94 per cent (EUR 879,795) went to television, 65.16 per cent (EUR 1,794,945) went to radio and 2.90 per cent (EUR 80,000) was allocated to educational institutions.

In this round, grants of EUR 2,449,950 were awarded for content creation, EUR 284,790 for educational measures and EUR 20,000 to support studies.

The second round of funding closed on 1 June 2019.

The remaining funds available, amounting to EUR 129,291, were subsequently awarded. Overall, 69.05 per cent (EUR 89,271) was allocated to radio broadcasting for content and for educational programmes at eleven radio stations, 27.08 per cent (EUR 35,020) to three supported television stations and 3.87 per cent (EUR 5,000) to one educational institution.

More detailed information on the grant decisions can be found on the RTR website at <https://www.rtr.at/en/foe/EntscheidungenNKRF> (in German).

4.3.1.2 Notes on the 2019 annual accounts

EUR 3 million was allocated to the Non-Commercial Broadcasting Fund in 2019.

Based on the statement for the trustee account as at 31 December 2018, and considering the credits and disbursements as well as the grants already approved but not yet disbursed, EUR 114,451.49 was available in the fund as at 31 December 2019 (see the table below for details).

TABLE 15: NON-COMMERCIAL BROADCASTING FUND – EXCERPT FROM THE 2019 ANNUAL ACCOUNTS

Income and expenditure statement	(EUR)	
Trustee account balance as at 31 December 2018		866,799.44
Credits		
Revenues received in 2019	3,000,000.00	
Administrative expenses carried over from 2018	11,355.72	
Grant repayments	5,270.90	3,016,626.62
Debits		
Interest	-457.31	
Administrative expenses in 2019	-113,000.00	
Grant disbursements in 2019	-2,847,564.56	
Balance resulting from initial amount, credits and grant disbursements in 2019		-2,961,021.87
= Trustee account balance as at 31 December 2019		922,404.19
Outstanding administrative expenses in 2019 for repayment in 2020		12,556.80
Balance of trustee obligations as at 31 December 2019		934,960.99
Approved grants pending disbursement		
Committed funds from 2018	-18,940.00	
Committed funds from 2019	-801,569.50	-820,509.50
Funds available in 2020		114,451.49

Source: RTR

4.3.2 Private Broadcasting Fund

4.3.2.1 Application dates in 2019

In 2019 approximately EUR 20 million was available overall in the Private Broadcasting Fund.

In the first round (with a deadline of 15 October 2018), 170 applications were submitted for television grants, 207 for radio grants and two for the funding of educational institutions.

A total of EUR 13,355,204 was awarded to 50 private television broadcasters, 44 private radio broadcasters and two educational institutions during this first round. Of these funds, EUR 9,425,540 (70.58%) went to television broadcasters, EUR 3,655,404 (27.37%) to private radio broadcasters and EUR 274,260 (2.05%) to the educational institutions Privatsenderpraxis and Forum Journalismus TV/Radio.

A breakdown of grants according to the three grant categories reveals that 92.38 per cent of the total awarded in the first round of applications went to supporting content, 6.06 per cent to education and training, and 1.56 per cent to reach surveys and quality studies.

In the second round of applications (with a deadline of 1 June 2019), the remaining funds available, amounting to EUR 6,022,171, were awarded to 21 private television broadcasters and 32 private radio broadcasters.

A total of EUR 4,530,065 (75.22%) went to private television broadcasters, with EUR 1,492,106 (24.78%) being awarded to private radio broadcasters. No educational institutions received funding in the second round.

A breakdown of the grants awarded in the second round of applications according to the three grant categories reveals that 93.79 per cent of the total went to content creation, 3.36 per cent to education and training, and 2.85 per cent to reach surveys and quality studies.

More detailed information on the grant decisions can be found on the RTR website at <https://www.rtr.at/en/foe/EntscheidungenPRRF> (in German).

4.3.2.2 Notes on the 2019 annual accounts

EUR 20 million was allocated to the Private Broadcasting Fund in 2019.

Based on the statement for the trustee account as at 31 December 2018, and considering the credits and disbursements as well as the grants already approved but not yet disbursed, EUR 1,484,726.10 was available in the fund as at 31 December 2019 (see the table below for details).

TABLE 16: PRIVATE BROADCASTING FUND – EXCERPT FROM THE 2019 ANNUAL ACCOUNTS

Income and expenditure statement	(EUR)	
Trustee account balance as at 31 December 2018		9,300,434.19
Credits		
Revenues received in 2019	20,000,000.00	
Grant repayments	107,813.92	
Administrative expenses carried over from 2018	12,606.09	20,120,420.01
Debits		
Interest	-9,247.55	
Administrative expenses in 2019	-564,900.00	
Grant disbursements in 2019	-16,465,550.77	
Balance resulting from initial amount, credits and grant disbursements in 2019		-17,039,698.32
= Trustee account balance as at 31 December 2019		12,381,155.88
Repayment of erroneous transfers		
Outstanding administrative expenses in 2019 for repayment in 2020		62,783.98
Balance of trustee obligations as at 31 December 2019		12,443,939.86
Approved grants pending disbursement		
Committed funds from 2018	-214,253.89	
Committed funds from 2019	-10,744,959.87	-10,959,213.76
Funds available in 2020		1,484,726.10

Source: RTR

4.4 Press and journalism subsidies

The federal press and journalism subsidies are direct support measures in the form of financial contributions. Decisions on the allocation of subsidies are made by the Austrian Communications Authority (KommAustria), with the administration of grants being assigned to one member of the authority. The Press Subsidies Commission and the Journalism Subsidies Advisory Board have been set up as bodies to advise on these matters. One exception is the subsidies allocated to the Austrian Advertising Council under the terms of Art. 33 KOG, for which no advisory body is required. RTR provides specialist technical and administrative support in these funding activities.

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

4.4.1 Press subsidies

In 2019 KommAustria received 115 applications for subsidies under the PresseFG 2004. KommAustria allocated funding in 111 cases, while four applications had to be rejected for not meeting legal requirements.

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

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

TABLE 17: PRESS SUBSIDIES – GRANT AMOUNTS, APPLICATIONS AND APPROVAL RATES, 2015 – 2019

Year	Grant amount (EUR)	Applications	Approvals	Approval rate in %
2015	8,880,406.80	115	114	99.10
2016	8,446,853.85	113	105	92.90
2017	8,912,000.00	105	104	99.05
2018	8,863,000.00	110	108	98.18
2019	8,863,000.00	115	111	96.52

Note: List includes contributions to the Austrian Press Council that originate from the funds.

Details on grant awards have been published on the RTR website <http://www.rtr.at>.

4.4.2 Funding for self-regulation of the press

In 2019 the Austrian Press Council dealt with 297 cases. Of those cases, 291 were submitted by external parties, while in six cases the Council's senates took action on their own initiative. Of Austria's dailies, only Kronenzeitung and Heute have still refused to recognise the Press Council's status as arbitrator.

The Austrian Press Council requested from KommAustria a cost contribution of EUR 196,000 for 2019, which was subsequently approved.

TABLE 18: PRESS COUNCIL – NUMBER OF CASES HANDLED AND COST CONTRIBUTIONS, 2015 – 2019

Year	Cases	Cost contribution (EUR)
2015	251	204,000
2016	306	155,000
2017	320	225,000
2018	302	176,000
2019	297	196,000

4.4.3 Funding for self-regulation of commercial communication

In 2019 the Austrian Advertising Council was again the only applicant for a subsidy from the fund for the promotion of self-regulation in commercial communication in media, once again receiving the entire amount allocated to the fund (EUR 50,000).

As defined in Art. 33 KOG, the goals of this form of financial assistance, existing since 2009, are as follows:

- Ensure the independence of the body in question
- Ensure that the body performs the duties set forth in its articles of association
- Ensure effective enforcement of the body's decisions and resolutions

4.4.4 Journalism subsidies – promotion of print periodicals

Section II of the Federal Act on Subsidies for Political Education and Journalism 1984 (PubFG) provides for the promotion of journalism that serves the purpose of educating citizens by contributing high-quality analysis of relevant issues stemming from the spheres of policymaking, culture and world views. Taken as a whole, the periodicals that receive funding represent a broad spectrum of content. The publications range from feminist periodicals to journals that are centred on religious topics or discuss political and scientific issues. Also included are periodicals by associations that are active in the fields mentioned above and are familiar with the topics through practical experience.

KommAustria received 75 applications for journalism subsidies in 2019, complying with 73 requests while rejecting two due to failure to meet statutory funding requirements.

KommAustria decides the level of funding on a case-by-case basis, giving due consideration to recommendations made by the Journalism Subsidies Advisory Board as well as to the scope, circulation, resources and financial situation of the relevant print periodical. By law, the grant awarded must be between 0.4 per cent and 4 per cent of the funds earmarked for this purpose under the Federal Finance Act. Funds totalling EUR 340,000 were available in 2019, with the individual amounts granted ranging between EUR 1,360 and EUR 12,684.

TABLE 19: JOURNALISM SUBSIDIES – GRANT AMOUNTS, APPLICATIONS AND APPROVAL RATES, 2015 – 2019

Year	Grant amount (EUR)	Applications	Approvals	Approval rate in %
2015	340,000	80	72	90.00
2016	340,000	83	76	91.60
2017	340,000	80	67	83.75
2018	340,000	80	74	92.50
2019	340,000	75	73	97.30

Details on grant awards have been published on the RTR website <http://www.rtr.at>.



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Activities of the TKK

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05 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. Among 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 companies. It is additionally empowered to serve as the supervisory body referred to the Signatures Act (SigG). An overview of the main areas of regulatory activity in the reporting year is presented below.

5.1 Spectrum – maximising efficient use of limited resources

5.1.1 Awarding of spectrum in the 3410 – 3800 MHz range

The TKK resolved to merge the award procedure for the two bands 3.4 – 3.6 GHz and 3.6 – 3.8 GHz, and to begin preparations for this joint auction, as early as 2016. To ensure planning security for market participants, the TKK published a general roadmap for future frequency awards (Spectrum Release Plan) in December 2016. An initial consultation in 2017 gathered significant feedback on the awarding of spectrum in the 3410 – 3800 MHz range from the market, with potential approaches discussed. The regulatory authority subsequently conducted another consultation on the draft Tender Document and auction rules in 2018. In this phase, a hearing organised by the TKK also provided consultation participants with an opportunity to provide oral statements. The invitation to tender for spectrum to be awarded in the 3410 – 3800 MHz range was published on 19 September 2018 in the Official Gazette of the Wiener Zeitung. The auction was held in February/March 2019. The regulatory authority achieved all of the award objectives and the outcome can be summarised as follows:

- Efficient, nationwide 5G spectrum assignments to the three mobile operators
- An additional four successful bidders from the provinces
- Austria leads among European countries in terms of the award time and the volume of 5G frequency blocks
- Roughly EUR 188 million in revenues

As a result of the auction, the three Austrian mobile operators A1 Telekom, T-Mobile and Hutchison each acquired licences for between 100 and 140 MHz of contiguous frequencies in all of the twelve regions put to tender. This puts Austria among the leading 5G countries in Europe in terms of the award time, the volume of frequency blocks and how much spectrum has been assigned to each provider. Full details of the results have been published on the RTR website (at <https://www.rtr.at/en/tk/5G-Auction-Outcome>). The auction, which determined the market value of the frequency usage rights, took just under three weeks. This market value is roughly EUR 188 million.

The TKK's decision to award regional spectrum also served to encourage competition in the telecommunications sector. One mobile services provider (an MVNO) who had previously only leased the use of third-party networks secured usage rights for frequencies in Lower Austria and Burgenland. Three regional broadband providers were granted licences in Upper Austria, Salzburg and Styria. The 3.4 – 3.8 GHz band is particularly well suited to providing regional coverage. As a result, the first leg of a journey has been completed that will ultimately lead to the successful rollout of 5G services in Austria. The second step, which will be decisive for coverage, starts with the 2020 multiband award.

5.1.2 **Preparation of the award of spectrum in the ranges 700 MHz, 1500 MHz and 2100 MHz**

In 2015, the Austrian federal government took a decision to make the 700 MHz band available to the telecommunications industry as of mid-2020. The decision on the reallocation of the 700 MHz band – both at European and national levels – was taken in consideration of ever-present technological change and market developments. In 2016 the regulatory authority had already made a start on preparations for awarding the second digital dividend. The allocation for mobile telecommunications was implemented through an amendment made by the Federal Ministry of Transport, Innovation and Technology (BMVIT) to the Frequency Utilisation Ordinance 2013.

In relation to the 1500 MHz band, the regulatory authority is also awarding the extension bands and not only the core band as envisaged in the Spectrum Release Plan. This means that a total of 90 MHz is available. The band is reserved for downlink usage only and can therefore only be used together with another band (this usage is termed a 'supplementary downlink'). All frequency channels in the 1500 MHz band can be used immediately after legal assignment.

The 2100 MHz band is usable only from 1 January 2021, after expiry of the current usage rights. To allow for an appropriate time interval between the auctions, the regulatory authority is planning to start the auction about one year after the auction in the 3410 – 3800 MHz range, i.e. in April 2020.

Following the publication of a position paper on infrastructure sharing and the awarding of the 3410 – 3800 MHz range, the TKK sees the awarding of the 700/1500/2100 MHz bands as making another significant contribution to the introduction of 5G in Austria. Through a timely award ensuring legal certainty as well as a design focusing on award objectives, the regulatory authority is laying the groundwork for 5G innovation.

The first consultation on this award was launched on 20 December 2018, with the aim of gathering important feedback relating to auction/product design and potential coverage obligations from market participants and other key stakeholders. The regulatory authority held a second consultation in 2019, covering drafts of the Tender Document and the auction rules. In this phase, a hearing organised by the TKK also provided consultation participants with an opportunity to provide oral statements. The invitation to tender for spectrum to be awarded in the 700/1500/2100 MHz bands was published on 11 December 2019 in the Official Gazette of the Wiener Zeitung (with a tender submission deadline of 26 February 2020).

5.1.3 Consultation on the 2.3 GHz and 26 GHz frequency ranges

The regulatory authority (RTR) and the Federal Ministry of Transport, Innovation and Technology held a joint consultation on the 26 GHz band and on the 2300 MHz band, mainly to decide whether a clear demand for these frequencies currently exists. A total of seven statements were received. A summary is available from the RTR website at: https://www.rtr.at/en/inf/stn_konsult26-ghz-2300-mhz.

While the 26 GHz band (24.25 – 27.50 GHz) enables very high bandwidth, it supports only a limited range and is accordingly suitable for use only in areas with high user densities and at locations requiring very high capacities. In Europe, the 26 GHz band has been identified as one of the 5G ‘pioneer’ bands. This band is currently in use, however, mainly for microwave radio, satellite radio and non-civilian frequency allocation.

The 2300 MHz band is currently used for wireless cameras, for broadcasting applications, and by public-sector actors (such as the Federal Ministry of the Interior and fire services) as well as for various applications in military telemetry. Terminal devices are already available for this frequency band, not least because it is already used today for mobile services in key global markets (such as China and India).

The results of the consultation have shown that there is presently insufficient market demand for spectrum in the 26 GHz band.

5.1.4 Refarming of spectrum in the 3410 – 3800 MHz range

Article 57 Par. 1 of the Telecommunications Act 2003 (TKG 2003) authorises the competent authority to modify how and to what extent spectrum is allocated. This can be required, for example, by international developments and changes in international telecommunications law in particular or as a result of a need to adapt to modified frequency usage at an international level. The proportionality of the measure and the economic impact on affected parties must be considered when making any such changes. Where the modified technical conditions for frequency usage differ from those in the invitation to tender for usage rights, the Federal Minister for Transport, Innovation and Technology is to be consulted.

In the reporting year, the TKK initiated one procedure in response to modified technical terms and conditions of use relating to the 3410 – 3800 MHz range, which had been awarded during the procedure referred to above. Commission Implementing Decision 2014/276/EU of 2 May 2014 was replaced by Commission Implementing Decision (EU) 2019/235 of 24 January 2019 to amend Commission Decision 2008/411/EC. In addition, the Agreement on 3400 – 3800 MHz (Austria, Germany, Liechtenstein and Switzerland) of 20 September 2017 was replaced by the revised Agreement on 3400 – 3800 MHz (Austria, Germany, Liechtenstein and Switzerland – Vaduz 2018) of 29 November 2018.

The seven operators affected by the procedure were informed, as was the Federal Minister for Transport, Innovation and Technology, with an opportunity provided for submitting statements. The procedure was pending at the end of the reporting year.

5.1.5 Review of coverage based on spectrum awarded in the 2013 multiband auction

Coverage requirements were 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 previously experiencing (very) poor coverage. The coverage obligations pertaining to the 800, 900 and 1800 MHz bands are currently under review by the regulatory authority, with one review procedure having been completed in 2019. The coverage obligations required, among other things, proper broadband coverage for a certain number of the municipalities that had been (very) poorly supplied with broadband services at the time of the 2013 multiband auction; these communities were specified by the regulatory authority in two appendices to the assignment decision. This obligation was to be met solely using spectrum 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 per cent of the community's residents indoors and 90 per cent of residents outdoors with a minimum bandwidth of 2 Mbps (downlink) and 0.5 Mbps (uplink). Since the review and the related measurements completed demonstrated that the obligations had been met, the procedure was accordingly closed without the need to impose any fines on the operators involved (A1 Telekom and T-Mobile).

An additional obligation requires a communications service to be set up for 95 per cent of the population that supplies data to consumers at an outdoor rate of 1 Mbps for downloads and 250 Kbps when uploading. This obligation does not have to be met solely using frequencies within the 800 MHz band, though. Similarly, the requirement to provide 98 per cent of residents with a communications service supporting an end-user data rate of 12.2 Kbps outdoors (for example voice telephone service) can be met using other frequency bands (such as the 2.1 GHz or 2.6 GHz band), with certain minimum quality criteria specified for voice services.

The licensees holding spectrum in the 800, 900 and 1800 MHz ranges (A1 Telekom, Hutchison and T-Mobile) were required to provide evidence of compliance with the coverage obligations defined in their particular case by the regulatory authority. Based on the information submitted, the TKK decided in at least some cases to take appropriate measurements to verify the reported level of coverage. The procedure was pending at the end of the reporting year.

5.2 Net neutrality

Net neutrality refers to the equal treatment of all data transmitted via the internet. Such equal treatment is independent of the sender, recipient, location, content, service or application. Net neutrality is important because it allows every internet user to retrieve and share information, content and services. This allows support for freedom of expression, economic growth and innovation through the internet.

To protect net neutrality, the Telecoms Single Market (TSM) Regulation has been in force at a European level since November 2015. BEREC guidelines on the Regulation were adopted in August 2016 to ensure uniform implementation of the Regulation across Europe. Activities in 2019 were dominated by procedures in response to network blocks and by BEREC-level preparations for a review of the net neutrality guidelines. Another point of focus was the issue of zero-rating.

5.2.1 National supervisory procedures

The TSM Regulation mandates national regulatory authorities with tasks including monitoring compliance with the provisions of the Regulation. Of the supervisory procedures initiated against operators in October 2016, one procedure was dropped early in the 2019 reporting period. There had been an initial delay here on the part of the operator in implementing the agreed technical measures. Appeal proceedings before the Federal Administrative Court continued during the 2019 reporting year in relation to the outcomes of two procedures decided in late 2017, one originating in 2016 and relating to priority handling of a video-on-demand service offered in combination with IP-TV, and another involving a procedure to prohibit traffic shaping. Supervisory procedures once again focused in particular on the issue of 'network blocks' (see section 5.2.2) in 2019.

Requests for information

Information requests based on Art. 5 Par. 2 of the Telecoms Single Market Regulation are the instrument most often used by the regulatory authority to monitor compliance with net neutrality requirements. Relevant competencies were permanently transferred from the TKK to RTR as a result of an amendment to the TKG 2003 in early 2019. RTR initiated a total of eleven procedures to request information from internet service providers (ISPs) in order to audit compliance with obligations pursuant to the TSM Regulation. The focus of these procedures was once again the (non-) assignment of public IPv4 addresses, as well as routine disconnections and blocked ports.

For 2019, it is gratifying to note once again that the vast majority of these cases did not require the use of supervisory procedures, since providers responded to the corresponding admonitions by making technical changes and adapting their products voluntarily. Most of these procedures had been completed by the end of the 2019 reporting year. The TKK was required to initiate a supervisory procedure only for a single information request, where the operator was unwilling to make any changes. Another procedure granted the operator an extended transition period; this deadline has not yet expired.

5.2.2 Network blocks in the context of the TSM Regulation

To guarantee open internet access for all, the TSM Regulation stipulates that providers of internet access service (IAS) must not block access to certain kinds of online content – although the Regulation also allows for exceptions to this basic principle. One example is where installing an access block for certain websites may be permissible if a specific legal provision requires the ISP to take this action. Within the scope of copyright law, Art. 81 Par. 1a of the Copyright Act (UrhG), in implementation of EU law, provides for situations where ISPs are obliged to block access to websites that are intentionally structured to breach copyright law. This is the case of websites that unlawfully impinge on the protected right of copyright holders to make their works available.

In 2019 the TKK initiated a total of 13 supervisory procedures against ISPs who were suspected of denying access to particular websites.

While copyright claims must be decided in an ordinary court of law, the national regulatory authority is required to ensure compliance with open internet rules as set out in the TSM Regulation. In the TKK's supervisory procedures, the decision as to whether the network blocks installed were legal therefore also depended on whether the copyright claim was admissible. In cases where the access blocks installed are based on court decisions (including injunctions) and the blocking measure adopted (such as a DNS block) represents the least severe measure available, this does not violate the terms of the TSM Regulation. Cases where the network blocks were installed as a result of legal or private settlements, or warnings from the rights holder, do not represent a violation if the copyright claim is justified and the least severe blocking measure has been adopted. In the latter cases mentioned, the regulatory authority was required to assess the actual copyright claim in order to be able to decide whether the access block was reconcilable with the TSM Regulation.

Between the spring and autumn of 2019, the TKK dropped eight supervisory procedures, since no breach of the TSM Regulation could be identified. At the time of going to press, investigations were currently ongoing in five supervisory procedures.

The TKK initiated assessment procedures at the request of ISPs in a total of eight cases. Unlike the supervisory procedures described above, these assessment procedures involve websites that have not yet been blocked. Accordingly, these assessment procedures aim to evaluate whether an exception exists as defined by Art. 3 of the TSM Regulation and so to determine whether it would be legitimate to subsequently block the website.

One assessment procedure was dropped after the request was withdrawn in full, while another procedure is still under evaluation. The other six assessment procedures were decided in August 2019. In each of these cases, the absence of any copyright claim meant that the TKK prohibited the ISP in question from blocking access to the website under consideration in the specific procedure. These six decisions are not final.

5.2.3 Net Neutrality Report 2018 – 2019

The TSM Regulation additionally tasks national regulatory authorities with publishing an annual report on progress in implementing the Regulation. RTR published its third Net Neutrality Report in June 2019, describing progress in implementing net neutrality. The report presents the actions taken by RTR during the reporting period (1 May 2018 to 30 April 2019) towards implementing the TSM Regulation in Austria. The report focuses in particular on the phenomenon of ‘zero-rating’, aiming to provide interested readers as well as parties subject to applicable standards with insights into underlying factors, relevant approaches and global developments. As in the previous year, ongoing discussions were also held with operators about the respective request-for-information procedures initiated and – where potential breaches had been identified – about options for remedying these within an appropriate period. As a result, open internet access in Austria can still be rated positively. Companies involved in serious breaches of the TSM Regulation usually identified constructive solutions, which were then approved by the regulatory authority and either implemented or scheduled for implementation.

Other activities by RTR in 2019 included the publication of two studies dealing with the open internet: while one study looked into the effects of zero-rating in the EU, another investigated the openness of the internet with respect to operating systems, apps and app stores.

Both studies and the Net Neutrality Report itself are available as downloads from the RTR website.

