



COMMUNICATIONS OUTLOOK 2001
Telecommunications

Country: Austria

Date completed: 26.07.2000

TELECOMMUNICATIONS

Market Structure and Regulatory Status (Questions 1 -10)

- 1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.**

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, certain number, fully open to any applicant)	Number of licensed operators (2000)
Fixed PSTN (Local, National and International)	Fully open	65
Network infrastructure capacity (Includes only companies not licensed to provide voice services)	Fully open	21
Analogue Cellular Mobile (e.g. NMT etc.)	Monopoly	1
Digital Cellular Mobile (e.g. GSM, PCS etc.)	Certain number	4
Wireless local loop (fixed wireless)	-	
IMT-2000 Operators (i.e. UMTS and 3 rd Generation)	-	

- 2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)**

Name of PTO	PTO Ownership Status (2000) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Telekom Austria AG	75% - 1 share state-owned 25% + 1 share Telekom Italia
Mobilkom Austria AG	75% - 1 share Telekom Austria 25% + 1 share STET International

3. Please provide details of market share for the largest PTO in the following categories.

	The largest PTO's share	
	End 1998	End 1999
Local Access: % of access lines	1998: PTA > 95%	1999: PTA >95%
Local Access: % of local calls	not available	not available
National Long Distance (% of total minutes) ¹	not available	not available
International (% of total outgoing MiTT)	not available	not available
Internet Subscribers ²	not available	not available

1. If % of minutes is not available, please indicate the % of revenue

2. If share of subscribers is not available, please indicate number of Internet subscribers for the PTO.

4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.

Name of Operator	Number of Subscribers (End 1999)
1. Mobilkom Austria AG	2,2 Mio
2. max.mobil. Telekommunikation Service GmbH	1,5 Mio
3. Connect Austria Gesellschaft für Telekommunikation GmbH	0,5 Mio

5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 2000 to 2001.

On June 1st, 2000 the Telecommunications Act of 1997 was amended. The amendments fulfil two main functions: The first one is to implement the respective provisions of the law of the European Community into Austrian law. Thus, some details had to be changed in order to comply fully with art. 9 § 2 and 4 of directive 97/13/EC and art. 10 § 2 of directive 98/10/EC. By implementing art. 5a § 3 of directive 90/387/EEC it is now guaranteed by law that decisions of the national regulatory authority may be evoked to the Austrian administrative court. The amendment mentioned above has also effect on the granting of licences, especially in the field of UMTS/IMT-2000. The holder of frequencies for providing mobile phone services of the 3rd generation, also holding frequencies for providing mobile phone services of the 2nd generation, is obliged to allow national roaming for a maximum of 4 years to those holders of frequencies who are providing mobile phone services of the 3rd generation, but are unable to do so within the 2nd generation.

Of course the Austrian communications sector and its regulatory environment will be strongly influenced by the outcomes of the current Regulatory Review process. For the time being, only first working documents on the future directives are available, so that it is too early to enter into detail. The transformation of the future framework will probably not happen in the period 2000-2001.

6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services. Please highlight any changes over the last 12 months.

The national regulatory authorities are:

The Federal Minister for transport, innovation and technology, the Telekom-Control-Commission, the Telekom-Control GmbH. The Federal Minister is responsible for policy-making, i.e. by issuing ordinances and frequency allocation. The Telekom-Control-Commission decides on: Granting and revoking of licences (changed recently); approval of terms and tariffs; the fees to be paid to and to be received from the universal service fund; the designation of an operator as having significant market power; interconnection in case of disputes; determination of cross-subsidisation; site-sharing in case of disputes (changed recently). The Telekom-Control GmbH is responsible for all tasks of regulatory issues which are not within the competencies of the Federal Minister or the Telekom-Control-Commission, i.e. numbering, scrutinising the abuse of dominant position, dispute settlement between users and operators.

7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country?

No

8. Are there any communication infrastructures or services (e.g. mobile, cable television, terrestrial broadcasting, satellite broadcasting) that PTOs in your country are not permitted to provide directly? In addition, please specify any restrictions on PTOs investing in companies that provide such infrastructure or services. Please include information on requirements by the incumbent PTO to divest cable networks.

There are no communication infrastructures or services that PTOs in Austria are not permitted to provide directly.

