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Universal service in Austria

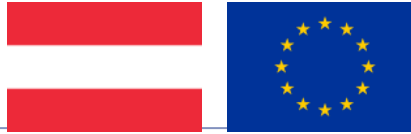


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General Facts Austria



- **Size:** 83.878 km²
- **Population:** 8,5 Mio

- **Market:** (Data per Dec. 2014)
 - **mobile:** 3 Mobile Network Operators, 2 MVNO, several branding resellers
 - **fixed:** approx. 10 Network Operators, several combined OLO
 - **incumbent operator:** A1 Telekom Austria AG

 - **fixed accesslines:** 2,57 Mio (households) - slight decrease
 - **mobile penetration:** 153,3% (2/3/4G incl. M2M) - slight decrease



Elements of USO in Austria

- in any case:
 - access to a public communications network and public telephone service including possible Telefax services at transmission rates for functional Internet access
 - provision of an inter-operator directory inquiry service
 - preparation of an inter-operator subscriber directory
 - coverage with public pay telephones on a nationwide basis at general and readily accessible locations
 - share of public pay telephones in working order is also to be aligned with the needs of end-users, including users with disabilities, with attention to geographical coverage and the use of mobile communications services
 - Terms and Conditions of Contract of USO provider have to be notified, tariffs may be subject to check if affordability is not given
 - shall also comprise information on facilities and services for the control of expenditure



Quality of USO

- USO has to be available:
 - nationwide
 - at an affordable price
 - at a specific quality
- criteria set by Ordinance of Ministry of Transport, Innovation and Technology
 - standards to be set in accordance with
 - international obligations, state of art and economical conditions:
 - 1. supply time for initial connection,
 - 2. fault rate,
 - 3. fault repair time,
 - 4. successful call ratio,
 - 5. call setup time,
 - 6. response times for directory enquiry services,
 - 7. proportion of public pay telephones in working order and the equipment of public pay telephones and
 - 8. proportion of bill correctness complaints.



Preconditions for USO

- if NRA determines that universal services are not or not entirely provided under competitive conditions on a sustainable basis, it shall notify the Federal Minister of Transport, Innovation and Technology without delay
- term: all 5 years - if they are - USO provider has to be relieved by official decision



USO provider

- a public tender has to be launched via the NRA
- criteria might be either factual or regional
- tender may be omitted if only 1 operator fulfils operational requirements for the 5-year period required and this operator will guarantee USO for this time
- main decision criteria about costs for service provided, also if more operators (by region or service) provide service
- if no application filed, Minister may appoint operator at specific set conditions



USO financing

- costs incurred by USO service only may be compensated on request if
 - despite efficient management
 - and costs constitute an unreasonable burden
- compensation within 1 year upon application to NRA, which shall base the calculation upon the costs attributable to
 - 1. elements of the services which can only be provided at a loss or provided under cost conditions falling outside normal commercial standards and
 - 2. specific end-users who can only be served at a loss or under cost conditions falling outside normal commercial standards **and** shall consider the market benefits accrued to the USO-provider
- if the universal service provider has a share in the turnover on the relevant market that is greater than 80%, no compensation shall be claimed



USO accounting control

- USO provider shall present appropriate documentation upon submission of the application
 - enabling it to review the information in relation to the costs claimed
 - NRA may inspect the books and records either itself or commission an auditor, make comparisons to other operators as well as take other steps to achieve the required objective that correspond to the principle of proportionality
 - in justified cases, NRA may also determine an amount that is lower than the amount requested
 - NRA shall publish the results of the review
- maximum limit: as per the result of the public tender



US-fund

- if required, NRA set up and administer a US Fund for the financing of universal service
 - NRA shall publish an annual report on its activities and achievements, in which
 - the net costs are presented
 - taking into account market benefits and
 - the shares attributable to the individual undertakings assessed as liable to contribute
 - operators of telecommunications services with annual turnover > than EUR 5 Mio from these activities shall contribute to the financing of US Fund and to fund administration according their market shares (US charge).
 - share to be determined according to the proportion of their turnover to the total turnover of the companies assessed as liable to contribute on the respective market of service/product relevance
- calculating the amount of the shares NRA shall consider least distortion is caused to competition and to user demand



Double control on accounting

- operators operative on the respective market for the specific telecommunications service shall, on request,
 - notify their turnovers for the relevant service to NRA on annual basis, if required, also retroactively
 - otherwise, NRA may inspect the books and records itself or commission an auditor, or carry out an estimate

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