5.2.4 Uniform implementation of net neutrality rules in Europe – BEREC activities

The uniform implementation of the TSM Regulation and the BEREC guidelines in Europe was again a key activity in 2019. In addition, international dialogue between regulatory authorities (both within the framework of BEREC and bilaterally) about ongoing procedures continued, as did the joint discussion and analysis of relevant products, while BEREC’s annual Net Neutrality Report was also published.

In addition, RTR also contributed to other BEREC efforts. The European Commission evaluated the Regulation’s net neutrality provisions as of 30 April 2019. It was concluded that the Regulation is effective and will be retained in its current form, while certain aspects of the BEREC net neutrality guidelines were judged to have potential for revision and clarification. The same conclusions were drawn in the 2018 BEREC opinion on the application of the TSM Regulation and the BEREC guidelines. International efforts relating to net neutrality in 2019 were consequently focused on revising the BEREC net neutrality guidelines. The revised BEREC guidelines were presented for consultation in autumn 2019 and are scheduled to be adopted by summer 2020, once input from the consultation has been incorporated.

The first version of the BEREC measurement tool for verifying connection parameters relating to net neutrality (BEREC nntool) was also completed in 2019. Open source and open data principles were applied in developing this tool. The source code has been published in its entirety, allowing interested NRAs to use it in their countries. This, in turn, aims to foster a harmonisation of the measurement tools offered by NRAs.

5.3 Measures to ensure competition

The regulatory authority has a number of measures at its disposal to ensure competition in the Austrian telecoms markets.

One of these measures is a requirement for the regulatory authority to conduct periodic market analyses, so as to determine

- whether there is a relevant market subject to regulation;
- whether one or more companies active in such a market possess significant market power and what challenges to competition exist; and/or
- whether effective competition exists.

If effective competition is not present in the market, appropriate obligations are to be imposed on the company with significant market power.

A market analysis was not required in 2019. Instead, the regulatory authority focused its efforts on verifying compliance with the specific obligations previously imposed.

5.3.1 Review of A1 Telekom cost accounting system for 2018

The cost accounting system used by A1 Telekom Austria AG was specifically audited for compliance with the obligations that had been imposed by previous market analysis decisions. In a decision issued in late September, the TKK declared that the review of the obligations imposed on A1 Telekom Austria AG, namely to “maintain separate accounts” as well as to “set up and apply a specific cost accounting system and a specific cost accounting method”, had shown that A1 Telekom Austria AG’s accounts, cost accounting system and cost accounting method had complied with the relevant specific obligations imposed on that entity for the 2018 financial year.

5.3.2 Arbitration between operators

As part of its role as an arbitrator, the regulatory authority ensures a fair balance of interests among operators of public communications networks. If a settlement under private law in the form of a network access or interconnection agreement is not reached, each participant has the option of applying to the regulatory authority for a decision in lieu of such an agreement.

In 2019 the TKK handled several requests for the definition of interconnection conditions.

In a decision dated 18 December 2019 in response to a request submitted by atms Telefon- und Marketing Services GmbH against A1 Telekom Austria AG, the TKK issued an interconnection order applying to the reciprocal termination of text messages. The provision of text message termination services does not fall under any relevant market and no company holds significant market power as defined in telecommunications law. The fees that were the subject of the matter in dispute were therefore to be set at an ‘appropriate’ level. The criteria used to assess the appropriateness of the fee level included the actual underlying costs. The reciprocal fee applicable between Telefon- und Marketing Services GmbH and T-Mobile Austria GmbH was accordingly set at 1.2 euro cents, the same as previously set by an interconnection order dating from 2018.

In March 2019, Hutchison Drei Austria GmbH submitted a request for a reduction of the text message termination fee agreed with interconnection partner Vectone Mobile (Austria) Ltd. The request was withdrawn in August 2019 after the parties had failed to reach a settlement in preliminary mediation; the case was subsequently dropped.

In another procedure in August 2019, A1 Telekom Austria AG requested an order requiring fonira Telekom GmbH to accept several provisions of the reference unbundling offer fonira had objected to (specifically: increased set-up fee, surcharge for a certain time slot and fee for an additional option). After the parties had largely reached a settlement in preliminary arbitration, fonira withdrew the request in November 2019; this procedure was also subsequently dropped.

5.4 Infrastructure rights: wayleave rights and rights of joint use contribute to broadband rollout

When expanding communications networks, operators are often required to route their infrastructure across private and public property. Operators can claim wayleave rights in these circumstances. Yet another option is to jointly use existing infrastructure (masts, ducts, manholes or lines) owned by other companies, thereby reducing the costs of expanding fixed and mobile networks (rights of joint use). Parties unable to agree on such usage can request the TTK to take a decision. Prior to any TTK decision, RTR attempts to arbitrate (mediation).

On 1 December 2018, an amendment to the TKG 2003 (Federal Law Gazette I 78/2018) entered into force that also introduced several changes to legislation related to infrastructure rights, such as a new wayleave right for compact antennas and authorisation for RTR to set reference rates (see section 6.7.5, WR-V 2019). A total of 27 requests were brought before the TTK in the reporting period, with 24 relating to wayleave rights and three pertaining to rights of joint use. Seven procedures were still pending at the end of the reporting period.

Decisions published by the TTK can be viewed (in German) at <https://www.rtr.at/de/tk/EntscheidungenGesamt>.

5.5 Ensuring legally compliant terms of contract

Part of the TKK's remit is to ensure that the contract terms applied by providers and operators of telecommunications services and networks comply with the law; such sets of terms include general terms of service, service descriptions and fee provisions.

Operators are required to draw up contract terms and notify these terms to the TKK for review. In 2019, 318 procedures were carried out. This represents a slight drop from 362 such cases in the previous year.

Substantive reviews of terms and conditions focus not only on compliance with telecommunications law but also civil and consumer protection legislation.

In examining general terms of service in 2019, special attention was given to the 'service categories' defined by mobile telecoms in their contracts. Such terms represent a departure from the previous 'best effort' principle, whereby customers were always automatically offered the best available service. More details can be found in the section 5.2 on net neutrality.

The TKK is primarily concerned with ensuring that telecoms make any necessary changes to contract terms as part of the procedure itself: this ensures that legal compliance is established as soon as possible. In 2019 the TKK once again achieved this goal in every procedure and thus avoided any need to issue an objection decision.

For telecoms customers, checking through contract terms in advance reduces their risk of needing to go to court to clarify the legality of individual clauses once the contract has already been signed. Such legal proceedings also carry the risk of being very costly. At the same time, consumers are often unable to identify potentially unlawful clauses that are in fact unenforceable even though they have been agreed and included in the general terms of service.

5.6 Electronic signatures and trust services

As set out in the Signature and Trust Services Act (SVG), the TKK is the supervisory body for those trust service providers (TSPs), as defined in the eIDAS Regulation (910/2014), who are established in Austria.

5.6.1 Procedures before the TKK

Four procedures initiated in 2018 were concluded in 2019. An additional 23 cases were initiated in 2019. Only four of these had not yet been completed by the end of 2019.

Commission Delegated Regulation (EU) 2018/389 defines new security standards for electronic payment services, requiring among other things the use of qualified certificates for electronic seals and for website authentication. These requirements have resulted in a broader choice of qualified trust services. At the end of 2019, the Austrian market for providers of qualified certificates included four providers for electronic signatures, three providers for electronic seals and two for website authentication. Qualified timestamps were also offered by one other provider.

Qualified TSPs are required to undergo a conformity assessment by an accredited conformity assessment body every two years. The resulting conformity assessment reports are to be evaluated by the supervisory body. In compliance with this rule, three qualified TSPs submitted in 2019 new conformity assessment reports for auditing by the supervisory body.

An option available since mid-2018 to generate a digital signature using a mobile device's fingerprint scanner resulted in the need for extensive investigations on the part of the supervisory body. In this context, fallback mechanisms were also developed to allow a rapid response in the event of any apparent vulnerabilities in fingerprint sensors.

In two procedures, the supervisory body addressed alternative identification methods, which are used to issue qualified certificates and create remote signatures.

The supervisory body investigated eight security incidents reported by TSPs in 2019. Most of the TSPs responded very vigilantly here: in almost all cases, precautions were taken to significantly reduce the risk of similar security incidents in future. The supervisory body also dealt with technical vulnerabilities arising from use of the SHA-1 hash function and PDF signatures.

5.6.2 Infrastructure

In supervisory operations, the TKK works through RTR, with the latter separately responsible for certain tasks. This applies especially to the infrastructure required to verify certificates, electronic signatures, electronic seals and electronic time-stamps, all of which is operated by RTR.

This includes:

- the 'trusted list' made available at www.signatur.rtr.at/currenttl.xml (a list of information related to TSPs and the trust services they provide, which is required to be made available in a standardised format by each Member State);
- the signature verification service made available at www.signaturpruefung.gv.at, which allows verification of electronic signatures, electronic seals and electronic certificates from other EU and EEA countries, where these items are listed in the trusted list for the particular country;
- a 'trust infrastructure', enabling the supervisory body to take over the certificate database of a TSP that discontinues service.



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06 Activities of RTR

In the area of telecommunications and postal services, the Regulatory Authority for Broadcasting and Telecommunications (RTR) serves as the administrative agency of the Telekom-Control-Kommission (TKK) and the Post-Control-Kommission (PCK). RTR additionally has separate responsibilities as a telecommunications authority. These include alternative dispute resolution, the administration of Austrian phone numbers and the issue of ordinances. Key focal points of work in the reporting year are presented below.

6.1 User protection: we help consumers assert their rights

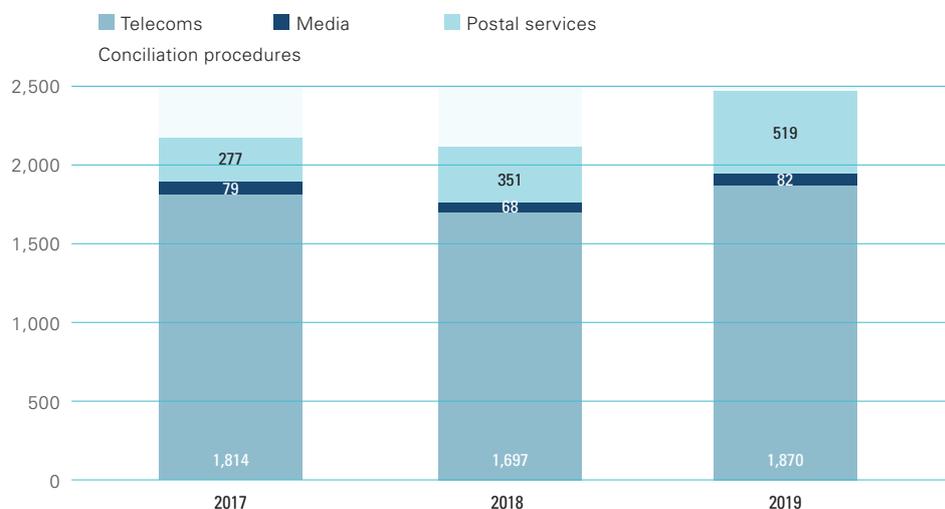
6.1.1 The conciliation bodies for telecommunications and postal services

Three conciliation bodies have been set up at RTR, to support customers of telecommunications and postal services and to provide alternative dispute resolution for dealing with provider problems. These are:

- Conciliation body for telecommunications services
- Conciliation body for media
- Conciliation body for postal services

The broad acceptance of these conciliation activities can be seen by the number of conciliation procedures filed with RTR each year. A total of 2,471 procedures were filed in 2019.

FIGURE 06: CONCILIATION PROCEDURES INVOLVING TELECOMS, MEDIA AND POSTAL SERVICES, 2017 – 2019



As in previous years, these figures again underscore the importance of conciliation procedures as a permanent part of the regulatory authorities' service portfolio. Thanks to their domain expertise as well as 'direct lines' to Austria's service providers and operators, the conciliation bodies are able to efficiently arbitrate on behalf of users and achieve cost-effective solutions not otherwise accessible via the courts. It is important to note here that users need not concern themselves about process costs when appealing to one of the three conciliation bodies.

Sharp upswing in procedures involving telecoms and media

Cases relating to telecommunications and media increased by 11 per cent from the previous year to a total of 1,952. More than 95 per cent of the procedures were concluded within 90 days. Conciliation procedures brought about a settlement in 78 per cent of cases. In terms of subject areas, the year under review presented few new challenges worth mentioning that would have driven up the number of cases. Most conciliation body casework involves various issues relating to contracts.

Postal services cases rise nearly 50 per cent

Procedures relating to postal services rose by 48 per cent to a total of 519. Of this number, 124 were filed in the letter service category and 351 in parcels. More than 93 per cent of the procedures were completed within 30 days, with 78 per cent of these concluded amicably.

This remarkable increase can be attributed to the growing popularity of the conciliation body and the continued boom in parcel traffic resulting from online shopping. Most procedures addressed delivery problems.

Expanded services

Steps were also taken in the reporting year to increase awareness of conciliation body services among the general public. This was achieved on the one hand by online advertising. In addition, explanatory videos presenting basic information in simple terms were produced and subsequently published on YouTube and on the RTR website.

Certified metrics for fixed internet access

In late 2019, RTR released a 'certified metrics' tool that allows measurement of fixed internet access performance under real-world conditions. Contracts for fixed internet access must provide details of the minimum, normally available and maximum speeds, as well as the advertised download and upload speeds. Certified metrics enable actual speeds to be recorded as proof of any failure to meet service obligations in full.

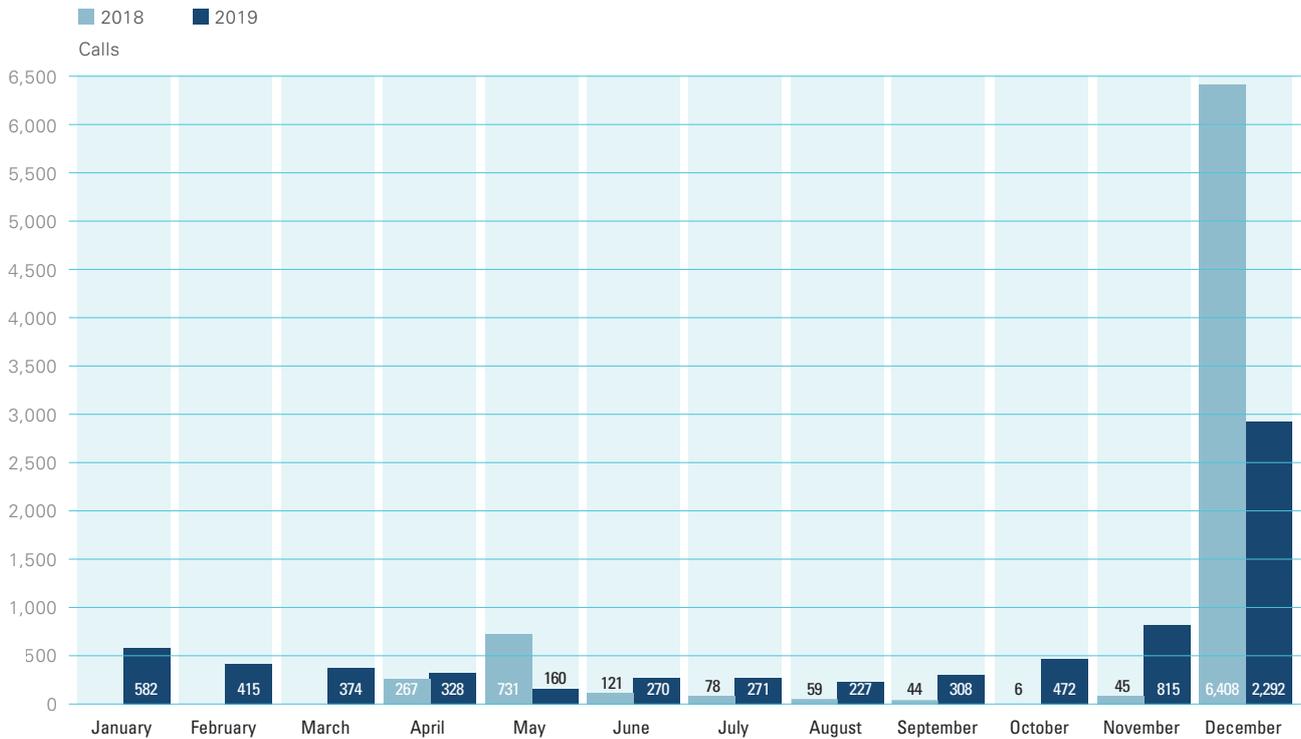
6.1.2 Contact for reporting phone number misuse

In response to repeated surges in one-ring phone scams,⁵ RTR set up a contact point for reporting phone number misuse in 2018, available (in German) at www.rufnummernmissbrauch.at.⁶ The goal here was to collect evidence about the actual scope of the problem of one-ring calls, which are designed to trick users into calling back premium numbers, as well as to educate the public and help close any information gaps that might exist.

Since monitoring began two years ago, the problems relating to phone number misuse and nuisance calling have clearly become more serious. One underlying factor is the general and persistent trend towards cheaper calls. Spammers and scammers are finding it increasingly profitable to bombard users with unwanted phone calls.

The figure below shows the rising frequency of one-ring and spam calling in the years 2018 and 2019.

FIGURE 07: ONE-RING AND SPAM CALLING IN 2018 AND 2019



To date, victims of one-ring calls have been relatively helpless. Some Austrian network operators have nonetheless endeavoured to introduce countermeasures such as the temporary blocking of telephone numbers.

Number misuse is certainly an issue that will require further attention. RTR will therefore continue to monitor related developments in the interests of users.

⁵ Background information on one-ring scams is available (in German) at https://www.rtr.at/de/tk/Beschwerde_Meldung/Hintergrundinformationen_zu_Pinganrufen.pdf

⁶ How the contact point for reporting phone number misuse works is described in the conciliation body's 2018 activity report, available (in German) at: https://www.rtr.at/en/inf/STR_Bericht2018

6.2 Supervisory procedures

Grievances against frequent failures on the part of Vectone Mobile (Austria) Ltd. to meet number porting obligations had led RTR to initiate a procedure in 2018. By law, providers of public telephone services must allow their subscribers to retain their phone numbers when changing providers. When a subscriber transfers a mobile telephone number to a new provider, the previous provider is obliged to issue the customer number porting information on request.

In the contested cases, Vectone Mobile had either failed to comply with the requirement to issue number porting information to enable porting or had done so only after long delays. At the same time, the provider uses an obsolete protocol to transfer subscriber data when processing number porting requests. In September 2019, RTR issued an official decision ordering Vectone Mobile to comply with its obligations to ensure number porting by ensuring the timely transfer of number porting information and processing of porting requests, and by using a protocol that meets current technical standards. Vectone is also required to submit monthly reports covering each and every porting case until June 2020. By the end of the reporting period, Vectone had yet to correct the conditions causing the complaints.

6.3 Value-added services

Art. 24 Par. 2 of the Telecommunications Act 2003 (TKG 2003) specifies the regulatory authority's duty to provide information on an annual basis on any unfair practices relating to value-added services and the action taken. The Communications Parameters, Fees and Value-Added Services Ordinance (KEM-V 2009) plays a significant role here, as the provisions have resulted in a decline in complaints concerning value-added services.

In the reporting year, eleven of the complaints RTR handled in connection with its duties as a conciliation body related to value-added voice telephony (accounting for 0.56 per cent of all conciliation procedures). For the first time ever, no complaints were filed about value-added text messaging. Complaints about value-added services have continued to decline in recent years.

In 2018 about 1.3 per cent of conciliation procedures had involved grievances about value-added services. The percentage for this category of complaints halved in 2019, falling to 0.56 per cent.

TABLE 20: COMPLAINTS OVER VALUE-ADDED SERVICES, 2015 – 2019

	2015	2016	2017	2018	2019
Total number of conciliation procedures	2,409	1,996	1,893	1,766	1,952
Procedures involving value-added services	55	57	39	23	11

Source: RTR

6.4 Services subject to notification requirements

Under Art. 15 TKG 2003, providers must notify the regulatory authority in advance of their intention to provide public communications networks or services, and of any modification to or termination of such networks or services.⁷

TABLE 21: NOTIFIED ACTIVE SERVICES 2015 – 2019

Service category	2015-12-31	2016-12-31	2017-12-31	2018-12-31	2019-12-31
Public telephone services at fixed locations	394	326	390	391	387
Call shops	82	67	43	38	33
Internet cafes	88	76	50	48	42
Public internet communications services	409	415	418	421	413
Public communications networks	403	429	511	532	564
Public leased-line services	77	83	79	82	80
Other public communications services	10	27	30	31	34
TOTAL services notified	1,463	1,423	1,521	1,543	1,553

Source: RTR

As of 31 December 2019, notifications for 1,553 active services had been given by a total of 765 operators, of which 75 were operators of call shops and/or internet cafés. Based on a 2011 amendment to the TKG 2003, such operators are exempt from a large number of obligations arising from the TKG 2003 that apply in general to businesses required to provide notification as defined in Art. 15 TKG 2003 (including the notification of general terms and conditions).

6.5 Communications parameters: administration of the Austrian number range

6.5.1 Central reference database

Work on the central reference database began in 2017 and these activities continued in earnest in 2019. After completion of the specifications, the software services to be implemented were put to tender, with the contract subsequently awarded to Anexia Internetdienstleistungs GmbH. The necessary implementation work started in April 2019: some activities are currently in progress while others have progressed to testing. A stepwise go-live is planned for the database before the end of 2020.

⁷ For further information on notification procedures, please refer to the Communications Reports of the previous years.

Central Number Database Ordinance 2019

A public consultation was held in December 2019 to discuss a draft ordinance by RTR that defines the conditions under which data are to be collected and made available in the context of assigning and using phone numbers in a central database (Central Number Database Ordinance 2019, ZR-DBV 2019). The ZR-DBV 2019 establishes a legal basis for the creation of a central database for all phone numbers in Austria as well as the collection and provisioning of data in relation to the assignment and use of numbers in this database, as referred to in Art. 65 Par. 9 of the TKG 2003. The ordinance therefore enables the regulatory authority to migrate previous number administration activities – in particular the steps involved in number porting and forwarding – to an advanced digital platform, which in turn is to be made available to market participants and the general public. The database also facilitates the querying of location and subscriber data when responding to emergency calls and providing information in other cases as required by law. The database is being designed for use by operators as the basis for the ‘direct routing’ of phone calls.

6.5.2 Reports detailing statistics on telephone number administration

A total of 686 applications were submitted and processed and a total of 654 decisions issued in the 2019 reporting year. Applications were withdrawn in 32 cases.

There were six rejections, fewer than half the previous number, almost all of which involving cases where the applicants failed to meet the prerequisites for the assignment of national destination codes in the (0)5 range for private networks.

The rise in decisions issued in 2019 can be attributed to an increase in assignments of geographic blocks and of blocks in the (0)5 range for private networks.

TABLE 22: ISSUED DECISIONS 2015 – 2019

	2015	2016	2017	2018	2019
Number of affirmative decisions	562	585	558	566	648
Geographic numbers	330	323	318	332	402
Non-geographic numbers	232	262	240	234	246
Number of negative decisions	22	9	7	15	6
TOTAL	584	594	565	581	654

In 2019 RTR issued a total of 13 affirmative decisions in the context of administrating special communications parameters, which include mobile network codes, a basic and essential addressing element for mobile networks.

6.6 Emergency calls: rare outages are a cause for alarm

RTR has been involved in the handling of emergency calls for over 15 years. From its origins in the Plattform Notrufe event, RTR has been able to bring together the major stakeholders in this area to generate benefits by means of a regular exchange of expert information at various levels, including the technical, operational and legal domains. Given the rapid pace of technological change in networks, services and user devices, regular interaction among experts from emergency response organisations, telecoms providers and authorities is critical, as it enables them to respond rapidly to impending challenges and help ensure continuous improvements to the quality of the emergency call system. The past year demonstrated once again the degree to which we take a fully functioning emergency call system for granted and how great the outcry can be when the system experiences one of its rare outages.

In October 2019, the failure of a critical network component, coupled with mistakes made when trying to repair it, not only led to the widespread unavailability of fixed phone services for several hours but also caused problems with emergency call routing in Austria. While the loss of service fortunately did not have serious consequences for people seeking assistance, the general public were forcibly reminded of the extent to which we depend on a functional emergency call system. The outage prompted emergency response organisations, providers and relevant government agencies to hold emergency meetings and workshops with the aim of addressing the issue in detail, and working out improvements to communications, technologies and public information strategies. Based on its abovementioned role in Austria's emergency call infrastructure and its expertise in the area, RTR is deeply involved in these ongoing efforts and works together with other stakeholders towards the continued improvement of Austria's emergency call system.

In addition to organising the semi-annual Plattform Notrufe meetings, last year's activities focused in particular on topics such as improving geolocation services for emergency callers and tackling the challenges raised by the default settings configured for user devices. RTR also has observer status in Next Generation 112, a project launched by the European Emergency Number Association (EENA) with the aim of testing cross-border interaction between next-generation emergency call infrastructures.

6.7 RTR ordinances

6.7.1 Reporting data to the RTR and querying/consulting data held by the RTR as Single Information Point for Infrastructure Data – ZIS-V 2019

The RTR's Single Information Point for Infrastructure Data (ZIS; cf. section 6.10) started operations back in January 2017. The ZIS was effectively established by two key ordinances issued by RTR in 2016, which sought to define in detail the terms under which data are to be reported (ZIS-EinmeldeV) and queried (ZIS-AbfrageV). An amendment to the TKG in December 2018 (FLG I No 78/2018) added several features to the ZIS (including a query facility for public funding bodies). The RTR therefore modified details of the provisions of the ordinances on reporting and querying to reflect the new legal basis. Those two ordinances were then merged into a new Ordinance on a Single Information Point for Infrastructure Data (ZIS-V 2019), which was then promulgated in the Federal Law Gazette (FLG II 50/2019) on 21 February 2019. The ordinance, including relevant commentaries, can be downloaded (in German) from the RTR website at https://www.rtr.at/de/tk/ZIS-V_2019.

6.7.2 Telecommunications Reference Rate Ordinance 2019 – TRV 2019

Usage rights entitle owners of existing lines or equipment, such as high-voltage masts, to additionally use the line or equipment for telecommunications purposes. In return, holders of such usage rights are required to make a one-time compensation payment to the property owner. RTR has the duty of issuing an ordinance defining a reference rate for such compensation that “does not inhibit use of the property” when offered. In the Telecommunications Reference Rate Ordinance 2019 (TRV 2019, FLG II 112/2019), RTR set this rate at the new value of EUR 2.74 per linear metre of cable as of 1 August 2019. The ordinance, including relevant commentaries, can be downloaded (in German) from the RTR website at <https://www.rtr.at/de/tk/TRV2019>.

6.7.3 Submission of information to RTR as Single Information Point for Broadband Coverage – ZIB-V

The amendment to the TKG in 2018 (FLG I 78/2018) granted RTR additional powers to issue ordinances, including those in relation to the Single Information Point for Broadband Coverage, first established in 2019 (ZIB; cf. section 6.10.2). RTR correspondingly issued the Ordinance on the Single Information Point for Broadband Coverage (ZIB-V; FLG II 202/2019), setting out detailed provisions on data reporting procedures for the applicable telecoms operators. The ordinance, including relevant commentaries, can be downloaded (in German) from the RTR website at <https://www.rtr.at/de/tk/ZIB-V>.

6.7.4 **Amendment to the Information Requirements Ordinance**

Providers and operators of communications services and networks are entitled to modify the terms of existing contracts with consumers unilaterally. In return, the other party to such a contract is entitled to terminate the agreement at no charge. Article 25 of the TKG 2003 sets out the procedure providers and operators are required to follow when planning unilateral changes that are not exclusively favourable. Specifically, the main content of any changes that are not exclusively favourable must be communicated in an appropriate form to the other party to the contract at least one month before the effective date.

A modification of a contract for telecommunications services is legally valid only if it complies with the provisions of the Information Requirements Ordinance (MitV; FLG II 239/2012 as amended by FLG II 296/2019), in addition to Art. 25 Par. 3 of the TKG 2003 as referred to above. The MitV defines the level of detail, format and content of the communication used to inform the subscriber – as party to the contract with the operator – of any planned changes that are not exclusively favourable. The purpose of the ordinance is to ensure subscribers remain fully informed of any imminent changes to contract provisions as well as about their rights.

This ordinance is periodically evaluated by the regulatory authority and updated as required. Issued in 2019, the second amendment to the MitV (FLG II 296/2019) introduced a number of necessary changes. With contractual relationships between operators and subscribers increasingly focussing on data transmission speeds, any planned changes to such speeds are to be described in greater detail. Providers and operators are also required to provide contact details to allow subscribers to terminate contracts. Finally, certain passages of the MitV had to be modified to align them with the Identification Ordinance (IVO; FLG II 7/2019) as well as with earlier amendments to Art. 25 of the TKG 2003.

6.7.5 **Ordinance on Reference Rates for Impairment – WR-V 2019**

The rollout of modern communications networks can succeed only if wayleave rights entitling access to private and public properties and buildings are granted under appropriate terms. An obvious conflict of interests arises here between the parties rolling out broadband networks and property or building owners, with the latter having to tolerate interference with their property rights. Historically, a lack of publicly accessible information about appropriate levels of compensation has made agreements on wayleave rights difficult to reach. Accordingly, the 2018 amendment to the TKG (FLG I 78/2018), RTR a new mandate to prepare an ordinance to define rates for such compensation. After detailed groundwork and a public consultation, the Ordinance on Reference Rates for Impairment 2019 (WR-V 2019; FLG II 310/2019) was issued on 24 October 2019. Key provisions in this ordinance are noted in the following. The reference rates are not applicable to public property (such as public streets and squares). The reference rates similarly do not apply to usage rights for existing equipment. This area is instead the focus of the TRV 2019 (see above). The reference rates cover only impairment. Redress on the basis of other claims, such as for damage to grounds or to compensate for expenses, can also be sought where there is a separate legal basis for such claims. The reference rates in the WR-V 2019 are defined as one-time compensation and thus do not represent rental fees or other recurrent payments. The reference rates are intended to provide transparency in relation to the level of appropriate compensation and thereby

facilitate efficient and rapid settlement. Compensation is nonetheless not framed in final terms. A party to a dispute who considers the reference rate inappropriate can submit arguments and proof to authorities in support of a level of compensation other than the reference rate. In such cases, it is not sufficient to merely demand a higher rate of compensation without justification. Now that the level of compensation is readily accessible to the public, the outcomes of official procedures to settle any unresolved individual disputes are also more easily predictable. RTR is now tasked with reviewing the impact of the ordinance within the next two years. The WR-V 2019, along with relevant commentaries, can be viewed at <https://www.rtr.at/de/tk/WR-V2019> (in German).

6.8 RTR's international commitments

6.8.1 RTR and BEREC

A large part of BEREC's work programme in 2019 was devoted to preparing the harmonised implementation of the new European Electronic Communications Code (EECC). Two of the eleven planned sets of guidelines were completed and published in 2019.

FIGURE 08: BEREC GUIDELINES



Source: BEREC

BEREC adopted the first set of guidelines, on intra-EU communications, in March. These guidelines are designed to help ensure consistent, harmonised implementation of the provisions regulating phone service and text messaging between Member States. National regulatory authorities (NRAs) are to observe these guidelines, as well as all others, as closely as possible when implementing the EECC.

As the co-chair of the roaming working group, RTR is taking a leading role in drafting the guidelines. RTR also co-chairs another working group, which is responsible for fixed network evolution. In 2019, this group prepared the “Guidelines on Very High Capacity Networks”, which are slated for consultation and publication in 2020.

The next two sets of guidelines followed in December 2019. The “BEREC GUIDELINES on the minimum criteria for a reference offer” are aimed at ensuring transparency and an open market for enterprises seeking to access and interoperate electronic telecommunications networks. Network operators are obliged to practice non-discriminatory behaviour and publish a reference offer. The guidelines set out the minimum criteria that apply to such offers. These criteria include technical standards for access and service level agreements. At the same time, the criteria are defined broadly enough to accommodate the special features of local markets.

General authorisation regime harmonised EU-wide

As a means of ensuring a harmonised system of general authorisation throughout the EU, BEREC has prepared guidelines on the general authorisation notifications transmitted to competent authorities. In these guidelines, BEREC defines the details of a template to be used by network and service providers to provide notification when starting services. Queries to determine whether the notifying provider is a member of an EU group of companies should also use a uniform format. Notification is made in the national language. From late 2020, BEREC will maintain a complete list of general authorisations on its website.

International conference: Competing Continents

RTR sat on the Mini-Board as the outgoing chair in 2019. In this capacity, one of RTR's tasks was to prepare an international conference for the occasion of BEREC's tenth anniversary. The conference was held in late June in the Latvian capital of Riga, where the BEREC offices are located.

Delegates from 50 countries worldwide registered for the international conference, entitled “Competing Continents: The pursuit of excellence in electronic communications”.

Participants in the six panel discussions included senior representatives of regulators, providers, manufacturers, businesses and research units. The conference aimed to survey ongoing global activities with the aim of providing a mutual learning resource. Especially in light of the key role played by best practice in BEREC's harmonisation efforts.

Topics discussed at the conference included the open internet, 5G development and investments in high-performance networks. Other discussions centred on the benefits of artificial intelligence for the sector and ways to level the playing field in platform regulation.

An RTR delegate took part in the 5G panel discussion. Indeed, Austrian regulatory authority TKK, with support from RTR, was one of the first NRAs in the EU to award licences for the 5G pioneer band, doing so just prior to the conference.

6.8.2 RTR and ERGP

In 2010 the European Commission adopted a decision to establish the European Regulators Group for Postal Services (ERGP).⁸

ERGP is an advisory group to the European Commission. The group's mission is to facilitate consultation and cooperation among the independent NRAs in the EU Member States, and between NRAs and the European Commission.

Five expert working groups under ERGP discuss the input provided by the various experts from the postal NRAs participating in the particular group. From the very beginnings of ERGP, RTR has participated in these working groups by delegating experts.

The ERGP work programme in 2019 focused on these key points:

- Interconnection models for access to international postal networks
- Identifying key issues in consumer markets
- Consumer protection and complaint management
- International key indicators for postal markets
- Application of the new EU Regulation on cross-border parcel delivery
- Promoting competition
- Potential definitions of competition markets

ERGP chair

ANACOM, the Portuguese regulatory authority⁹ (represented by director João Cadete de Matos), chaired the ERGP in 2019. Greek regulatory authority EETT¹⁰ (represented by vice-president Spyros Pantelis¹¹) was elected to serve as chair of ERGP in 2020.

⁸ <http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=OJ:C:2010:217:TOC>

⁹ <https://www.anacom.pt/render.jsp?categoryId=2958&languageId=1>

¹⁰ https://www.eett.gr/opencms/opencms/EETT_EN/index.html

¹¹ https://www.eett.gr/opencms/opencms/EETT_EN/EETT/Structure/SPantelis.html

6.9 Security and integrity of networks

Since November 2011, operators of public communications networks or services have been required to report to RTR, according to a format specified by RTR, any security violation or impairment of integrity that has a considerable impact on network operations or the provision of services. RTR is in turn required to submit an annual report to the European Commission and to the European Network and Information Security Agency (ENISA), describing the notifications received and the measures taken. RTR can also inform regulatory authorities in other Member States, ENISA or the public about certain notifications on an ad hoc basis. Here the goal of transparency nonetheless always needs to be seen in the context of requirements for protecting the privacy of provider data.

6.9.1 Continued low level of reported network outages

In 2018 RTR received seven notifications of security violations or impairments to the integrity of electronic communications networks or services.

- In January 2019, extended periods of heavy snowfall resulted in outages affecting several of one mobile operator's transmitters, which left around 15,000 to 20,000 subscribers without communications services from this operator for as long as four days.
- In July 2019, 43 subscribers of one mobile network operator in Upper Austria and Tyrol were unable to place emergency calls for a period of four hours.
- A faulty network component meant that about 110,000 subscribers of one mobile operator were unable to log on to the network for an eight-hour period in August 2019.
- In October 2019, as many as 5.2 million subscribers of a mobile network operator were unable to place any calls for three hours, due to a defective hardware component coupled with human error during troubleshooting. The incident was also reported by another mobile network operator, whose subscribers were unable to make any emergency calls for the same reason.
- An error in software used by one mobile operator for prepaid services resulted in only limited service being available to prepaid card customers for more than 14 hours in November 2019.
- In December 2019, for a two-hour period, subscribers using certain mobile phone models were put through to the police although they had dialled the fire service emergency number.

6.9.2 Risk assessments

RTR reviewed the 2017 – 2018 telecoms sector risk assessment to identify any potential risks in relation to introducing 5G technology. This re-evaluation was done at the behest of the Federal Ministry of Transport, Innovation and Technology (BMVIT) and the Federal Chancellery (BKA). These activities had been prompted by a recommendation from the European Commission that called on EU Member States to assess national 5G network cybersecurity and report the results to the Commission. Basing its approach once again on the best-practice PPP model, RTR coordinated the assessment with specialists from ministries responsible for security as well as telecoms and internet industry experts.

The assessment was then completed in June 2019, allowing the BKA to submit the Austrian results to the European Commission in advance of the due date.

The results of the various national 5G cybersecurity assessments submitted by the Member States were then consolidated to produce a picture of the EU-wide situation, with a summary report published on 9 October 2019. The next step by the Commission is to have a Union toolbox of measures developed to mitigate the identified risks. This task had not yet been completed by the end of 2019. Earlier in the same year, RTR initiated a procedure to issue an ordinance that will allow Union toolbox measures to be implemented where these fall within the regulatory authority's remit.

Work also began on the 2020 telecoms sector risk assessment, again to be carried out jointly within the framework of a PPP process that includes representatives of the ministries responsible for security (Federal Chancellery, Federal Ministry of the Interior, Federal Ministry of Defence and Sports, and the Federal Ministry of Agriculture, Regions and Tourism), representatives of providers and their interest groups as well as prominent members of the internet community. Two workshops were held in October and November 2019 as part of this project.

6.10 Single information points

The TKG 2003 was amended to add a package of measures that have been designed to reduce the costs of rolling out high-speed networks. These measures include the ZIS and the ZIB, single information points that are operated by RTR.

6.10.1 Single Information Point for Infrastructure Data (ZIS): an information hub for telecommunications network operators

The Single Information Point for Infrastructure Data (ZIS) was established at RTR in 2016 and manages a directory of all existing and planned infrastructure expansion that can be used for telecommunications purposes. In setting up the ZIS, the aim was to create an information hub for telecommunications network operators that permits the efficient exchange of information concerning existing infrastructure and planned construction work, and consequently to facilitate the efficient shared use and installation of infrastructure.

What kinds of data are stored in the ZIS?

The requirement to report geodata applies to all Austrian municipalities as well as other public bodies that are responsible for transmission infrastructure or planning construction work. Information must also be reported by providers of public communications networks, who are subsequently permitted to query the data collected. Companies operating physical infrastructure for oil, gas, electricity, district heating, water, funicular railways or transport must also report data. The group of organisations obliged to report data is referred to as 'network providers'.

The parties subject to reporting obligations upload the electronic GIS data on transmission lines and access points to the ZIS Portal, which is accessible from the RTR website, and these data are then automatically imported into a database. When reporting data on infrastructure, the type must be specified (such as ducts, manholes or optical fibre). Network providers are required to submit updates of any changes in data to the ZIS Portal.

By the end of 2020, the database must also be supplemented with geodata for transmission lines previously not registered.

How is a query performed?

The ZIS is not a public directory. Only providers of public communications networks are entitled to query infrastructure data, since only they have shared use entitlements granted by the TKG. An application for rights of query and access must be submitted to RTR in advance, and the persons to perform the queries on behalf of the telecommunications company must be granted authorisation to do so.

Providers of networks other than public communications networks can query the database for the location of planned construction projects. A list of current construction projects within each municipality is available to all network providers and can be downloaded from the ZIS Portal.

For the purpose of administering earmarked funding, the Federal Minister for Agriculture, Regions and Tourism has exercised the legal option of designating authorised parties at RTR who are entitled to consult data about existing and planned infrastructures. Currently about 60 individuals are so entitled.

Legal background

In late 2015, the EU Directive on reducing the costs of broadband expansion was implemented in Austria through an amendment to the Austrian Telecommunications Act (TKG 2003). In addition to assigning RTR the task of technical implementation as well as a support role for the ZIS, the TKG 2003 also authorises RTR to issue ordinances in this context. RTR most recently exercised this power to draft the Ordinance on the Single Information Point for Infrastructure Data 2019 (ZIS-V). This was then submitted for public consultation, with the final version promulgated on 21 February 2019. The ordinance sets out the general terms that apply to reporting and querying data (see section 6.7.1 on RTR ordinances).

ZIS Portal use as of 31 December 2019

Since June 2016, some 2.5 million data records have been supplied by the potential group of roughly 3,200 organisations required to report – including 2,100 Austrian municipalities.

As of 31 December 2019, 196 of the companies required to report had applied to RTR and received authorisation to query the ZIS Portal. A total of 2,006 query requests were made in 2019 by authorised telecoms companies using the 591 user accounts authorised to access the database.

Requests were processed on average within 1 day 19 hours and 50 minutes in 2019, whereby this figure refers to the entire turnaround time.

More detailed information is published on the RTR website at www.rtr.at/de/tk/ZIS (in German).

6.10.2 Single Information Point for Broadband Coverage (ZIB)

Established at RTR in July 2019, the Single Information Point for Broadband Coverage (ZIB) manages data relating to current and planned future coverage with connectivity to telecommunications networks, both fixed and mobile. Information on bandwidths, technologies and active connections is also stored in the database. Besides ensuring that data are made available, RTR is tasked with data verification and organisation, with the goal of providing an up-to-date picture of broadband coverage in Austria.

Who is required to provide data?

Providers of public communications networks and services are required to supply data. These firms hold what is known as a 'general authorisation' based on their field of business, and have correspondingly notified their networks or services to RTR.

What kinds of data are stored in the ZIB?

The data reported relate to areas currently or scheduled to be covered via either fixed or mobile broadband networks, as based on the 100 metre grid used by Statistics Austria. Active connections/subscriptions, broken down by speed category, are reported for the area belonging to each municipality. Where providers cooperate, through wholesale services or re-selling, data relating to acquired wholesale products and spatial or other limitations can be submitted.

Data are uploaded as CSV files to the ZIB Portal, which can be accessed on the RTR website at zib.rtr.at. Areas that are supplied with coverage in the context of the wholesale level are entered directly via a form on the ZIB Portal.

Some of the data (current and planning data) are made available to the Federal Ministry of Agriculture, Regions and Tourism to enable revisions of the broadband atlas. This means entities required to report information need only supply data once.

When are the data supplied?

Once every quarter, RTR asks entities to update previously supplied ZIB data, while current planning data are only requested as of the third quarter. If data do not change from one quarter to the next, entities can report this information directly via the ZIB Portal as well.

What support is available for entities required to report?

RTR is doing all it can to help entities fulfil this new responsibility, not only by making information about the ZIB available as downloads but also by responding to individual queries (zib@rtr.at).

The ZIB Portal offers a map editor: this allows coverage areas to be selected and the corresponding data to be stored in CSV files for later uploading.

Some companies do not work with a geographic information system or maps. For these entities, RTR provides support in the form of an Excel-based data-editing tool that converts address data into the 100 metre grid used by Statistics Austria. This information is merged with product-related data as a CSV file that can then be uploaded to the ZIB Portal.

Legal background

The ZIB is based on the legal framework provided by Art. 13d Par. 1 of the Telecommunications Act 2003 (TKG), a paragraph added by the 2019 amendment to the TKG. Based on this provision, an Ordinance on Submission of Information to RTR as Single Information Point for Broadband Coverage (ZIB-V; FLG II 202/2019) entered into force on 5 July 2019 (see Section 6.7).

6.11 Evaluation of the Telecommunications Act 2003 in accordance with Art. 113 TKG 2003

Based on Art. 113 Par. 6 of the Telecommunications Act 2003 (TKG 2003), the regulatory authority has the duty to periodically carry out an evaluation of the legal provisions and, after consultation with the Federal Minister for Agriculture, Regions and Tourism, include the results of the evaluation with the Communications Report every two years. This was most recently reported in the 2017 Communications Report.

The Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (EECC; OJ 2018 L 321/36) led to a revision of the European legal framework for electronic communications after more than 16 years. A number of previous specific provisions of EU law were fundamentally amended in some cases and merged into a single Directive. The EECC is to be transposed into national law by 20 December 2020 and applies from that day on.

While extensive changes were made to the previous EU legal framework for electronic communications, the EECC can be seen as focused on essentially three main concerns: moving forward connectivity through fixed and mobile broadband networks; to establish a level playing field, ensuring largely equal treatment in legal terms of telecoms service providers and over the top (OTT) players; fully harmonising rights for end users where possible.

The RTR Telecommunications and Postal Services Division proposes that the need to amend Austrian telecommunications law be taken as an opportunity to revise in full the TKG 2003 and not merely to adapt specific provisions. In doing so, attention should be given to the following:

- fully implementing the EECC in the (new) TKG by the deadline;
- defining in particular rules to implement the main concerns mentioned above in harmony with the detailed plans set out in the 2020 – 2024 government programme;
- providing for rules that allow the regulatory authorities to respond flexibly to new technological or business phenomena (such as security issues relating to electronic communications networks and platforms);
- clarifying issues concerning wayleave rights and rights of joint use (Art. 2 TKG 2003) that have been left unresolved after the TKG amendment published in FLG I 2018/78;
- at the same time considering the principle of simplifying administration.



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Regulatory activities

in the postal sector

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07 Regulatory activities

in the postal sector

The Post-Control-Kommission (PCK) and the Regulatory Authority for Broadcasting and Telecommunications (RTR) are jointly responsible for safeguarding competition in the postal services market. In addition to providing operational support to the PCK, RTR has separate regulatory duties relating to the notification of services, dispute resolution and arbitration in end user disputes. The most significant regulatory activities by the two authorities in 2019 are presented briefly below.

7.1 Procedures before the PCK

7.1.1 Closure and discontinuation of postal service points

Post AG must notify the PCK in advance of its intention to close any directly operated postal service point (PSP). A PSP operated by Österreichische Post AG (Post AG) may only be closed on condition of meeting certain prerequisites set out in the Austrian Postal Market Act (PMG). Specifically, the provision of universal service must be ensured by another PSP, for instance by a Post AG PSP already in existence or by a PSP operated by a postal service partner, in other words a third-party PSP. The PCK may prohibit the closure if the specific conditions the PMG sets out for such cases are not met. The PCK may make authorisation of the closure contingent on another specified PSP providing replacement service, or choose to discontinue the procedure and decline to prohibit the closure. More information on procedures relating to the closure of PSPs operated by Post AG can be found by referring to the communications reports for previous years. Post AG notified the regulatory authority of the planned closure of a total of four directly operated PSPs in 2019. At the time of going to press, the procedure regarding those four directly operated PSPs is still pending.

In addition to the planned closure of the directly operated PSPs, the PCK also conducts supervisory procedures to review any discontinuation of third-party operated PSPs, for instance resulting from the insolvency of postal service partners or the termination of contracts. Under the PMG, Post AG is also required in such closure cases to ensure the provision of universal service as well as full geographic coverage with PSPs. Under certain conditions, alternative service supply solutions such as rural delivery personnel can be implemented in such situations. In 2019 closures of third party-operated PSPs were the subject of supervisory measures by the PCK in 76 cases. The total number of PSPs in Austria fell during the reporting year, from 1,776 (as of 31 December 2018) to 1,755 (as of 31 December 2019). As of 31 December 2019, rural delivery personnel were additionally deployed in seven cases as an alternative service supply solution.

TABLE 23: POSTAL SERVICE POINTS OPERATED BY POST AG AND BY THIRD PARTIES, 2015 TO 2019

	2015	2016	2017	2018	2019
Post AG-operated PSPs	499	442	430	424	413
Third party-operated PSPs	1,278	1,333	1,347	1,352	1,342
Total PSPs	1,777	1,775	1,777	1,776	1,755

Source: RTR

7.1.2 Payment orders for the financial contribution under Art. 34a KOG

Also in relation to the postal sector, the provisions of the KommAustria Act (KOG) require the federal government to cover from its budget one portion of RTR's expenses and the postal service industry to contribute the remaining share. Where postal service providers fail to meet their obligation to pay financial contributions, the Post-Control-Kommission (PCK) is obliged to issue an official decision ordering payment of the contribution.

The PCK issued a decision, dated 30 September 2019, to one company ordering payment of the planned financial contribution for 2018. As the company did not take legal recourse, the decision became final.

7.1.3 Issue and revocation of licences

A licence issued by the PCK is required in order to operate a business for conveying letters weighing 50 g or less. In 2019 the PCK revoked the licence of Klaus Hammer Botendienste, as insolvency proceedings were initiated against the assets of the licensee and closure of the company was ordered. As of the end of 2019, five companies held such licences:

- feibra GmbH,
- Medienvertrieb OÖ GmbH,
- RS Zustellservice Rudolf Sommer,
- noebote GmbH and
- HPC Duale Zustellsysteme GmbH.

7.1.4 General terms of service and tariffs

With regard to services in the universal service sector, the universal service provider (Post AG) is required to issue general terms and conditions specifying conditions for the services offered and their associated tariffs, with the general terms and conditions being notified to the PCK. Within two months, the PCK can object to any notified general terms of service that contradict certain provisions of law. Eight procedures relating to changes in the general terms of service used by Post AG were pending at the start of the 2019 reporting year, of which five were completed during the course of that year.

Tariff adjustment by Post AG

Changes in the general terms and conditions of Post AG, relating in particular to tariffs charged for various products in the universal service sector, are to become effective as of 1 April 2020. The products affected include: domestic letters, official letters with advice of receipt, special terms applying to machine capability, forwarding orders, international letters, newspaper delivery and Sponsoring.Post.

The PCK commissioned RTR experts to review the rates and submit an evaluation report. Letter tariffs weigh in the strongest among the universal services in the overall basket used in the Consumer Price Index (CPI). The evaluation report found letter price increases to have been significantly higher than the general rise in CPI. The adjustment of Media Post tariffs as of January 2020 is responsible for the letter price increase in relation to the CPI. In comparison, the price changes for parcels and official letters with advice of receipt were marginal. During the period May 2011 to January 2020, the tariff of the product PRIO S letter increased by 37.1 per cent, that of ECO S letter by 19.4 per cent. By comparison, the CPI increased by 15.6 per cent over the same period. The evaluation report found that no earlier than as of 1 April 2020 would any tariff increase for the overall basket (+6.1%) be lower than the forecast rise in CPI (+6.2%). In response to the findings of the evaluation report, Post AG then specified the submitted changes to enter into force only as of 1 April 2020. The tariff adjustment for the overall basket is consequently lower than the forecast change in CPI. As a result, PCK did not object to the reported changes in the general terms and conditions (including tariffs).

The following refers to the product category of domestic letters. For letters sent under the ECO rate, the tariffs change as follows: S letters EUR 0.74 (previously EUR 0.70); M letters EUR 1.30 (EUR 1.25); S parcels EUR 2.55 (EUR 2.50); M parcels EUR 4.10 (EUR 4.00).

For letters sent under the PRIO rate, the tariffs change as follows: S letters EUR 0.85 (previously EUR 0.80); S parcels EUR 2.75 (EUR 2.70); M parcels EUR 4.30 (EUR 4.20). This contrasts with the price of M letters, remaining the same at EUR 1.35.

Furthermore, the additional services of payment on delivery and declaration of value are available in future only for parcels. Further information is available on the websites of RTR and Post AG.

7.2 Procedures before RTR

7.2.1 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 such a 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 2019, 22 companies reported the provision of postal services to RTR. As a result, the list of postal service providers maintained by RTR comprises of a total of 46 companies at the end of 2019.

In a groundbreaking judgment (C-259/16 and C 260/16) in 2018, the European Court of Justice (ECJ) ruled that postal service within the meaning of the Postal Service Directive is rendered even when a minimum of one of the four elements of collection, sorting, delivery or transport is provided; only in the case of transport does an additional listed element have to be provided to qualify. On the one hand this lead to a departure from the previous legal interpretation, according to which a postal service had been considered to be constituted through provision of more than one element of the service chain (collection, sorting, transport and delivery), whereby sorting was seen as a central feature of offering a postal service. This also meant that in future many more companies will fall into the category of postal service provider and therefore have to report postal services. For instance, Hermes Logistik GmbH & Co KG as well as all of the Mail Boxes Etc./MBE Center shops now fall under the definition of a postal service provider. Further information was published on the RTR website and communicated to the relevant sectors in cooperation with the Chamber of Commerce. The continuously expanding list of postal services is available on the RTR website.

7.2.2 Review of Post AG's cost accounting system

One of the regulatory authority's remits is to periodically review the cost accounting system used by universal service provider Post AG. Within its internal cost accounting systems, the universal service provider is obliged to maintain separate accounts for services classified as universal services and for those not considered 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 revealed that the cost accounting system used in 2018 complied with the criteria listed.

7.2.3 Measurement of average transit times of letters and parcels

At least once a year, the regulatory authority is required to measure and verify the average transit times of letters handled by all providers, based on the method specified in the ÖNORM EN 13850 standard; the same applies to the average transit times of parcels, which are reviewed based on real-time data. The PMG requires postal service providers to meet certain transit times when providing services as part of the universal service mandate. At least once a year, postal service providers are required to publish comparable, appropriate and current information, based on the methods specified in ÖNORM EN 13850, on the quality of their services, in particular the transit times of conveyed postal items, and to provide this information to the regulatory authority on request. This implies that postal service providers are obliged to take appropriate measurements. The review of the transit times for letters and parcels conveyed as part of universal services in 2019 revealed that the transit times of the following postal service providers complied with applicable requirements:

- Österreichische Post AG¹²
- GLS General Logistics Systems Austria GmbH
- DHL Paket (Austria) GmbH

The other postal service providers for whom the review procedure was initiated did not provide any services falling under universal services during the period reviewed, or procedures are or were pending with the regulatory authority to determine whether the services provided are to be classified as universal services; consequently no measurements were required.

¹² Regarding cross-border intra-communal letter delivery services, some targets could not be met due to increased national transit times in several EU countries. See <https://www.rtr.at/de/post/Laufzeitenmessung> for further information (in German).

7.3 **More transparency for foreign parcel service: Parcel Delivery Regulation**

Regulation (EU) No 2018/644 of the European Parliament and the Council on cross-border parcel delivery services entered into force on 22 May 2018.

The EU sees the vast difference in price and quality among the Member States parcel services as an obstacle for the single market. Harmonisation should both promote international trade as well as enable small companies and consumers in particular to more easily compare the various parcel delivery service providers. Tariff comparability is aimed at creating transparency and boosting competition as well as – through ‘blame and shame’ – at reducing excessive rates in the long run.

Especially larger parcel delivery services with an average of more than 50 employees will be obliged under the Regulation to provide data to the national regulatory authority. The affected parcel delivery service providers have until 31 January of each year to submit to RTR 15 selected tariffs for cross-border delivery of single parcels, with these rates to later be published on an EU Commission website. The regulatory authority is also required to verify the universal service provider’s tariffs falling under the Regulation to ensure they are affordable, cost-related, transparent and non-discriminatory.

In Austria, a total of ten parcel delivery services submitted the required data to RTR in 2019. A summary table with the public tariffs of all parcel delivery services falling under the requirement is available here: https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border_en.



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RTR's activities

as a competence centre

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08 RTR's activities

as a competence centre

RTR is tasked with serving as a competence centre for broadcasting and telecommunications industry¹³ affairs while complying with the general principles of economy, efficiency and expediency.

This competence centre role involves completing analyses on matters relating to the activities of KommAustria, TKK and RTR. Examples here include the commissioning of study reports and the preparation of expert reviews. The findings from such evaluations are to be appropriately prepared for public disclosure.

The following chapter presents examples of activities falling under the competence centre remit (cf. Art. 20 KommAustria Act, KOG).

8.1 Activities within the Media Division

8.1.1 Symposium: 5G Broadcast – the future of broadcasting in the 5G era

In November, a conference was held on the future of broadcasting in the 5G era as part of the Austrian Roadmap 2050 event series. Attended by prominent experts, the event was supported by RTR's Media Division and Telecommunications and Postal Services Division, and by Österreichische Rundfunksender GmbH (ORS).

Opening speeches were delivered by Federal Minister for EU, Arts, Culture and Media Alexander Schallenberg and Gernot Grimm, Director General in the Federal Ministry of Transport, Innovation and Technology. In the keynote speech that followed, Antonio Arcidiacono of the European Broadcasting Union (EBU) explained the technical aspects of 5G Broadcast. Two panel discussions then explored 5G as a carrier medium for broadcasting technology, including its requirements, deployment and benefits. Panel members were Gerhard Zeiler (Warner Media), Marcus Grausam (A1), Corinna Drumm (VÖP), Michael Wagenhofer (ORS), Franz Manola (ORF), Marvin Peters (Samsung Electronics Austria GmbH) and Anja Tretbar-Bustorf (Magenta Telekom).

The findings of a study commissioned by ORS on the future of linear broadcasting were summarised by Prof. Josef Trappel from the University of Salzburg.

A detailed report on the symposium has been published (in German) on the RTR website at <https://www.rtr.at/de/inf/5GForum>.

¹³ RTR does not act as a competence centre for postal service regulation.

8.1.2 **"Hate Speech on the internet" – a first-hand account of Glawischnig vs. Facebook**

In December, as part of its work for the Digital Platform Austria working group, the RTR Media Division invited media lawyer Maria Windhager to speak about the European Court of Justice (ECJ) ruling of 3 October 2019 in the case of Eva Glawischnig-Piesczek vs. Facebook Ireland Limited.

As a result of the court ruling, Facebook can be forced to delete hate posts and statements harmful to an individual's reputation or equivalent content, and at a global level, according to international law. The wide-ranging implications for social network platforms were presented from various perspectives and discussed with Ms Windhager.

8.1.3 **Studies commissioned**

2019 Video Survey

Commissioned by the RTR Media Division and the TELETEST Working Group (AGTT), market research institute GfK Austria carried out a representative survey of the population to investigate how Austrian residents consume video from sources including conventional television, online platforms and physical storage media (DVDs and Blu-ray discs). The subsequent 2019 Video Survey was the result of more than 4,000 computer-assisted web interviews (CAWI) conducted between 6 February and 5 March 2019. This was the fourth such study to be carried out since 2016.

Presented at the Screenforce Day event on 23 May, the survey reveals for the most part a continuation of the trends observed in recent years. Content provided via conventional TV, viewed either live or in recorded form, still accounts for the largest share of video consumption. Online programmes are simultaneously becoming increasingly popular among the public.

The survey is available (in German) on the RTR website at <https://www.rtr.at/de/inf/Bewegtbildstudie2019>.

8.1.4 **Research Institute for Electronic Mass Media Law**

The Research Institute for Electronic Mass Media Law, abbreviated REM, was founded in 2005 and is established as a not-for-profit association with headquarters at the RTR offices. REM focuses on academic research into legal issues relating to electronic mass media.

In 2019 the members of the REM management board were as follows: Prof. Barbara Leitl-Staudinger (University of Linz, Austrian Constitutional Court, REM chair), Prof. Hans Peter Lehofer (Austrian Administrative Court, deputy chair), Prof. Walter Berka (University of Salzburg), Alfred Grinschgl, Prof. Michael Holoubek (Vienna University of Economics and Business, Austrian Constitutional Court), Michael Ogris (KommAustria), Oliver Stribl (RTR) and Matthias Traimer (Austrian Federal Chancellery).

REM workshop: no rights online

The annual REM workshop, entitled “No rights online – a critical assessment of current developments”, was held in May. The workshop centred on how social media and media in general are used online, and the resulting challenges for the legal profession.

15th Austrian Broadcasting Forum

REM's Austrian Broadcasting Forum (Österreichisches Rundfunkforum), which facilitates an exchange of views among researchers and practitioners on issues affecting broadcasting law, was held for the fifteenth time in October 2019. This year's topic was “The revised Audiovisual Media Services Directive: current implementation issues”. A conference report is to be published in the course of 2020.

The award ceremony for the REM Research Prize was also held at the Broadcasting Forum. Presented for the first time in seven years, the award plus prize money of EUR 3,000 recognised the work of Hannah Grafl in her doctoral thesis entitled “Net Neutrality – the Legal Entrenchment of a Concept of Political Democracy”.

8.2 Telecommunications and Postal Services Division

8.2.1 Salzburg Telecom Forum focuses on digital change

The twentieth Salzburg Telecom Forum, entitled “Electronic communications and digital transformation”, was held jointly by RTR, the University of Salzburg and the European Commission. The two-day event was attended by high-profile delegates from research, business and government.

The core message conveyed by all of the speakers on the first day, and from a number of perspectives, was that the manifold benefits of digitalisation should not blind regulators to its less appealing aspects, which need appropriate countermeasures. A consensus emerged that only joint action by the industry and policymakers would be effective. Jeremy Godfrey, chair of the Body of European Regulators for Electronic Communications (BEREC), pointed to issues surfacing worldwide, including the kinds of regulation needed and how to shape it to meet future challenges.

The presentations on the second day addressed legal issues relating to digital transformation.

8.2.2 Study on zero-rating in the EU

In the context of (mobile) internet access, zero-rating refers to the practice of excluding certain applications/apps or services when calculating the data consumed from the subscriber's plan. Although multiple mobile telecoms in EU countries practice zero-rating, hardly any empirical research into the impact of zero-rating has been published to date.

The study, entitled Zero-Rating in the EU, assesses the tariff plans of 53 mobile telecommunications network operators in 15 EU Member States for the period 2015 – 2018. The study authors seek to ascertain the impact of zero-rating on the data volume included in plans, monthly rates and the unit price of included data.

The study is available on the RTR website at <https://www.rtr.at/en/inf/ZeroRatingEU2019>.

8.2.3 Report on the open internet: operating systems, apps and app stores

Users increasingly access the internet via platforms. Such platforms facilitate interaction and enable network effects to be achieved between these various user groups. Consumers benefit from lower prices for goods and services, greater choice and stimuli that drive competition. Digital platforms are accordingly becoming an increasingly important mainstay for various areas of our society. Market 'tipping', a phenomenon where markets favour only a few players or just a single company, elevates the risk of excessive dependency and a potential for abuse that acts to restrict competition. Such potential dangers include the leveraging of market power and obstacles to innovation, a lack of transparency and terms of business that are dictated by suppliers.

In view of these risks, the report on the open internet examines several digital markets that are especially prone to concentration: smartphones, operating systems and app stores. In these markets, Google and Apple control access by several user groups and therefore play a key role as gatekeepers. They ensure that applications are pre-installed on user devices. They dictate the terms of business applying to consumers and developers, including terms governing data collection and use. They specify the application programming interfaces (APIs) made available to developers, and so control the interface between app development and app use. Correspondingly, qualitative interviews were also conducted with app developers on the supply side. Survey questions here covered issues relating to competition law in terms of app store registration, and the equal treatment of developers regarding access to functionality, pay conditions, information and similar aspects. A quantitative survey of a representative sample of the population enabled an empirical examination of the demand side, focusing on issues such as the extent to which multi-homing and data transportability are factors when switching services, and a desire for interoperability between messaging services.

The report in German and an English summary are available on the RTR website at <https://www.rtr.at/en/inf/OffenesInternetApps2019>.

8.2.4 Digital platforms task force

European regulators and competition authorities acknowledge the new challenges emerging from multifaceted markets. Accordingly, a joint task force was initiated by the Austrian Federal Competition Authority (BWB) and the RTR Telecommunications and Postal Services Division in late 2019. This deeper level of cooperation enables the two authorities to leverage synergy effects and competencies when evaluating digital developments in the light of competition law. Work is already in progress on a monitoring system for digital platforms, which will facilitate a rapid response to new, disruptive technologies and business models. The goal here is to evaluate the competitive playing field, beginning with communications platforms. By monitoring key dimensions, the task force hopes to achieve an initial estimate of any concentrations of market power.

At a European level, representatives of the RTR Telecommunications and Postal Services Division participated in two similarly focused BEREC working groups. In consultation with several of the largest players in the instant messaging market, the working group for collecting harmonised data on over-the-top (OTT) providers was able to define some initial indicators, such as market share. The data economy working group published a comprehensive report summarising the role played by data – particularly in terms of platform business models. Collaboration between national and international authorities represents a significant step along the path to achieving common solutions for responding to new markets and competition structures.

8.3 Public relations: information and transparency

A series of public relations activities in 2019 was aimed at familiarising the general public with the specific work of regulatory bodies KommAustria, TKK, PCK and RTR, as well as promoting transparency.

Media relations and enquiry management

By way of numerous press releases and press conferences, RTR informed the public of regulatory decisions, issues relating to regulation and grant decisions. RTR also responded to numerous media enquiries and held interviews with media representatives.

RTR deals with a large number of enquiries daily, both by phone and in writing. In 2019 written enquiries submitted via rtr@rtr.at increased by 15 per cent over the previous year, to a total of 2,859. At 60 per cent, the majority of enquiries concerned end-user issues. Responses to written enquiries usually take about 1.5 working days. For initial enquiries relating to user protection, consumers can obtain free advice from experts by calling 01 58058 888.

TABLE 24: VOLUME OF ENQUIRIES, 2017 TO 2019

	2017	2018	2019
Number of enquiries to rtr@rtr.at	2,381	2,497	2,859

Source: RTR

The www.rtr.at website – a key information portal

The www.rtr.at website comprehensively documents the entire spectrum of activities by KommAustria, the TKK, the PCK and RTR, while also offering insights into market climate and developments. RTR promptly publishes on the website decisions and information designated for disclosure from the scope of regulatory activities and grant administration. Both the information and services provided are regularly expanded (see section 1).

Publications

Publications have always been a main feature of public relations at RTR. All publications are available on the RTR website at www.rtr.at/en/inf/alleBerichte (some only in German).

Regular publications include: the Communications Report; the activity report of the conciliation bodies for telecommunications, media and postal services; the quarterlies RTR Telekom Monitor, RTR Post Monitor and RTR Internet Monitor; and the Net Neutrality Report. In addition to this portfolio, numerous studies have also been published (see details in the section above).

Symposiums and information events

Information on topics related to RTR's activities both at a national and international level is provided to market participants and the general public alike by the numerous symposiums, discussion forums and workshops organised by RTR, and in lectures delivered by RTR experts.



Market developments

from a regulatory viewpoint

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09 Market developments

from a regulatory viewpoint

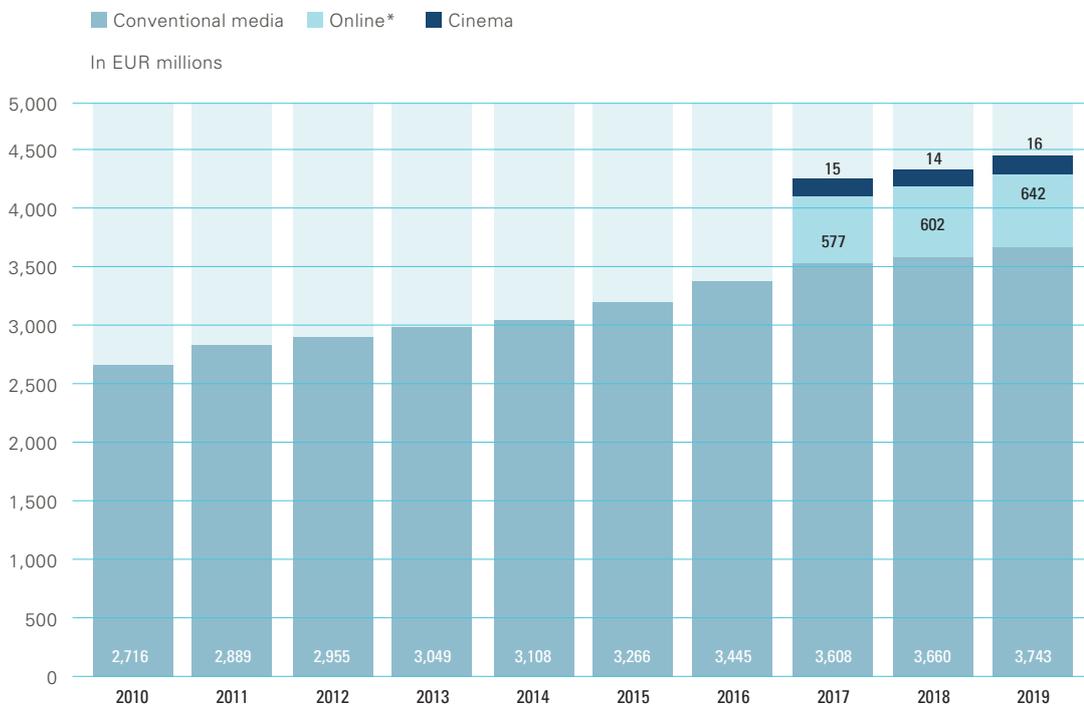
9.1 The Austrian communications and advertising markets

9.1.1 Changes in the advertising market

Conventional advertising media in Austria – print, television, radio and outdoor advertising – earned EUR 3.743 billion in gross revenues in 2019.¹⁴ An increase of EUR 83 million compared with the previous year, this growth of 2.3 per cent signifies a moderate improvement¹⁵. Growth in 2018 had been a mere 1.4 per cent (EUR 52 million), which was the lowest rate since the 2009 economic crisis. Accordingly, 2019 is now the year with the second lowest growth rate since 2009. Growth rates in 2016 and 2017 had been 5.5 and 4.7 per cent, respectively.

The online advertising category,¹⁶ which includes cinema, saw a marginal improvement in growth at 2.9 per cent (2018: 1.8%), with higher gross income from both online and cinema advertising. While cinema earned EUR 16 million from gross advertising sales (+2 million, 14.3%), online advertising increased earnings by 6.6 per cent or EUR 40 million to total EUR 642 million.

FIGURE 09: GROSS ADVERTISING EXPENDITURE FOR CONVENTIONAL MEDIA INCLUDING ONLINE AND CINEMA ADVERTISING, FROM 2017



Source: FOCUS Media Research; EUR millions; *Online: projection based on 356 interviews with advertising industry and media agency representatives in 2019 (until 2016 excluding cinema, conventional flyer and online advertising; as of 2017 cinema and online at top)

¹⁴ All figures for gross advertising sales in Austria: FOCUS Media Research
¹⁵ Statistical analysis based on the advertising price lists of the media channels in each case
¹⁶ Source: FOCUS Media Research/iab. Austria, survey of experts and projected figure

Conventional media, online media and cinema generated total gross advertising revenues of EUR 4.4 billion in 2019 (2018: 4.28 billion; 2017: 4.2 billion).

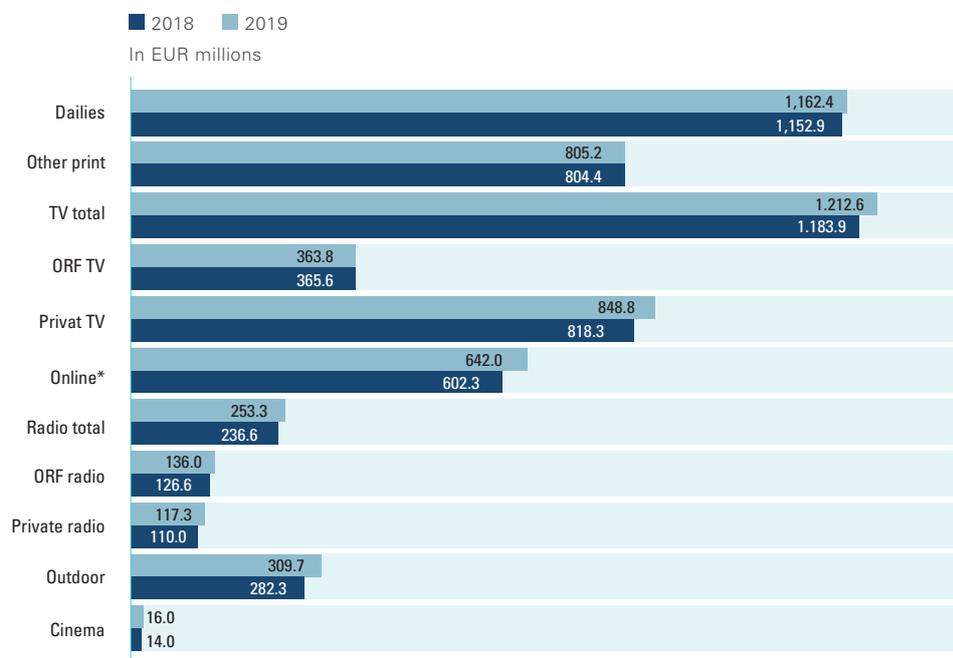
The advertising income figures for conventional media as presented here refer to gross values taken from price lists, and do not reflect any discounts.

Cinema, outdoor and radio advertising post largest percentage growth in 2019

While gross advertising income increased in all media categories in 2019, the smallest percentage gains were seen in print and television, the traditional advertising heavyweights.

Cinema proved to be the most successful medium in 2019, with revenue gains of 14.3 per cent (2018: -4.3%), followed by outdoor advertising, which increased sales by almost 10 per cent (2018: -0.5%), and radio advertising with growth of 7.2 per cent (2018: 4.4%). Gross expenditure for online advertising climbed by 6.6 per cent from the previous year, a considerably higher growth rate than the roughly 4 per cent recorded in 2018. Television advertising saw spending increase by about 2.4 per cent, although last year's rate had been even higher at 2.8 per cent. Expenditure on print media advertising rose by 0.5 per cent (2018: 0.6%).

FIGURE 10: ADVERTISING EXPENDITURE IN AUSTRIA BY CATEGORY IN 2018 AND 2019



* Projection based on 356 interviews with advertising industry and media agency representatives in 2018
Source: FOCUS Media Research; figures in EUR millions

Until 2016, FOCUS Media Research provided figures only for the gross amounts spent by businesses on conventional online advertising (mostly banner ads and direct response advertising on websites,¹⁷ with some mobile marketing and in-stream video ads, including pre-rolls but excluding YouTube). In 2017 FOCUS then switched its survey methodology to a projection based on the results of interviews¹⁸ with representatives of businesses purchasing advertising and with media agencies. As a result of this change, a valid estimate of the overall online advertising market is now possible, which also takes into account keyword advertising and spending on social media advertising. In the case of conventional media, gross volumes continue to be assessed by totalling the volumes of newspaper ads, TV and radio commercials, and billboard advertising placed.

A total of EUR 642 million was spent on online advertising in 2019, some EUR 40 million or 6.6 per cent more than in 2018 (602 million or +4%). Within the online category, advertising expenditure for social media saw the highest growth rate at 14.9 per cent (2018: 8.6%). Expenditure on online advertising specifically designed for mobile user devices (online mobile) increased by 10.5 per cent (2018: 14.4%), with online video gaining 8.2 per cent (2018: 10.6%). The amount spent on search engine ads rose by 6 per cent, a larger rise than in 2018 (4.6%). Traditional online advertising, including website banners, returned to growth in 2019, gaining 3 per cent after slipping 0.5 per cent in 2018.

An upward trend in radio advertising (+7.2%) benefited the Austrian Broadcasting Corporation (ORF) and private broadcasters alike.

ORF radio saw its gross advertising income rise EUR 9.4 million (7.4%) to EUR 136 million (2018: 5.7% to EUR 126.6 million).

Private broadcasters also increased earnings, finishing 2019 with another solid plus of 6.9 per cent. The year 2019 therefore marks a return to form for private broadcasters' advertising revenue, following disappointing growth of 3.1 per cent in 2018, which was barely half of that posted in the preceding three years (2016: 6.2%; 2015: 6.7%; 2014: 6.3%). The heights of 2017, when advertising income jumped 9.3 per cent, have yet to be regained, however:

2017 was also the year in which television generated higher gross advertising revenues than daily newspapers for the first time, a lead that TV has since consolidated. At EUR 1.213 billion, gross advertising income earned by television in 2019 was roughly EUR 50 million higher than the amount earned by daily newspapers. This represents a further widening of the gap between the two (EUR 14 million in 2017; EUR 31 million in 2018). With year-on-year growth of only 2.4 per cent, however, gains in television advertising were half a percentage point lower than the market average (conventional media plus online and cinema advertising), although one tenth of a percentage point higher than growth for conventional media alone.

Slightly lagging its performance for the previous year, ORF television advertising shrank in volume for the second consecutive year. Gross earnings of EUR 363.8 million mark a decline of 0.5 per cent (EUR 1.8 million) from the previous year (2018: EUR 365.6 million, -0.7%). This compares with ORF's gains of 12.7 per cent in 2017 and 15 per cent in 2016.

In 2019 private TV broadcasters improved their gross advertising revenues by around EUR 30 million (3.7%) to EUR 849 million, resulting in a slightly lower growth rate than in the year before (2018: 34.5 million, 4.4%; 2017: 24.4 million, 3.2%). In the TV category, private broadcasters account for a share of more than 70 per cent of gross advertising revenues.

¹⁷ Direct response advertising: interactive banners with direct links to an online shop

¹⁸ 356 interviews in 2019, with the number of varying slightly from year to year

Daily newspapers earned a total of EUR 1.162 billion in gross advertising revenues in 2019, EUR 9.5 million (0.8%) more than in the previous year (2018: 1.3%; 2017: 3.8%; 2016: 5.6%; 2015: 4.8%). The daily reach achieved by newspapers fell by another 1.6 percentage points¹⁹ to 60.7 per cent of the Austrian population aged 14 and older (2018: 62.3%; 2017: 64.6%; 2016: 66.7%).

After a loss of 0.34 per cent in 2018, the gross advertising revenues of 'other' print media (weekly newspapers and magazines) stayed just positive in 2019 with a growth rate of 0.1 per cent. As assessed by FOCUS Media Research, print ad space was worth EUR 805.2 million, equivalent to an increase of just under EUR 1 million (2018: loss of EUR 2.7 million to EUR 804.4 million). In this category, regional weeklies, traditionally the strongest segment, improved earnings by 3.7 per cent and again made significant gains (2018: 3.2%). While advertising purchased in trade magazines declined again, the 3.1 per cent decrease was not as sharp as in the year before (2018: -6.3%). General interest magazines lost another 4.3 per cent in gross advertising revenues (2018: -3%).

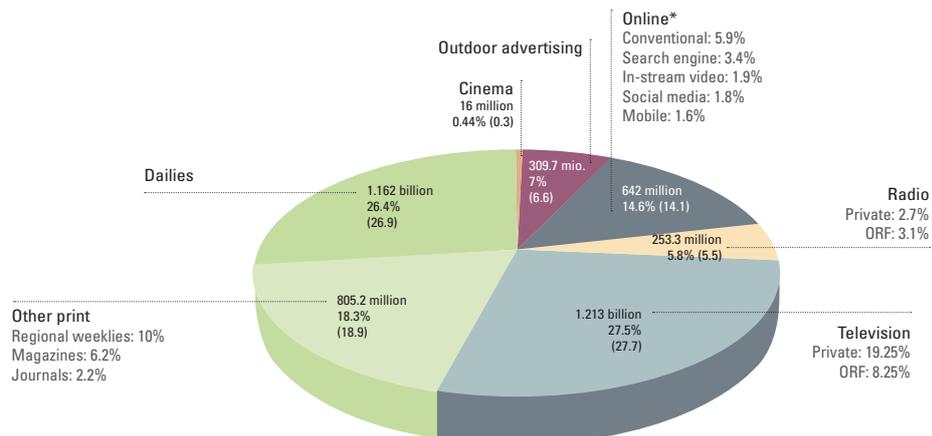
Outdoor advertising had a successful year in 2019, with gross sales increasing by 9.7 per cent (2018: -0.5%) to total EUR 309.7 million (2018: EUR 282.3 million), despite subdued spending on billboard ads by parties campaigning for the National Council election. Within this category, digital out-of-home (DOOH) advertising gained 15.5 per cent to again take the lion's share of growth (2018: 20%; 2017: 11.6%; 2016: 15.6%; 2015: 32.4%). Transport and street furniture advertising also contributed strongly to the positive outcome (gaining 7.5% and 6.3% respectively).

¹⁹ 2019 Media Analysis, Verein Arge Media-Analysen

Distribution of gross advertising revenues by category

Once again, the shares of gross revenues attributed to the various types of advertising shifted only by fractional amounts in 2019.

FIGURE 11: SHARES OF GROSS ADVERTISING EXPENDITURE IN 2019
(2018 – CONVENTIONAL MEDIA, ONLINE AND CINEMA)



* projection based on 356 expert interviews; figures in euros and as percentages
Source: FOCUS Media Research, 2019 Advertising Report

All three of the advertising market heavyweights – television, daily newspapers and other print media – claimed a slightly smaller share of total advertising expenditure in 2019 than in 2018.

Shrinking by two tenths of a percentage point, television advertising took a 27.5 per cent slice of gross expenditure in 2019. Other print media lost six tenths of a percentage point to finish with 18.3 per cent of the overall volume, while daily newspapers garnered 26.4 per cent after slipping one half of a percentage point.

Online advertising once again expanded its overall market share, gaining one half of a percentage point to total 14.6 per cent. Outdoor advertising claimed 7 per cent of gross advertising expenditure, four tenths of a percentage point more than in 2018. In 2019 radio advertising and cinema each returned to their 2017 levels, expanding their shares of gross advertising expenditure by three tenths of a percentage point to 5.8 per cent and one tenth of a percentage point to 0.4 per cent, respectively.

Online media thus continued to challenge other print media for the third-placed position in advertising expenditure share, again narrowing the gap by a significant amount. With 5.5 percentage points still separating other print media and online media in 2017, the gap had shrunk to 4.8 percentage points by 2018. By 2019, print media was leading fourth-placed online media by a mere 3.7 percentage points.

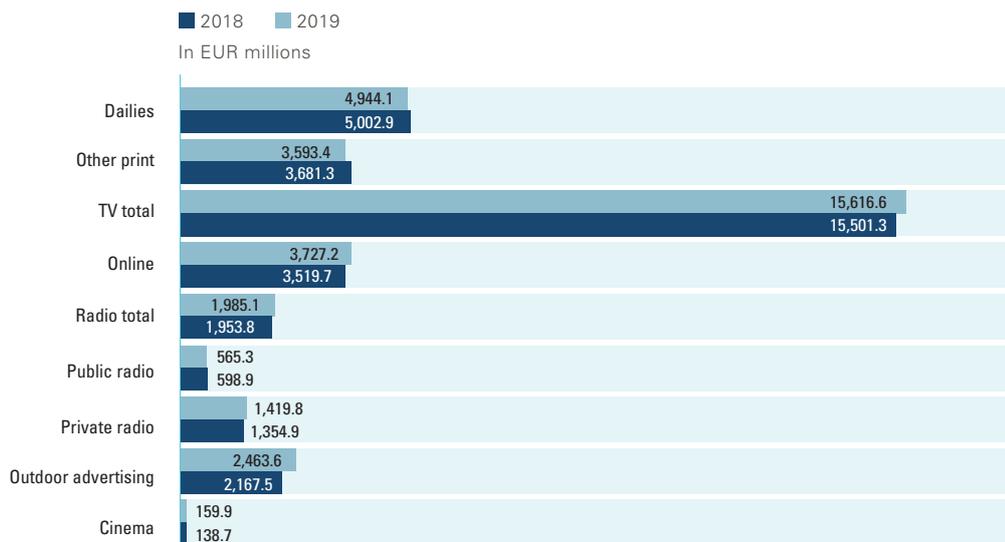
9.1.1.1 Comparison with the German advertising market

Gross advertising revenues earned by conventional media in Germany again saw little change in 2019. Print media, television, radio and outdoor advertising together posted EUR 27.742 billion in gross advertising revenues in 2019 (2018: EUR 27.653 billion), a growth rate of just 0.3 per cent (2018: 0.5%).²⁰ When supplemented by cinema and online advertising, Germany’s overall gross advertising market totalled EUR 32.6 billion in 2019 (2018: EUR 31.9 billion): based on adjusted figures from Nielsen Global Media, this year-on-year growth rate of 1.9 per cent underscores the impact of the online advertising market on the cumulative result.

In 2019 television was again the media channel to earn the largest share by far of gross advertising revenues in Germany. EUR 15.616 billion equates to a roughly EUR 115 million increase from the year before. In percentage terms, this translates to a gain of 0.6 per cent (Austria: 2.4%), a new all-time low. German television had seen advertising revenues grow by 1.3 per cent in 2018, and by 7.9 per cent and 1.4 per cent in 2016 and 2017, respectively.

As in Austria, cinema and outdoor advertising proved to be the media categories with the strongest gains in gross advertising income in Germany in 2019.

FIGURE 12: GROSS ADVERTISING EXPENDITURE IN GERMANY BY CATEGORY IN 2018 AND 2019



Source: The Nielsen Company (Germany); figures in EUR millions

²⁰ All figures for Germany’s advertising market: The Nielsen Company, 2019 advertising data for Germany

Cinema increased its earnings by 16.2 per cent (Austria: 14.3%) to EUR 160 million, while gross income from outdoor advertising grew by 13.1 per cent (Austria: 10%) to total EUR 2.5 billion. Growth drivers in the outdoor category were digital advertising space, which gained almost 41 per cent, and transport media ads, with growth of just under 43 per cent.

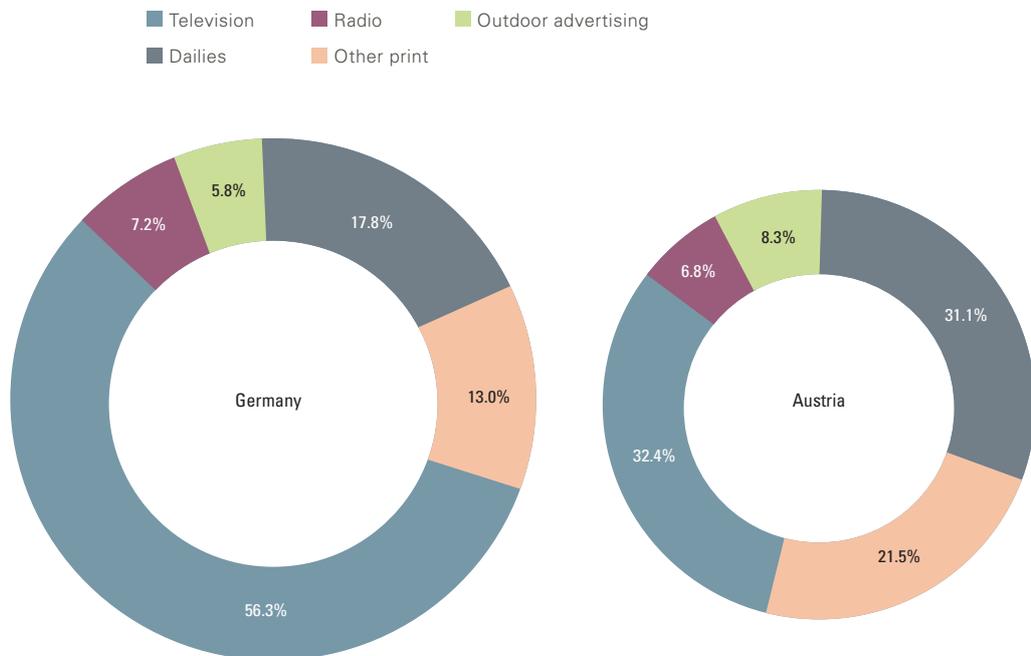
Gross expenditure for online advertising in Germany increased by 7.9 per cent to EUR 3.8 billion in 2019, although Nielsen only includes data for mobile and desktop advertising in Germany. This difference, along with disparities in survey methods, prevents direct comparisons with Austria.

Growing by 1.6 per cent (2018: 2%), radio advertising continued its upward trend in Germany, although this growth rate lags far behind the Austrian rate of 7.2 per cent.

In Germany, print advertising revenues declined in 2019. Yet unlike 2018, when losses were confined to other print media, the impact was also felt by daily newspapers. Gross advertising revenues for dailies declined by 0.1 per cent (Austria: +0.8%) to total EUR 4.944 billion, while other print media earned EUR 3.597 billion, a loss of 2.3 per cent (Austria: +0.1%).

The chart shows the percentage share of gross expenditure held by conventional media categories (not including cinema and online advertising) in Germany in 2019, and clearly indicates the prominent role television plays in the advertising market. Of the EUR 27.742 billion spent in total on conventional media, television's share was 56.3 per cent (Austria: 32.4%), a figure two tenths of a percentage point higher than 2018.

FIGURE 13: SHARES OF GROSS ADVERTISING EXPENDITURE IN GERMANY AND AUSTRIA IN 2019, CONVENTIONAL MEDIA



Source: Nielsen Media Research, given in percentages

FOCUS Media Research, given in percentages

Print advertising in general, including daily newspapers and other print media, was the recipient of 30.8 per cent of gross advertising expenditure in Germany in 2019. A similar share (31.1%) of gross advertising spending was claimed by Austrian dailies alone, whose total share of expenditure together with other print media amounted to 52.6 per cent.

Outdoor ads and radio spots traditionally account for a very similar share in both countries, although the former generally earn a slightly higher percentage in Austria than in Germany. This was true in 2019 as well. While outdoor advertising claimed a 5.8 per cent share of total gross advertising expenditure in Germany in 2019 (2018: 5.4%), the share in Austria was 8.3 per cent. Percentages for radio advertising in Germany and Austria are typically even closer. In 2019 radio's share of gross expenditure on conventional media advertising was 7.2 per cent in Germany (2018: 7.1%) and 6.8 per cent in Austria.

9.1.2 The Austrian television market

9.1.2.1 Television viewing

In 2019 the average daily reach for television was 66.4 per cent of the population aged twelve and older. This marks a return to form for television from 2018, when the figure of 65.1 per cent was not only a full 1.3 percentage points lower but was also an outlier in the recent upward trend (2017: 65.3%; 2016: 62.7%; 2015: 62.4%).

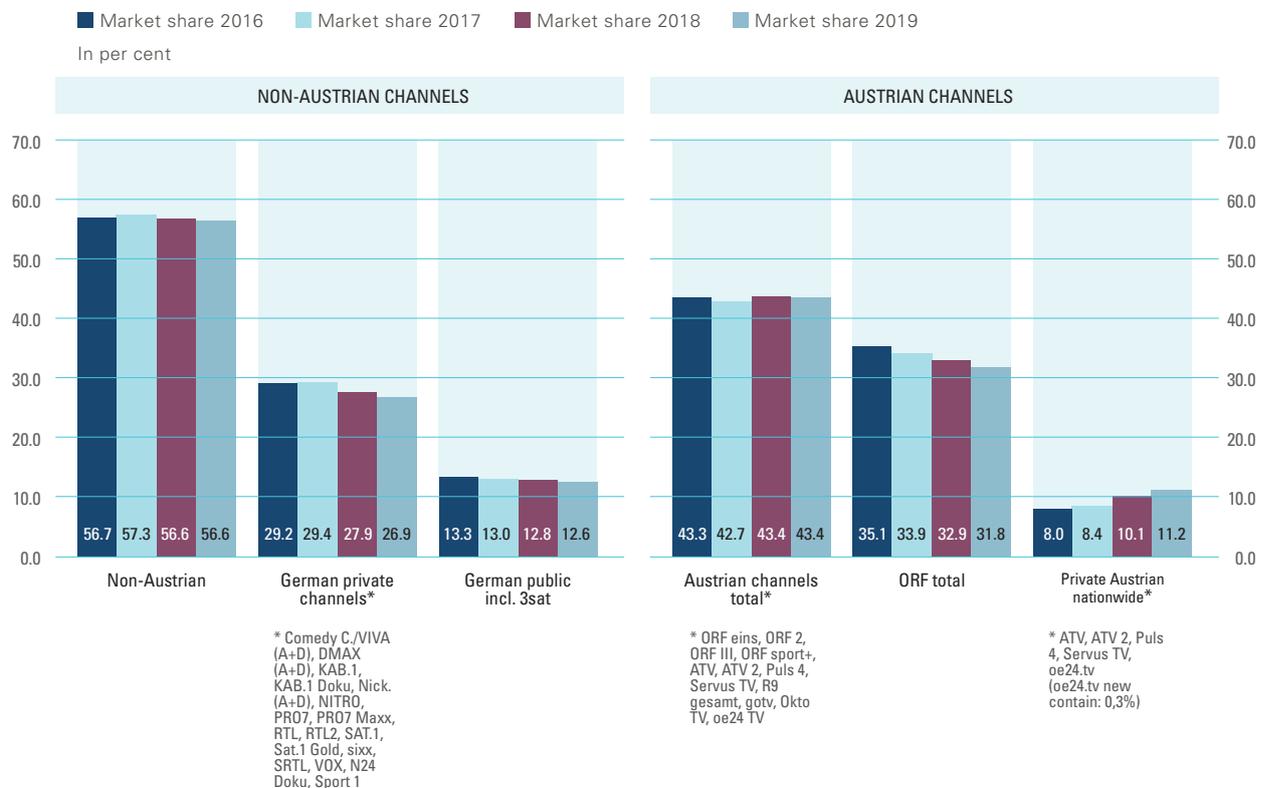
Daily average viewing time lengthened by four minutes to 196 minutes. Despite this increase, the growth rate continued to level off (2018: 6 minutes, 2017: 8 minutes, 2016: 7 minutes),²¹ even though the upward trend continued. After the most recent record low of 153 minutes in 2009, daily viewing time has since risen by some 28 per cent (43 minutes).

9.1.2.2 Market shares of Austrian and non-Austrian television channels

The relative share of the market held by Austrian television channels and those based outside Austria remained unchanged from the previous year. Austrians again preferred non-Austrian channels over domestic TV channels in 2019. Yet the continued rise in popularity of foreign channels that persisted until 2017 has now come to an end, perhaps permanently. After falling 7 tenths of a percentage point to 56.6 per cent in 2018, market share for non-Austrian channels stagnated at the same figure in 2019. Accordingly, market share for Austrian channels also remained unaltered at 43.4 per cent.

²¹ All figures for TV: GfK Austria/TELETEST working group 2019, representative survey of 1,652 Austrian households

FIGURE 14: MARKET SHARES OF AUSTRIAN AND NON-AUSTRIAN TV CHANNELS, 2016 – 2019



Source: TELETEST; market share as a percentage; persons aged twelve and over in all of Austria, all reception modes

Among non-Austrian channels, those originating from Germany are naturally the most popular. In 2019 German channels held a market share of 39.5 per cent of all channels viewed by Austrian television households (2018: 40.7%). This figure equals the market share of German channels featuring Austrian advertising slots plus the share of the same channels with German advertising (viewed via satellite).

As in previous years, new and existing special-interest channels from Germany further fragmented the share of the Austrian market held by German private broadcasters, resulting in a net loss of market share overall. Taking German programming as a whole, a trend persists whereby major channels to relinquish market share while special-interest channels expand theirs, without being able to make good the overall losses suffered by German channels.

German private channels therefore continued to lose ground in Austria in 2019, with their share dropping 1 percentage point (pp) to 26.9 per cent (2018: -1.5 pp to 27.9%). ProSieben suffered the heaviest loss, falling 6 percentage points to finish with a share of 3.4 per cent. Accordingly, RTL's market share of 4.0 per cent (loss of one tenth of a percentage point) made it the leading private German channel for Austrian viewers in 2019. Vox, also part of the RTL Media Group, ranked second with a 3.6 per cent share (-1/10pp). Channels from the ProSiebenSat.1 Group, namely Sat.1 with a market share of 3.3 per cent (-3/10pp) and Kabel eins with an unaltered 2.3 per cent share, placed third

and fourth, respectively. RTL 2 moved up by one tenth of a percentage point to a market share of 1.9 per cent, while Sat.1 Gold rose two tenths of a percentage point to 1.8 per cent. Other RTL channels also marginally improved their share of the Austrian market, with NITRO expanding to 1.3 per cent (+2/10pp) and Super RTL to 1.1 per cent (gain of one tenth of a percentage point).

Yet the biggest gains were made by TLC Austria, effectively a new market entrant, and 2018 newcomer RTL plus. Although a version of Discovery's TLC had been available since 2014 with German advertising, the channel re-entered the Austrian market with a local ad slot on 1 January 2019 and had secured a market share of 0.6 per cent by the end of the year. This share represents the time viewers spent watching either the Austrian version or the variant with German advertising, with each variant accounting for half the share – depending on the channel version first found by the satellite receiver in the particular TV household. The other winner among German private channels was RTL plus, which increased its market share by four tenths of a percentage point to 1.0 per cent.

Among German private channels, RTL continued to lead the market with a 4.0 per cent share in 2019. But within German channels overall, RTL ranked behind public channel ZDF for the second year in a row, with ZDF claiming a 4.2 per cent market share (-1/10pp). While the public channel Das Erste (ARD Group) took a 3.0 per cent share (loss of one tenth of a percentage point), the ARD regional channel network collectively expanded to 3.9 per cent in Austria (+1/10pp). 3sat slipped a further one tenth of a percentage point to a market share of 1.5 per cent. Overall, German public channels achieved a 12.6 per cent share of the Austrian market in 2019, representing a year-on-year loss of two tenths of a percentage point.

Besides the additional special-interest channels already mentioned, the overall group of non-Austrian channels features other German-language channels, including Swiss public television and shopping channels such as QVC or HSE 24, as well as of course channels broadcast in other languages.

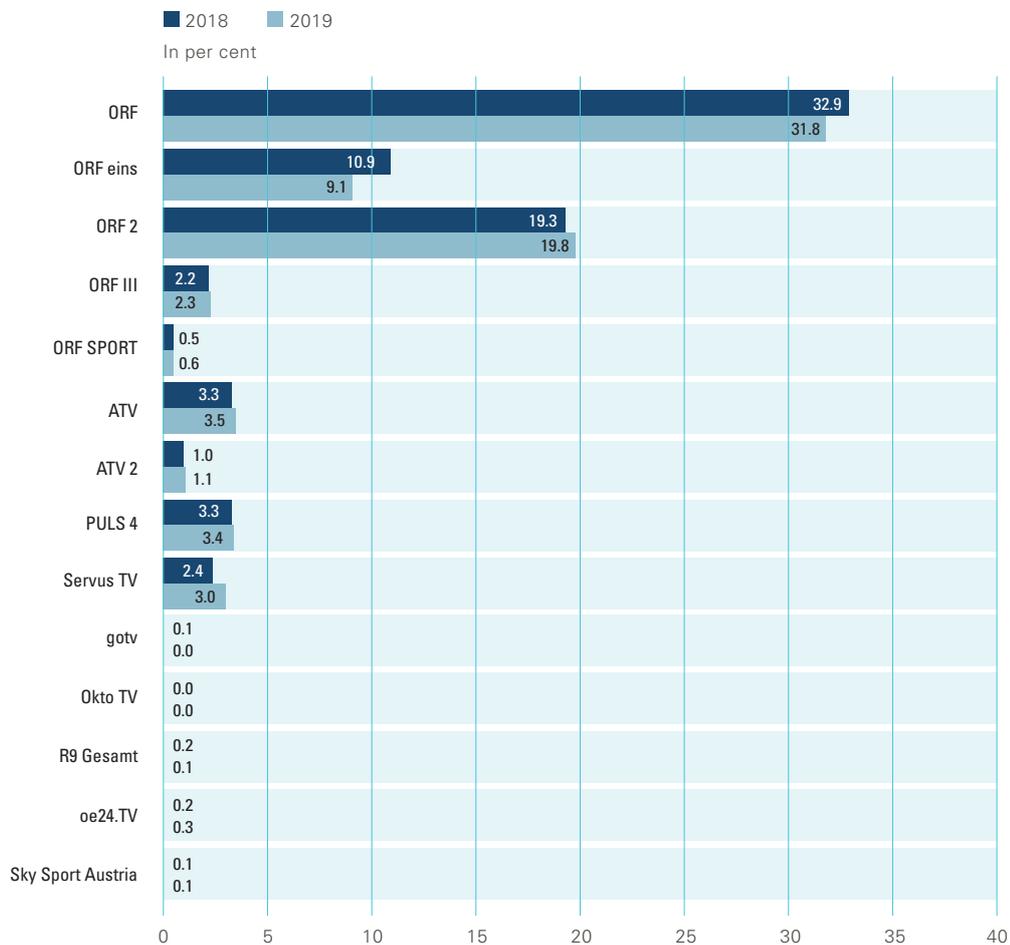
9.1.2.3 **Market share of Austrian television channels**

While the absolute figure for total market share held by Austrian channels remained the same at 43.4 per cent in 2019, there were a number of significant changes experienced by specific channels.

Majority of Austria's private channels gain market share

Servus TV greatly expanded its market share in 2019. Growing by six tenths of a percentage point to 3 per cent, Servus TV achieved the largest increase in market share of any Austrian TV channel in 2019. This builds on recent gains in 2018, when Servus TV improved its share by three tenths of a percentage point to 2.4 per cent. After expanding its market share by no less than seven tenths of a percentage point in 2018, ATV added a further two tenths in 2019 to take its share to 3.5 per cent. This made ATV the private station with the largest market share, one tenth of a percentage point in front of Puls 4, which had also risen one tenth of a percentage point to 3.4 per cent. ATV2 also increased its market share by one tenth of a percentage point to 1.1 per cent, making it the only other private channel to finish 2019 with a share greater than 1 percentage point.

FIGURE 15: MARKET SHARE OF AUSTRIAN TELEVISION CHANNELS, 2018 AND 2019



Source: TELETEST; market share as a percentage; persons aged twelve and over in all of Austria, all reception modes

Launched nationwide in 2016, oe24.TV built on its successes in 2018 to gain another tenth of a percentage point: with its 0.3 per cent market share, oe24.TV now leads the group of Austrian private channels holding less than 1 percentage point market share. R9, the joint regional private channel, lost the one tenth of a percentage point gained in 2018, slipping to a market share of 0.1 per cent. Sky Sport Austria defended its 0.1 per cent share, while GOTV and OKTO TV each held shares of 0 per cent based on rounded figures. Puls24 was launched in September 2019 and is therefore not considered in the yearly figures.

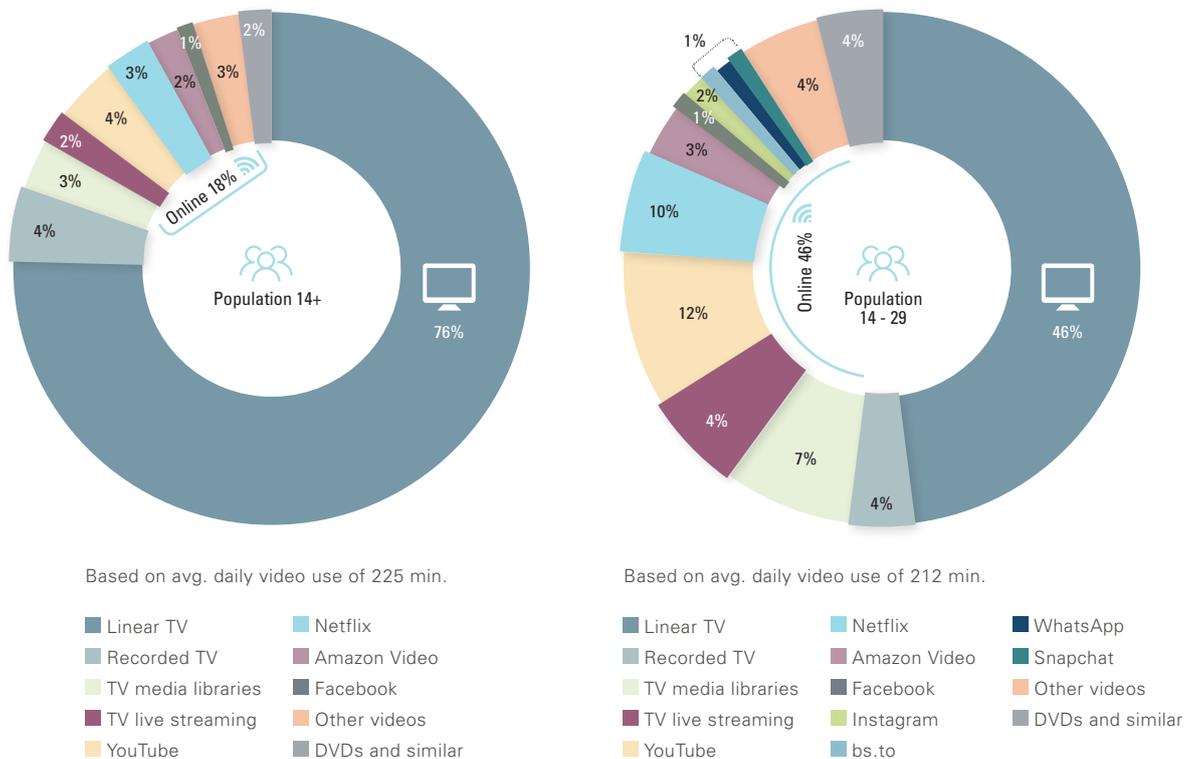
ORF total market share shrinks marginally

The ORF channel portfolio collectively took a 31.8 per cent market share in 2019, marking a loss of 1.1 percentage points. After the loss of one percentage point in 2018, the ORF channels have thus continued an extended decline that has been interrupted by only two outliers in 2012 and 2015. While the 2018 downturn was generally ascribable to ORF 2 falling by 1.3 percentage points, the loss leader in 2019 was ORF 1, whose market share decreased by 1.8 percentage points to 9.1 per cent. This was somewhat compensated for by ORF 2, whose share rose five tenths of a percentage point to 19.8 per cent. Both ORF III and ORF Sport+ improved by one tenth of a percentage point in 2019, with ORF III taking a 2.3 per cent market share and ORF SPORT+ rising to 0.6 per cent after no movement for two years.

9.1.2.4 Video viewing: linear broadcasting in relation to online services

The use of internet video sources among the overall population aged 14 and over saw a renewed, though less vigorous, increase in 2019. While online video viewing as a proportion of total video consumption had increased by 3 percentage points in each of the years 2017 and 2018, this share rose by only 1 percentage point in 2019, to the figure of 18 per cent. Accordingly, video content from conventional broadcasts (live television and private recordings) continued to account for the largest share of video viewing. In contrast, video consumption from online sources among younger members of the population (between 14 and 29) rose two percentage points to 46 per cent in 2019.

FIGURE 16: VIEWING OF VIDEO SOURCES IN 2019, PERSONS AGED 14+ AND 14 TO 29-YEAR-OLDS



Source: RTR/AGTT 2019 Video Survey; shares as percentages; persons in all of Austria

Since 2017, the Media Division at RTR and the TELETTEST Working Group (AGTT) have jointly conducted a representative survey of roughly 4,000 Austrians. The aim is to discover the extent to which the viewing population uses conventional linear television for video consumption compared with online services. The study, carried out by GfK Austria each year, appears under the title of Video Survey (Bewegt bildstudie), suffixed by the year when the survey was taken.

Renewed marginal increase in online video use

The 2019 Video Survey reveals that the population aged 14 and over spent 80 per cent of their 219 minutes of average daily video viewing time (2018: 225 minutes) watching linear television broadcast via the conventional modes of cable, satellite or terrestrial transmitters. This figure can be broken down into linear television consumed at the same time as broadcast (live TV) at 76 per cent (2018: 77%) and private recordings of linear TV at 4 per cent (2018: 5%). Accordingly, live TV and recorded TV viewing as a proportion of video consumption decreased overall by two percentage points compared with 2018 (82%).

Online video sources accounted for 18 per cent of the time that the overall population spent watching video each day on average in 2019 (2018: 17%; 2017: 14%). The YouTube platform continued to account for the largest share of online video at 4 per cent, followed by TV network media libraries, which maintained their standing from the previous year at a consistent 3 per cent. Netflix was able to expand its share of average video viewing time among the overall population by 1 percentage point to 3 per cent, while Amazon Prime Video defended its 2 per cent share. Facebook and Instagram (both Facebook Group members, shown as 'Facebook' in the chart) each accounted for about one half of their collective share of 1 per cent of video consumption. Other online sources, including WhatsApp, bs.to and Snapchat, each achieved less than 0.5 per cent; as video sources, these platforms only accounted for shares of just under 1 per cent or less.

Meanwhile, physical storage devices with purchased content, meaning DVDs and Blu-ray discs, were able to hold their roughly 2 per cent share of video viewing time.

14 to 29-year-olds consume 46% of video online

Among young people between the ages of 14 and 29, the percentage of average daily video consumption sourced online increased once again in 2019. Young people used video services for an average of 196 minutes per day in 2019 (2018: 212 minutes). Some 46 per cent of this time was spent watching videos from media libraries, YouTube, Netflix or Amazon Prime Video, or while using social media (2018: 44%; 2017: 35%; 2016: 25%). Pay-to-view platform Netflix made the greatest gains in this category, doubling its share of overall viewing time among young people to 10 per cent. Enlarging its share by 2 percentage points to 12 per cent, YouTube remained the online video source most widely used by young people. The use of TV network media libraries fell by 1 percentage point to 7 per cent. Young viewers made much less use of live TV streaming than in the previous year: viewing time was 4 per cent, 2 percentage points lower than in 2018. Amazon Prime Video also played a more significant role for young people. Those losing out to this change included Amazon Prime Video, which fell back to 3 per cent, a level last seen in 2017. The use of social media video among young people saw virtually no year-on-year movement, with market shares amounting to 1 per cent or far less depending on the platform. Instagram is the only outlier here: its 2 per cent share of video usage (2018: 1%) means it holds pole position among all other social media sites and similar platforms.

Among young viewers, television content accounted for 50 per cent of video viewing time in 2019 (including 4% private recordings), with content being broadcast via the conventional modes of cable, satellite or terrestrial transmitter (2018: 52%; 2017: 61%; 2016: 70%).

Video consumption from DVDs or Blu-ray discs remained stable at 4 per cent.

9.1.3 The Austrian radio market

9.1.3.1 National listening figures in 2019

In 2019, the daily reach of Austria's radio stations achieved its first year-on-year increase since 2012.²² Among residents aged ten and older (10+), average daily radio reach was 77.3 per cent of the population, almost 2 percentage points higher than the previous year (2018: 75.5%). Within the core category of 14 to 49-year-olds (14 – 49), 73.2 per cent listened to the radio daily in 2019, which is a 1.6 percentage point increase from 2018 (71.6%).

2019 also saw a striking rise in average daily listening time. Within the 10+ population, the average daily listening duration increased by a sizeable 18 minutes to 201 minutes (2018: 183 minutes). Listening time in the 10+ category had already risen by four minutes in 2018, thereby bucking a persistent downward trend. Also noteworthy is the change in listening time in the 14 – 49 category in 2019, which jumped by 14 minutes to 185 minutes. Apart from a slight, one-minute uptick in 2016, daily listening time in the 14 – 49 category had been trending steadily downwards since 2011.

Launched in late October 2019, Radio Austria is now the second private radio network with potentially nationwide reach in Austria. This analysis of Austria-wide listening takes the new chain into account by combining Jan-Oct figures for the individual licences now consolidated under the chain with those for Radio Austria from November onwards. As of the end of 2019, this gives Radio Austria an Austria-wide market share of 2 per cent and an average daily reach of 2.1 per cent in the 14 – 49 category.

Austria-wide market shares and daily reach for ORF and private radio

The daily reach of a radio station expresses the percentage of people within a target age group who tuned into that station 'yesterday' and listened for at least 15 minutes. When for example a listener tunes into three stations for at least 15 minutes each, the amount of positive impact that listener has on daily reach is the same for all three stations, even if she perhaps listened to two of the stations for only 15 minutes each and the third for two hours.

Thus, daily reach expresses only the size of a target group that turned on the radio or listened to a station once a day at all. This contrasts with market share, which refers to the average number of minutes of daily listening time that are devoted to a given radio station. If people listen to a radio station for an extended period each day, its market share and consequently its value for marketing advertising rises.

Radiotest determines market share based on respondents' activities during the previous day. The day is divided up into quarter-hour periods, with respondents allowed to name up to three radio stations listened to each quarter of an hour. This, as well as rounding effects, can lead to overlapping among the results for the various radio stations, so

²² Source of all data on the Austrian radio market: Radiotest

that the total individual market share held by radio stations may be greater than the adjusted (net) figure for all stations in total, for example, for the ORF station network as a whole or private stations in total. This effect was observed again in 2019. Although the individual shares held in the 14 – 49 listeners' market should add up to 100 per cent, the shares for the ORF channel portfolio and national private radio broadcasters in fact total 101 per cent. Nor does this yet account for non-Austrian and free radio stations, which together claim a nationwide market share of about 5 per cent (+1pp from 2018). The adjusted figures for ORF radio add up to a 65 per cent market share, whereas the rounded shares held by Ö1, Ö3, FM 4 and ORF regional radio (Ö2) produce an overall market share of 68 per cent.

ORF radio network expands daily reach as private broadcasters slip back

The ORF radio network as a whole achieved a daily reach figure of 54.6 per cent among the target group of 14 to 49-year-olds in 2019, which was a significant, 3 percentage point gain from the previous year (2018: 51.6%). With the exception of FM4, all ORF stations bucked the long-term trend by contributing to this growth trajectory. Ö3 expanded its daily reach by 1.3 percentage points to 39.0 per cent, even though the station had seen a 2.8 percentage point drop in 2018. The ORF regional radio stations (collectively known as 'Ö2') rose 1.1 percentage point to 15.7 per cent, almost returning to the 16 per cent daily reach level recorded in 2015 and 2016. Ö1, the culture and news station, moved up by six tenths of a percentage point to achieve a daily reach of 5.8 per cent, thereby making slightly greater progress along the upward trajectory it has been pursuing in previous years. FM4 was the only ORF station to lose average daily reach, falling two tenths of a percentage point to 5.0 per cent.

Like public station Ö3, in 2019 private stations in Austria also reached somewhat more people within the 14 – 49 category than in the year before. This increase of four tenths of a percentage point to a daily reach of 35.8 per cent falls short of the gains achieved by Ö3, however.

ORF wins market share at the expense of private radio

As in 2018, the ORF radio network again expanded its overall share of the 14 – 49 listeners' market at a national level in 2019, rising 1 percentage point to 65 per cent. This gain in market share was nonetheless rather meagre when compared with the previous year (2018: 4pp). Within the ORF group, a notable 3 percentage point gain made by Ö3 contrasts with losses suffered by Ö1 and FM4.

Among the 14 – 49 advertising target group, Ö3 improved its market share to 43 per cent, a level last seen in 2010. Following a multi-year decline, Ö3 had moved up to 40 per cent by 2017, a level also maintained in 2018. The nine ORF regional stations (Ö2) succeeded in defending the sizable gain of 3 percentage points achieved in 2018, maintaining their total market share at 18 per cent. Ö1 suffered a disruption to its earlier upward trend in 2019, falling 1 percentage point to a 3 per cent share of the Austria-wide market. Shedding half of the gains made in 2018, FM4 slid back in 2019 to a 4 per cent share of the market, a level most recently recorded in 2016.

FIGURE 17: AUSTRIA-WIDE RADIO MARKET SHARES AMONG THE 14 – 49 TARGET GROUP, 2016 – 2019



Source: Radiotest; percentages; all of Austria

In 2018 regional private stations and the Austria-wide KRONEHIT network had improved their aggregated market share among 14 to 49-year-old listeners, moving up 1 percentage point to a total of 37 per cent after four years of stagnation. Unable to hold these gains in 2019, the stations fell back once again to 36 per cent.

9.1.3.2 Viennese listening figures in 2019

The trends for daily reach and market share at a national level, both for radio overall and for ORF radio and private stations, are reflected in figures for Vienna, a fiercely competitive radio market nonetheless dominated by distinctive local conditions. One of these is that the daily average reach for radio in the national capital tends to be significantly lower than for the country as a whole.

On average, 56.8 per cent of Vienna residents aged 14 to 49 listened to the radio daily in 2019 (73.2% Austria-wide). This figure not only indicates a renewed popularity for radio in Vienna but shows slightly higher growth than that for the country at large. In 2018 daily radio usage for Vienna residents aged 14 to 49 was 54.8 per cent. Daily reach therefore increased by 2 percentage points in 2019, while the figure for the same target group rose by 1.6 percentage points at a national level. However, radio broadcasters are still far from recouping the losses suffered in 2018, when daily reach fell year-on-year by 5.4 percentage points.

Rising nine tenths of a percentage point to 63.9 per cent, daily reach among Vienna residents aged 10+ also increased, although this figure was unable to make up for a 3 percentage point loss experienced in 2018.

Viennese market shares and daily reach for ORF and private radio

The share of the Viennese market held by the ORF radio network among the 14 – 49 target group grew by an above-average 4 percentage points to 57 per cent in 2019, while daily reach rose by 2.3 percentage points to 37.4 per cent.

The sole driver behind ORF radio’s substantial increase was Ö3, which moved up 6 percentage points to take a 33 per cent share of the market. This contrasts with Radio Wien (Ö2) and Ö1, each of which fell by 2 percentage points to shares of 7 per cent, while FM4 proved unable to hold onto any of the considerable 3 percentage point gain made in 2018, falling back to 6 per cent. The share of the Viennese market held by Ö3 in 2018 had shrunk by 5 percentage points from the year before.

Among listeners aged 14 – 49, Ö3’s daily reach increased from 20.1 per cent to 21.5 per cent but still remained far short of the milestone set in 2017 (24.3%). Ö1 and FM4 both saw gains in reach, moving from 7.1 to 8.5 per cent and 6 to 6.4 per cent, respectively. Radio Wien was the only station to lose daily reach, dropping by six tenths of a percentage point to 6 per cent.

Private radio stations in Vienna also lost a sizable share of the 14 to 49-year-old market in 2019. The collective share of 46 per cent, achieved in 2018 after a remarkable 6 percentage point gain, all but melted away in 2019 when market share dropped 5 percentage points to 41 per cent. Even so, the daily reach figure for private radio actually improved slightly, rising one tenth of a percentage point to 28.6 per cent.

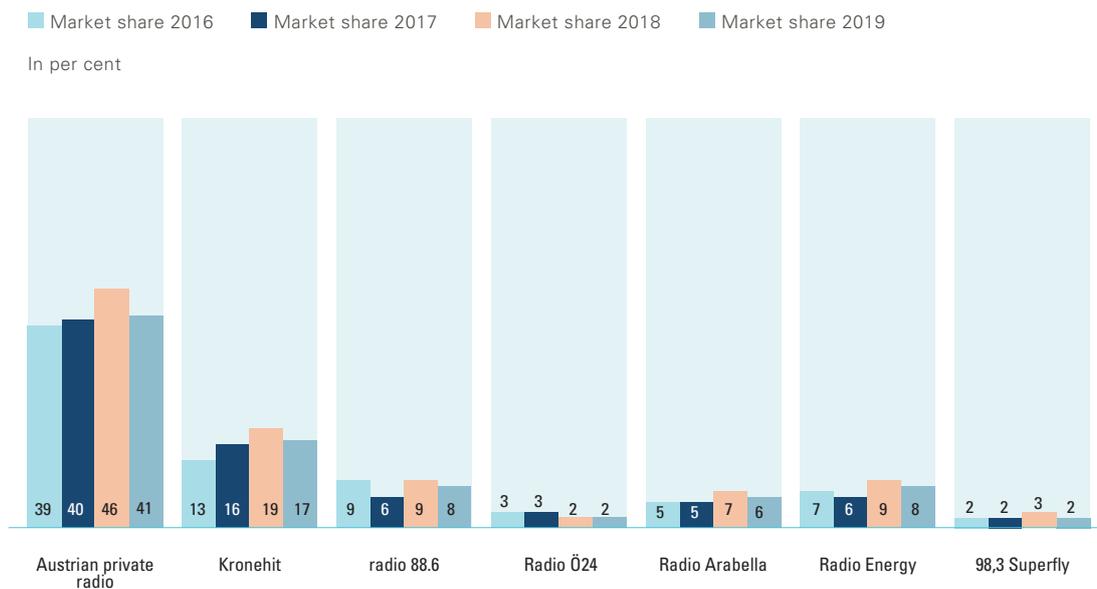
FIGURE 18: VIENNESE RADIO MARKET SHARES AMONG THE 14 – 49 TARGET GROUP, 2016 – 2019



Source: Radiotest; percentages; Viennese market

Just as virtually all of the commercial private radio stations in Vienna enjoyed the upswing in market growth in 2018, almost all of them accordingly suffered losses in 2019. The vast majority were able to retain at least some of the gains in share made in 2018 or avoid falling below pre-2017 levels, however. While Radio Ö24 (part of the nationwide Radio Austria network since October 2019) was the only station to have suffered a market share loss in 2018, it did succeed in defending its 2 per cent market share in 2019.

FIGURE 19: VIENNESE PRIVATE RADIO MARKET SHARE AMONG THE 14 – 49 TARGET GROUP, 2016 – 2019



Source: Radiotest; percentages

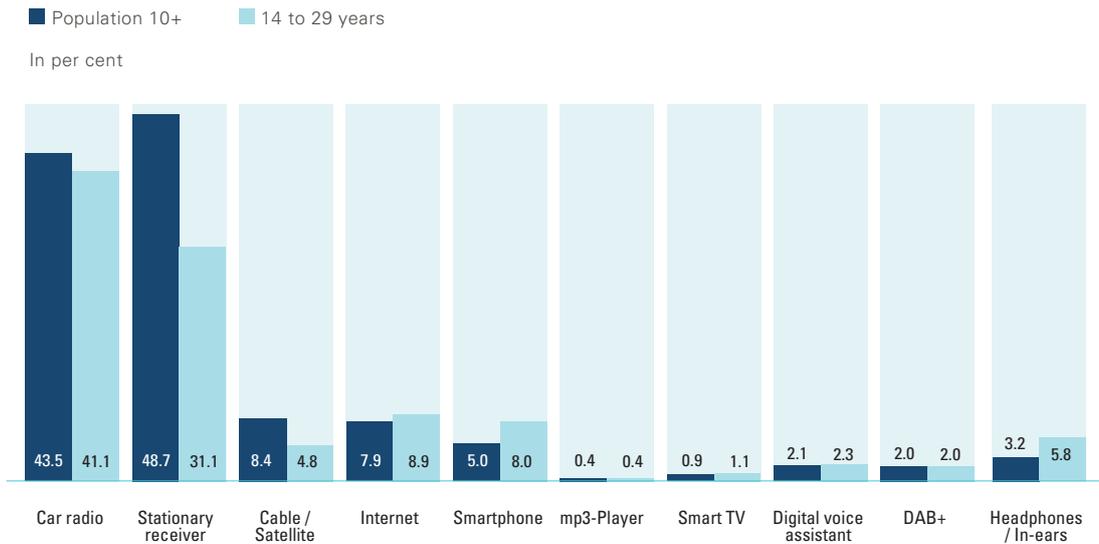
In 2019 Kronehit failed to retain its record high, relinquishing 2 percentage points of the previous year’s 3-point gain for 17 per cent of the Viennese market. Radio 88.6 and Radio Energy, both of which had also gained 3 percentage points in 2018, each lost 1 percentage point of market share to finish 2019 on 8 per cent. After expanding its share from 5 to 7 per cent in 2018, Radio Arabella slipped to 6 per cent in 2019. In 2018, 98,3 Superfly had moved up 1 percentage point to 3 per cent, a level last seen in 2015. This same percentage point was again lost in 2019, however, and the station finished the year on 2 per cent, the same figure as for 2016 and 2017.

9.1.3.3 Radio listening: sources and devices by age group

While the long-term trend away from conventional stationary radio receivers lost momentum in 2019, car radios continued to lose listeners for another consecutive year. The impact of this trend had first been seriously felt in 2018. The role played by other sources and types of devices for radio reception remains very minor when compared with car radios and stationary receivers. Any changes from the previous year’s figures for these other kinds of devices and sources are fractional, while the figures for population reach were without exception below 10 per cent, both within the general population aged ten and over, and among young people between 14 and 29 years of age. Once these background details are considered, the biggest change in 2019 was in

the importance of the internet as a radio source. Following its Austria-wide launch in May 2019, DAB+ is now listed as a new radio source in the rankings. Virtually from the outset, DAB+ has enjoyed an equal footing with smart speakers supported by digital voice assistants, such as Amazon’s Echo (Alexa), Google’s Home Assistant and Apple’s HomePod. These devices are still used far less for radio listening than the media and techie hype surrounding them would suggest.

FIGURE 20: SOURCES AND DEVICES FOR DAILY RADIO LISTENING IN 2019, INDIVIDUALS 10+ AND 14 – 29



Source: Radiotest; percentages

Car radios were used on a daily basis by 43.5 per cent of the overall population in 2019 (2018: 44.9%, 2017: 46.7%) and by 41.1 per cent of young people aged 14 – 29 (2018: 44.3%, 2017: 45.1%). This means that car radio use within the overall population dropped by roughly 1.5 percentage points compared with 2018, with use among 14 to 29 year olds falling by no less than 3.2 percentage points.

Of the total population aged ten and above, 48.7 per cent still switched on a kitchen radio, stereo tuner or similar stationary device for their daily radio listening in 2019. This percentage is practically the same as in 2018 (2018: 48.5%, 2017: 51.9%, 2016: 54.3%). The use of stationary radios has also flattened out among young listeners at 31.1 per cent. Among the 14 – 29 group, 30.7 per cent had used a stationary radio receiver daily in 2018, which corresponds to a drop of 3.1 percentage points from the year before (2017: 33.8%; 2016: 37.5%).

There was no significant increase in the use of internet as a radio reception mode in 2019. The percentage of the overall population that listens to radio via the internet using a laptop, WiFi radio or tablet increased from 6.1 to 7.9 per cent. Among the 14 – 29 group, those listening to radio daily via the internet rose from 7 per cent to 8.9 per cent.

In terms of the general 10+ population, the proportion using their smartphones to listen to radio was again higher in 2019, with the figure rising five tenths of a percentage point to 5 per cent. This is the same growth rate as seen in the two previous years. Among young people, however, the percentage using smartphones as radios fell slightly by three tenths of a percentage point to 8.0 per cent.

Radio listening via cable or satellite had grown in popularity among both age groups in 2018. In 2019 this remained true only for the general 10+ population (with use rising 2/10pp to 8.4%). For many young people, however, this listening mode apparently became less attractive, with the reach figure for this group falling by 2 percentage points to 4.8 per cent.

A considerably smaller proportion of the population used smart TVs to listen to radio in 2019. Among the overall population and young people alike, the already negligible number of people using smart TVs as radio receivers halved, with figures falling from 1.9 to 0.9 percent and from 2.2 to 1.1 per cent for the general population and the 14 – 29 group, respectively.

The use of digital speech assistants or smart speakers to listen to radio continues to play a minor role in Austrian households. While the share of the population using smart speakers as radio receivers did grow by five tenths of a percentage point in 2019, the total is still only 2 per cent. No change from 2018 was seen here among young people aged 14 to 29. In this age category, 2.3 per cent use some sort of smart device for daily radio listening.

Digital radio based on the DAB+ transmission standard became available Austria-wide in May 2019. DAB+ was already being used daily by 2 per cent of the overall population and 2 per cent of young people in 2019.

MP3 players are gradually disappearing from the market and are therefore seeing even less frequent use as radio receivers. Both within the population at large and among young people, only 0.4 per cent listened to radio using an MP3 player in 2019 (2018: 0.7% and 1.1%, respectively).

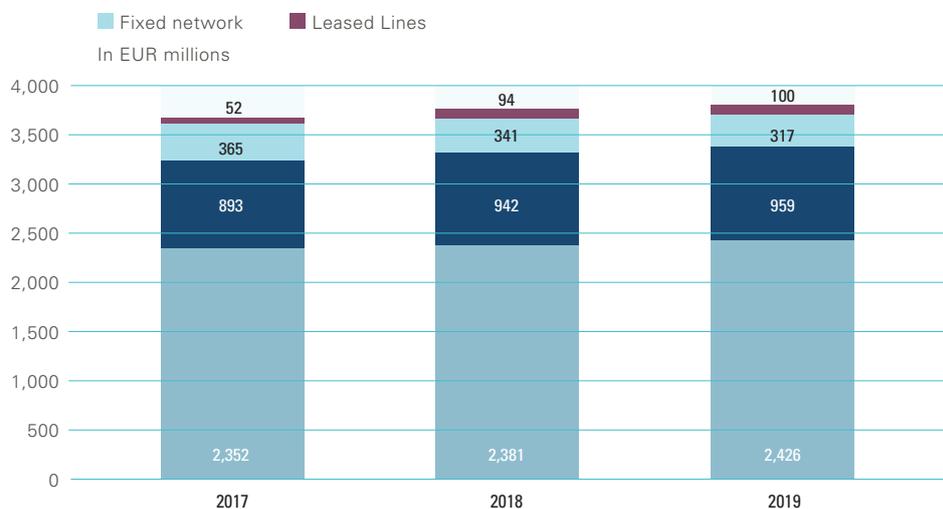
The proportion of the overall population using headphones for daily radio listening in 2019 remained unchanged at 3.2 per cent, while headphone use for radio among young people declined marginally in popularity, dropping to 5.8 per cent (2018: 6.6%).

9.2 Developments in the Austrian telecommunications markets

This section provides a summary of the most significant market developments in mobile telecommunications, broadband and fixed network services.

In 2019 revenue growth was seen in both mobile services and broadband (including fixed network voice line and TV bundles) (see figure 21). Growth of 2 per cent was seen in each of those segments. Revenues also increased in the leased line category, which has included Ethernet services since 2018. Fixed network voice service revenues, in contrast, have continued to decline. Growth across all segments amounted to 1.1 per cent year on year.

FIGURE 21: RETAIL REVENUES FROM MOBILE, FIXED BROADBAND, FIXED VOICE AND LEASED LINE SERVICES



Source: RTR

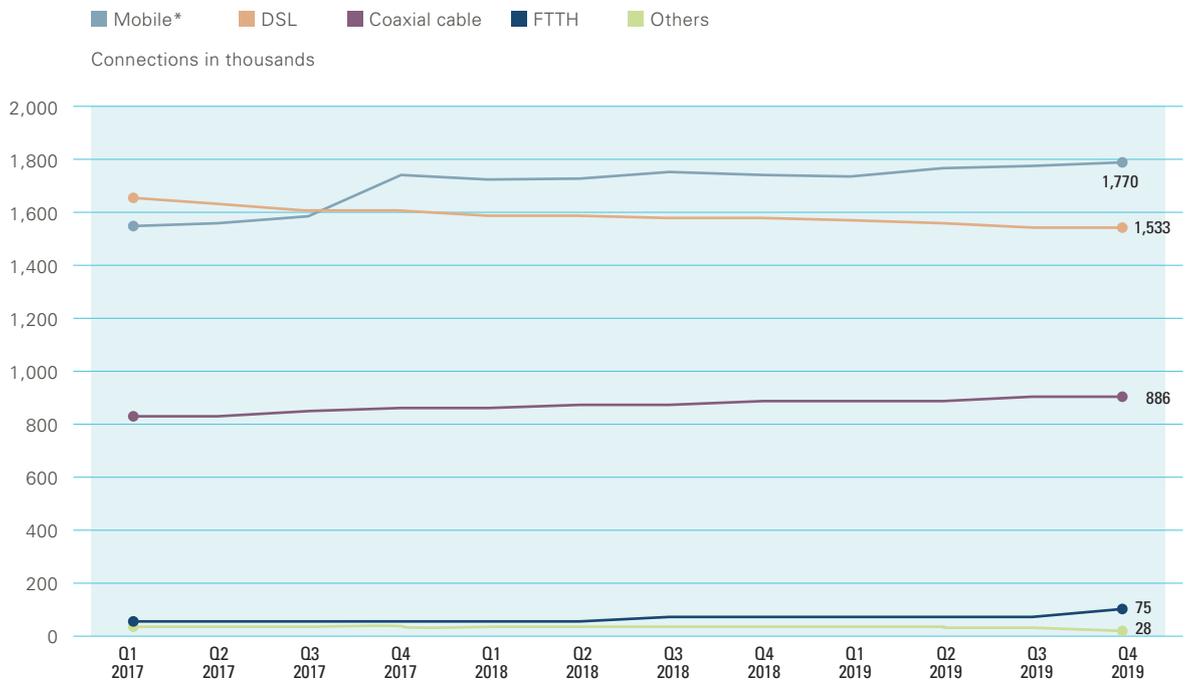
Key market developments in 2019 are listed below and described in detail in the section that follows:

- Internet access: mobile broadband enjoys unbroken strong popularity
- Data volumes: exponential growth trend turns linear
- Roaming data use in other EU countries continues to rise
- Mobile services: more minutes, fewer text messages, more M2M cards
- Broadband wholesale services: virtual unbundling supplants physical unbundling

Internet access: mobile broadband enjoys unbroken strong popularity

A mobile connection – utilising 3G, 4G or, most recently, 5G technology – is the most popular way of accessing the internet in Austria. Even if data-only subscriptions are considered exclusively,²³ as shown in figure 22, mobile broadband achieved roughly 1.77 million connections in Q4 2019, placing it well ahead of fixed broadband using DSL technology (1.53 million connections) and cable broadband (CATV, via coaxial cable network; about 886,000 connections). While mobile data subscriptions saw 3.0 per cent growth from one year to the next, DSL subscriptions declined in number by about 1.7 per cent. The strongest growth was recorded for optical fibre, with fibre to the home (FTTH) connections increasing by almost 20 per cent. FTTH connections are nonetheless still few and far between (roughly 75,000 or 1.8% of all subscriptions shown for Q4 2019 in figure 22).

FIGURE 22: NO. OF BROADBAND CONNECTIONS BY TECHNOLOGY



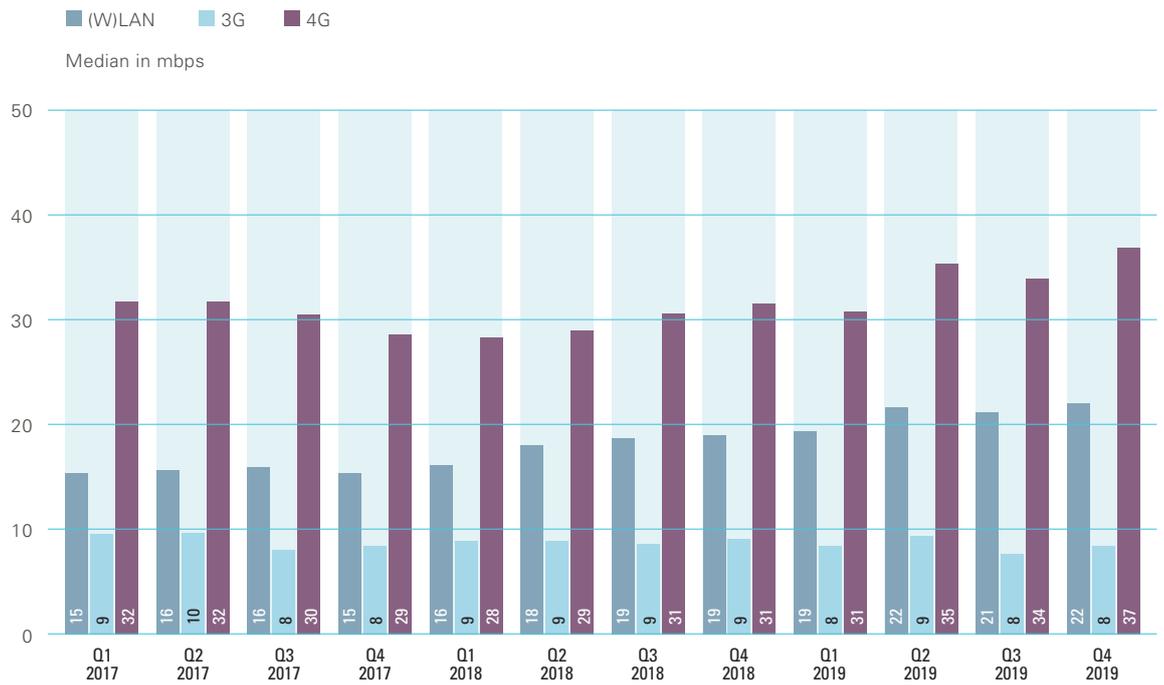
* Mobile includes data subscriptions with fixed monthly rates (pre-paid and post-paid)

Source: RTR

²³ Subscriptions without inclusive minutes or text messages.

Despite heavier use of mobile broadband, there was no drop in average bandwidths for mobile networks in 2019. On the contrary: as shown by statistics from RTR-NetTest, the median bandwidth²⁴ determined using 4G measurements in fact increased in the space of a year, from 31 to 37 Mbps. Mobile network rollout is therefore more than capable of keeping pace with growing demand and use. LAN and Wi-Fi speeds also increased, rising from 19 to 22 Mbps. This category encompasses both fixed broadband and mobile broadband, where a ‘cube’ or ‘home net box’ is used to set up a Wi-Fi network in a household or business, for example.

FIGURE 23: MEDIAN DOWNLOAD SPEED BY TECHNOLOGY



Source: RTR-NetTest

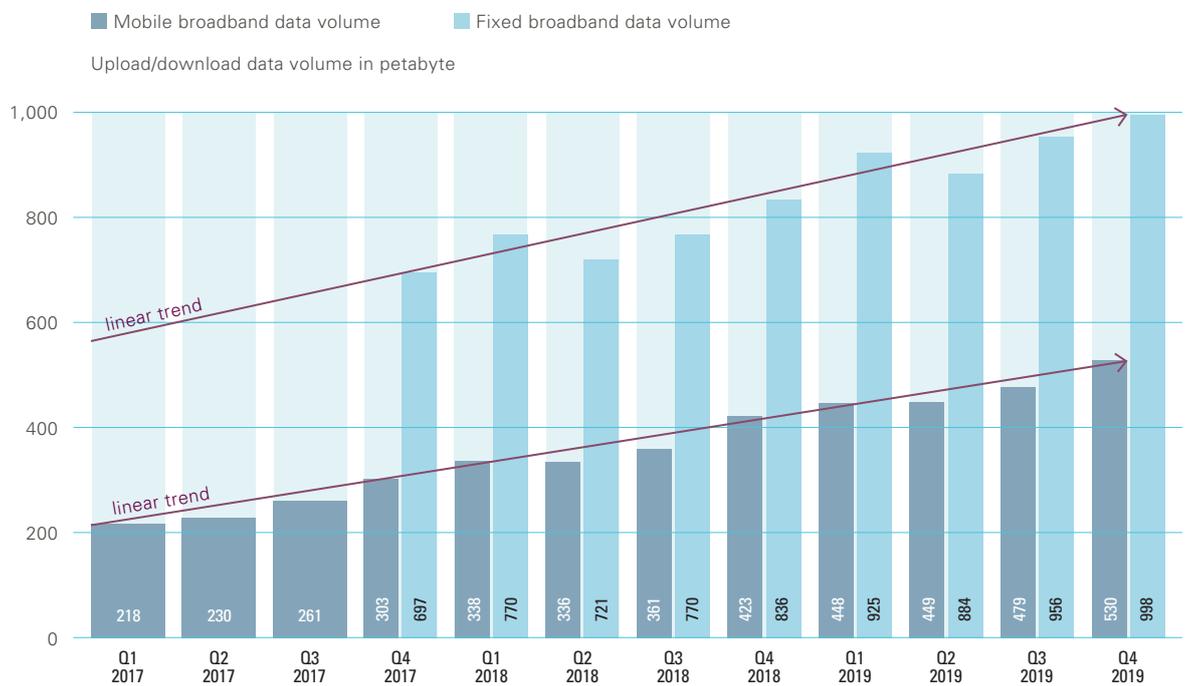
²⁴ The median is the value that represents the exact midpoint of all measurements in any given quarter.

Data volumes: exponential growth trend turns linear

In 2019 data traffic carried by mobile and fixed networks increased significantly year on year. Nonetheless, unlike the trend in mobile data volumes before 2017²⁵, a linear increase now appears to have replaced the previous exponential growth.

Growth in data traffic was stronger in fixed networks than in mobile networks from 2017 to 2019, with the former increasing on average by 38,000 terabytes per quarter and the latter by 29,000 terabytes. Both fixed network and mobile data volumes are also marked by a seasonal trend, with peaks seen in the winter (Q4 and Q1) of each year.

FIGURE 24: TRENDS IN MOBILE AND FIXED NETWORK BROADBAND DATA VOLUMES



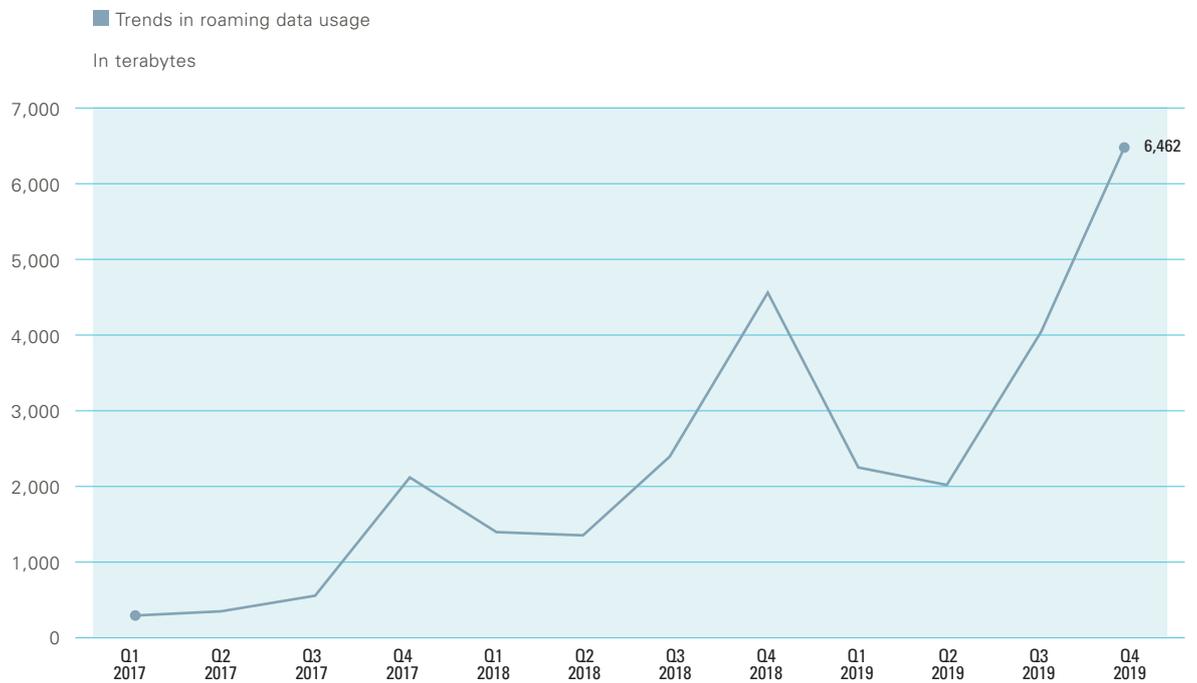
Source: RTR

²⁵ RTR has no fixed network data volume statistics for the period prior to Q4 2017.

Roaming data use in other EU countries continues to rise

Since 15 June 2017, Austrian consumers have been able to use their mobile phones elsewhere in the EU largely as they would at home, i.e. without incurring any additional charges.²⁶ The new rules led to a considerable rise in minutes, texts and mobile data volumes used outside Austria in 2017 and 2018. For minutes and data volumes, this trend assumed an even steeper trajectory in 2019: from Q3 2018 to Q3 2019,²⁷ roaming minutes increased from around 158 million to roughly 164 million (approx. +4%) while roaming data climbed from some 4,600 to 6,500 terabytes (approx. +45%; see figure 25). Text messages decreased for the first time since mid-2017, seeing a sharp drop from 41 million to 19 million (a fall of roughly 55%) between Q3 2018 and Q3 2019. The most likely factor here was online messaging apps supplanting text messaging.

FIGURE 25: ROAMING DATA VOLUMES



Source: RTR

²⁶ For further information and potential restrictions, see https://www.rtr.at/de/tk/TKKS_RoamingEU (in German).

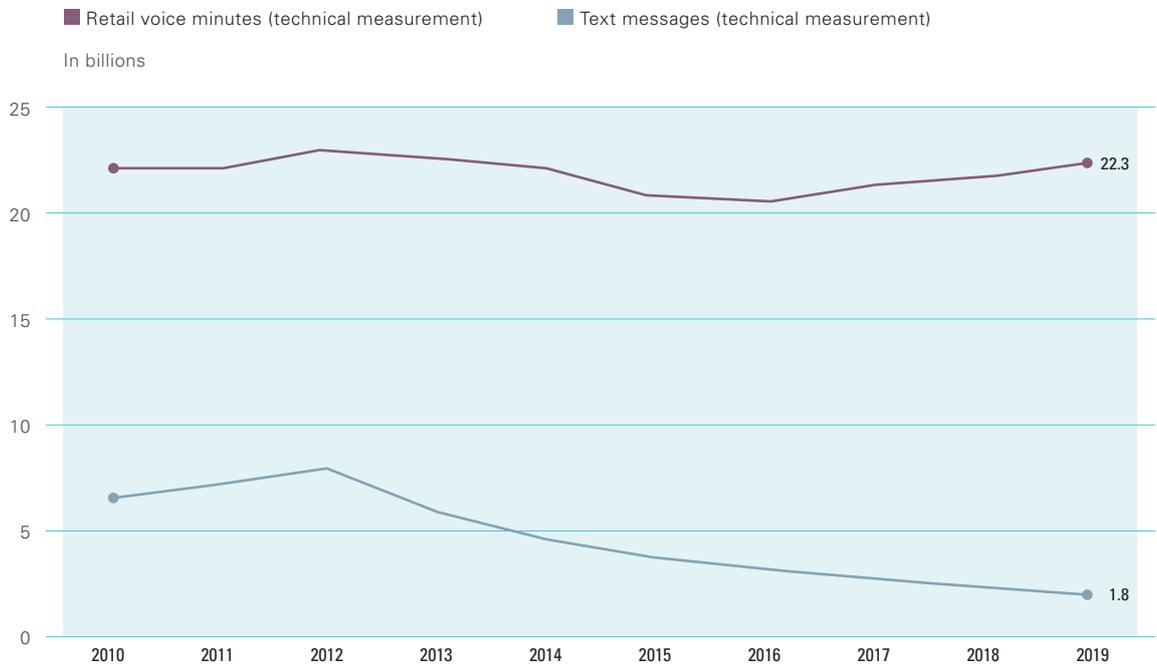
²⁷ Data from the third quarter – the vacation season – are of particular interest here.

Mobile services: more minutes, fewer text messages, more M2M cards

As text messages continued to trend downwards (-16.9% year on year), call minutes increased marginally in 2019 (2.2%; see figure 26). The main reason for the decline in text messaging continues to be supplanting by online messaging services.

While 7.8 billion text messages were sent in 2012, this figure had dropped to 1.8 billion by 2019. Although call minutes also decreased between 2012 and 2016, these have gained ground again over the last three years. Minutes as shown in figure 26 refer to voice calls via mobile networks but not calls made over the internet using apps such as Skype or WhatsApp. Unlike text messaging, consumers appear to use such services to supplement voice calling.

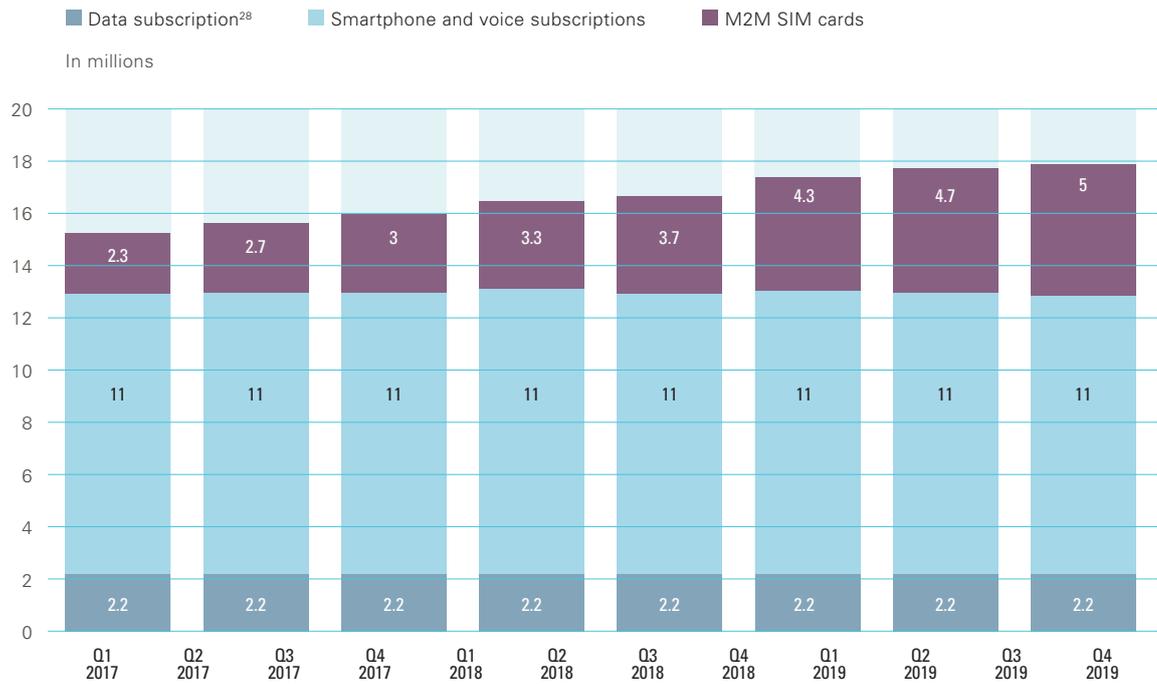
FIGURE 26: RETAIL VOICE MINUTES AND TEXT MESSAGES (TECHNICAL MEASUREMENT)



Source: RTR

In the SIM card category, the number of machine-to-machine (M2M) cards rose considerably (see figure 27). Almost 5 million M2M SIM cards were in use by Q4 2019. Such cards are deployed in surveillance cameras, for monitoring the movements of construction equipment (asset tracking), in vehicles, in industrial control systems, in environmental monitoring, and in building and facility management.

FIGURE 27: SIM CARDS



Source: RTR

Broadband wholesale services: virtual unbundling supplants physical unbundling

Rolling out next generation access (NGA) involves installing optical fibre in closer proximity to end users, and deploying advanced technologies such as VDSL vectoring and G.fast. To meet regulatory rollout requirements, A1 has been obliged to offer ‘virtual unbundling’ as a wholesale service for a number of years.²⁹

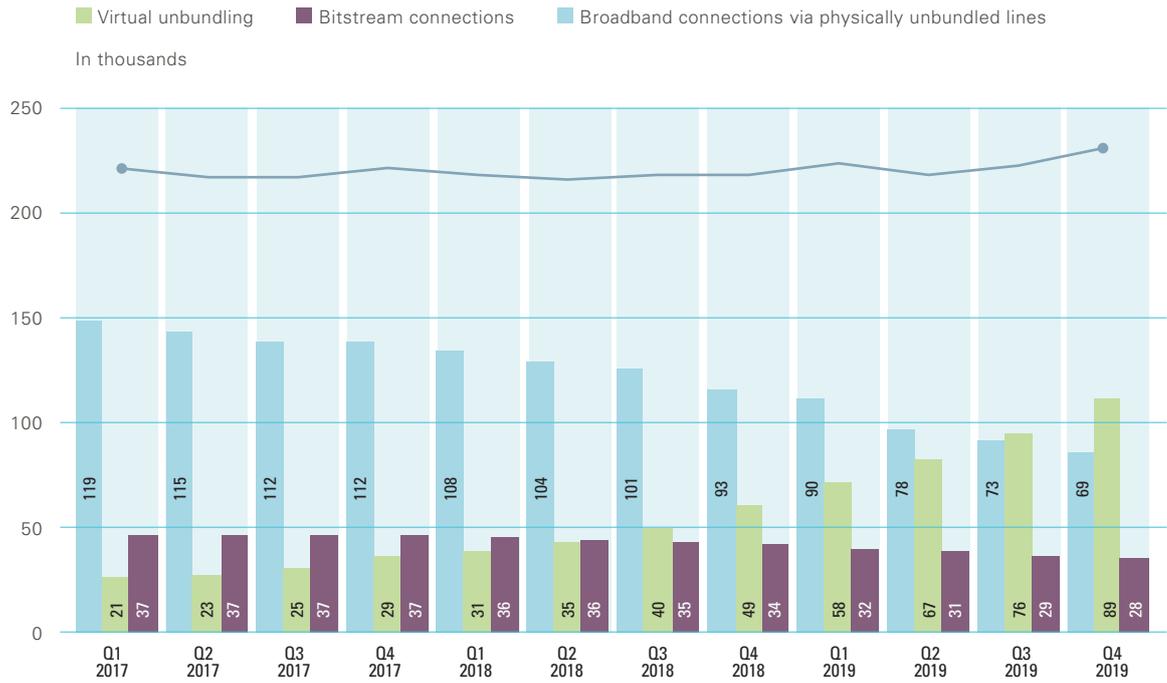
Operators who do not have their own access network can purchase this service from A1, which enables them to offer broadband access, fixed voice telephony or IPTV to end users (private or business customers). Compared with physical unbundling, where the alternative operator connects the local loop (typically at the main distribution frame) directly to its own network, virtual unbundling involves the provision of an Ethernet-based service. Traffic transfer can also occur at the main distribution frame or in the nine provincial capitals, or even, as in Vienna, at just a single handover point. Under certain conditions, A1 can also migrate physically unbundled lines to a virtually unbundled service.

²⁸ The data subscription category comprises plans with a set monthly charge as well as those without such a charge attached.

²⁹ See the TKK decisions issued in July 2017, available at https://www.rtr.at/de/tk/M_1_5_15 and https://www.rtr.at/de/tk/M1_6_15 (in German).

The restructuring of the A1 access network in recent years has led to the gradual replacement of physical unbundling by virtual unbundling. At the end of 2019 broadband connections based on virtual unbundling exceeded those based on physical unbundling for the first time (see figure 28). The moderate decline in bitstream connections continues. For the first time in several years, purchases of A1 wholesale broadband products increased from one year to the next.

FIGURE 28: A1 BROADBAND WHOLESALE SERVICES



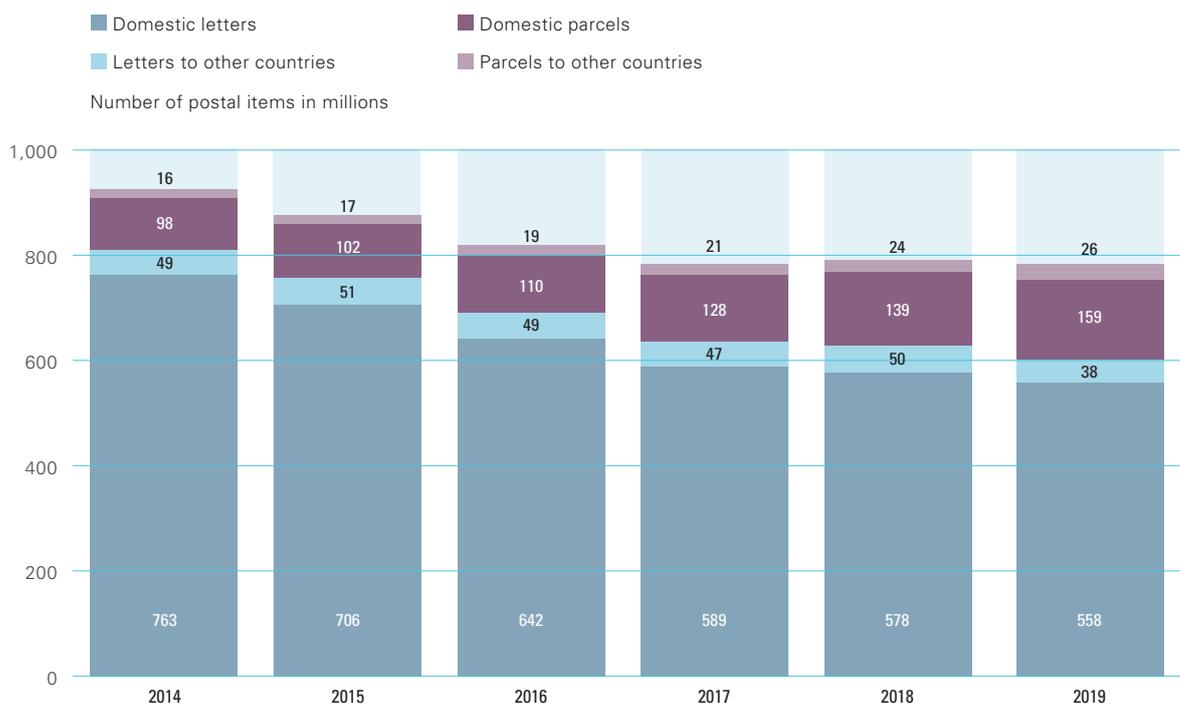
Source: RTR

9.3. Developments in the Austrian postal market

To monitor developments in the Austrian postal market, RTR has been collecting quarterly data in accordance with the Postal Services Survey Ordinance (PEV) since 2013. Specifically, the revised provisions set out in the 2019 amendment to the ordinance have been applied since Q1 2019. Current changes in the postal market as revealed by the survey data are presented in the quarterly RTR Post Monitor (in German: <https://www.rtr.at/en/inf/alleBerichte>).

Trends in the postal market observed in previous years continued in 2019. These included a decline in the volume of letters handled (-5.1%) accompanied by a rising number of parcels sent (+13.3%). Within the letter category, domestic letters dropped by 3.5 per cent while letters to other countries decreased by 22.7 per cent. The volume of domestic parcels increased by 14.0 per cent and that of parcels to other countries by 9.2 per cent. The decline in letters results mainly from substitution through email, while the continued online shopping boom is responsible for the steady rise in parcel volumes.

FIGURE 29: CHANGES IN LETTER AND PARCEL VOLUMES, 2014 – 2019

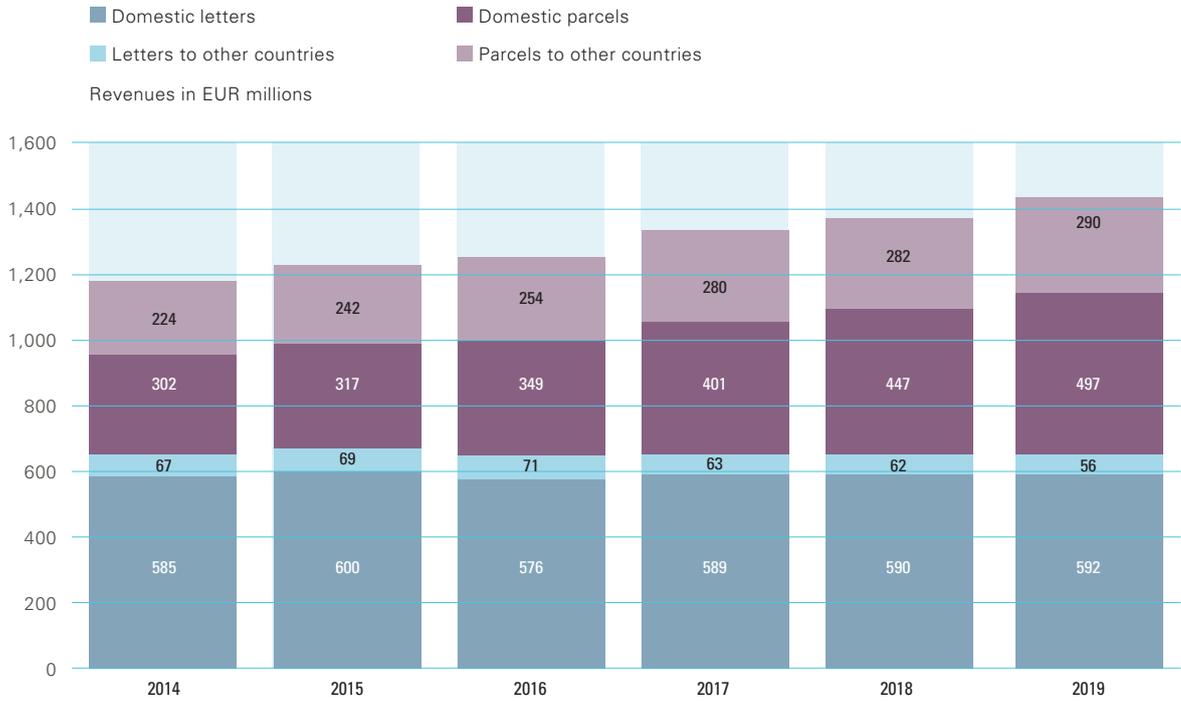


Source: RTR

Revenues from letter services, in contrast, remained at a relatively stable level. While volumes dropped by 5.1 per cent, this figure decreased by 'only' 0.6 per cent. This would suggest that shrinking volumes in the letter category are being compensated by higher prices or service levels.

Revenues from parcels have been growing steadily since 2014, but not at the same rate as volumes. While parcel revenues rose by 9.6 per cent in the year under review, volumes grew by 13.3 per cent.

FIGURE 30: CHANGES IN REVENUES IN THE LETTER AND PARCEL CATEGORIES, 2014 – 2019



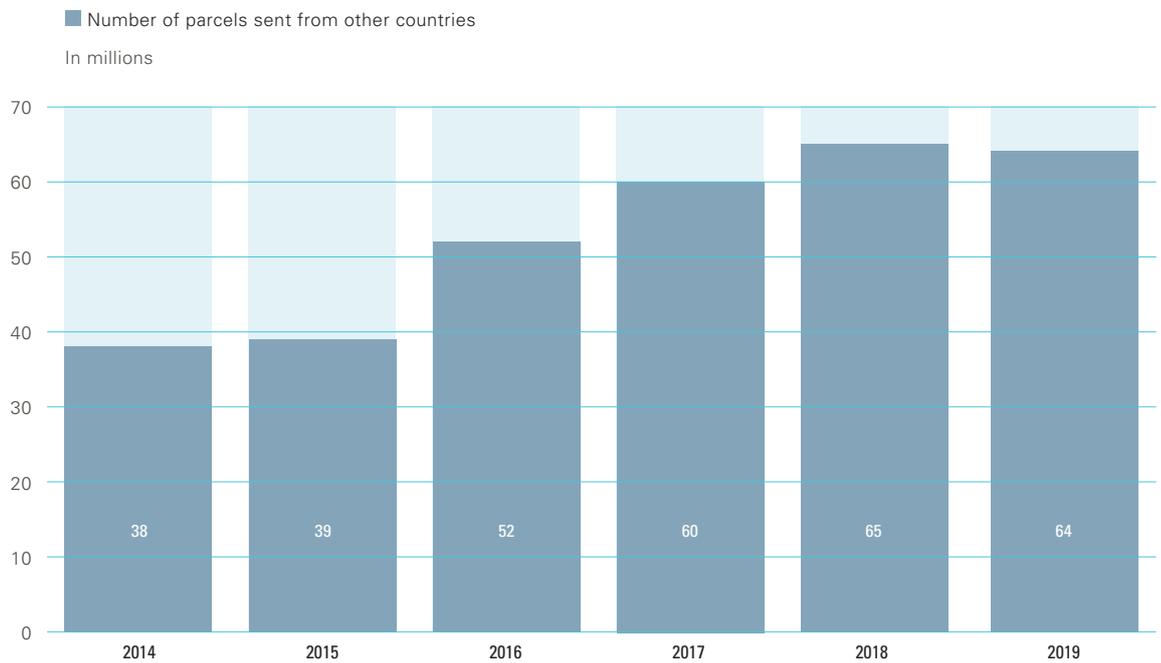
Source: RTR

Figure 30 shows changes in revenues for the postal market as a whole from 2014 to 2019, broken down into the categories of domestic letters, letters to other countries, domestic parcels and parcels to other countries.

Online shopping drives growth

Besides increasing volumes of domestic parcels, dramatic increases in the volumes of parcels sent to Austria from other countries have been observed in recent years. This is especially attributed to online shopping in other countries. There was a slight decline in the volume of parcels from other countries in 2019, demonstrating that major international shippers are increasingly posting their parcels directly in Austria. Thus, these volumes are listed under domestic parcels in the statistics. Figure 31 shows the changes in the number of parcels sent from other countries and delivered within Austria.

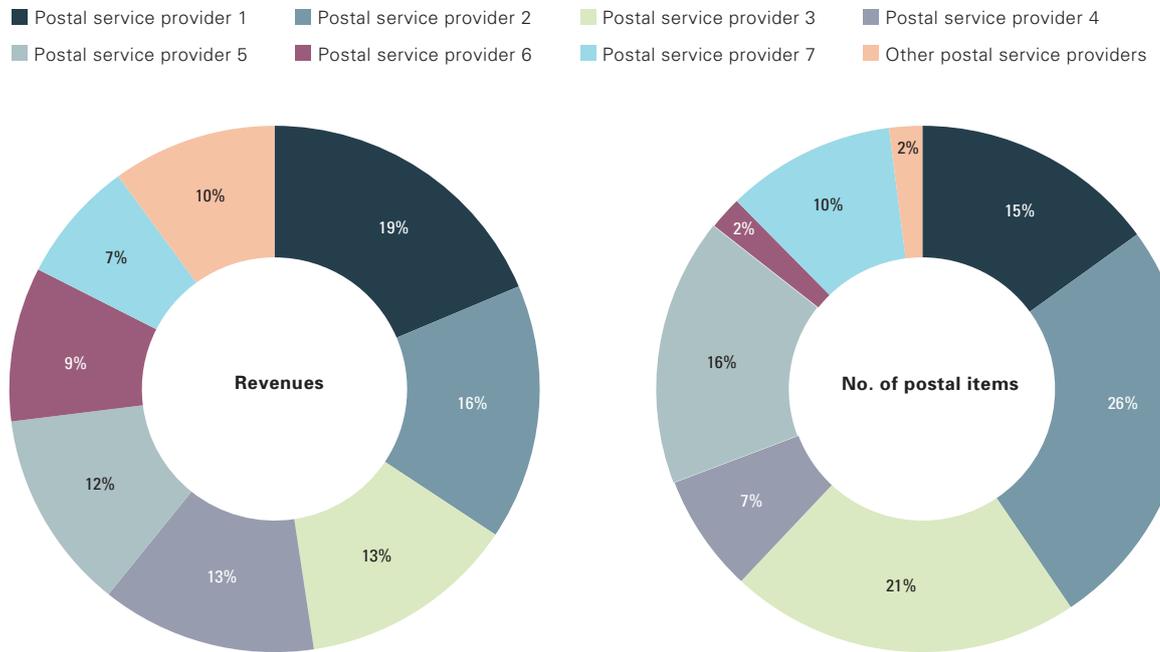
FIGURE 31: CHANGES IN PARCELS SENT FROM OTHER COUNTRIES, 2014 – 2019



Source: RTR

As seen in the chart below, competing in the market for delivering parcels from other countries are several almost equally significant providers, alongside a number of minor competitors. Viewed either in terms of volumes or revenues, market shares can be seen to vary appreciably. One factor in this difference is that providers vary in the kinds of parcels handled and services included and as a result charge prices that differ from one another.

FIGURE 32: SHARES OF POSTAL SERVICE PROVIDERS IN THE MARKET FOR PARCELS SENT FROM OTHER COUNTRIES AS OF 31 DECEMBER 2019, BROKEN DOWN BY REVENUES AND VOLUMES



Source: RTR

It can be anticipated that the volume of parcels attributed to online shopping will continue to increase.



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