The incumbent PTO does not control the cable network.

- 10. What selection procedures are used to grant licences for new Wireless Local Loop (WLL) and IMT-2000 services? (e.g. spectrum auctions, calls for tenders, government appointments, licence on request)?**

Spectrum auctions are used in order to grant licenses for new WLL and IMT-2000 services.

- 11. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.**

In Austria there is no need for a licence for the provision of voice telephony services provided over the internet. These services have only to be notified according to sec. 13 of the Telecommunications Act.

Pricing (Questions 11 -12)

- 12. What, if any, conditions are applied to the tariffs set by PTOs? (Please include any price control information such as price caps or approvals and specify for which services they apply).**

According to § 18 TKG (Telecommunications Act) licence owners have to publish their tariffs and send a copy to the NRA. Tariffs of operators with SMP in the fixed network market or leased lines market must be approved by the NRA. These tariffs have to be cost-oriented. Long term changes in tariffs have to be approved by the NRA.

In November 1997 a price cap (X=10%) was set on the basis of telephony products. This price cap has been implemented by the incumbent.

- 13. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to low users and dial-up Internet access users from the incumbent PTO. In the space below please indicate the main features:**

Low User scheme:

Minimum tariff scheme for low users: low fixed rental charge with high call tariffs

Scheme for financially disadvantaged (below income threshold): free monthly fixed rental charge and one free hour of local calls every two months (billing period)

Internet Access Discount Scheme:

There is no distinct discount scheme provided by the incumbent PTO. But A-Online, the subsidiary of the incumbent offers free internet access and charges reduced prices for dial-up charges.

Note: Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged. A dial-up Internet user refers to a consumer accessing the Internet via a PC with a modem over the local public switched telecommunication network.

Numbering/Domain Names (Questions 13 - 14)

- 14. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability (including geographic portability) has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).**

Please provide details:

Number portability was introduced in Austria on March 27 2000. Consumers can change their operators without changing their number. The new (recipient) operator has to pay ATS 119,14 (EUR 8,66) to the old (donor) operator. Geographic portability is only available if the consumer stays within a local area code.

- 15. Which organisation is responsible for the administration of your Internet country code top level domain names. (An example of a country code top level domain name is .be for Belgium). Please provide any details of any recent policy initiatives relating to country code domains.**

Nic.at, a subsidiary of the association of the Internet Service Provider in Austria ISPA (Internet Service Provider Austria), is responsible for the Country code top level domain name. The operation of the name servers is handled by the university of Vienna.

Interconnection (Questions 15)

- 16. Interconnection between fixed networks.**

	Yes /No	Details
Are PSTN interconnect or access charges a matter for commercial agreement between operators? And if so, is there provision for arbitration and by whom?	Yes	In Austria PSTN interconnect or access charges are a matter for commercial agreement between operators. The provision for arbitration is in Section 41 of the Austrian Telecommunications Act. Therefore each operator of a public telecommunications network is obliged to make an interconnection offer to other operators of such networks on demand. If an agreement on interconnection cannot be reached between an operator of a telecommunications network who offers telecommunications services for the public and another operator of a public telecommunications network within a period of six weeks from the receipt of the request, either party involved in the interconnection may call in the regulatory authority. After the parties have been heard, the regulatory authority shall decide on the interconnection arrangements within a period of six weeks from the day it was called in. The regulatory authority can prolong the procedure by no more than four weeks. The arrangement replaces any agreement.
Is there a requirement on the incumbent to publish the rate for PSTN interconnect or access charges?	Yes	Interconnection: the Incumbent has to publish a Reference Interconnection offer. Access charges: tariffs have to be published
For the purposes of establishing interconnect or access charges is accounting separation used?	Yes	According to EU legislation
Once the interconnection or access charge of the incumbent has been established, is it available as a standard rate for other service providers (including other PTOs and resellers)?	Yes	The RIO includes Interconnection rates. Resellers do not need a license and the do not have to notify the NRA, therefore no information concerning their contracted rates can be given
Does regulation specify that competitive service providers can collocate facilities on the same site as incumbent PTOs? (Please indicate whether resellers and Internet Service Providers can collocate equipment under the same terms and conditions as PTOs without being designated as a PTO?)	Yes	Under the Interconnection legislation only licensed voice telephony operators are entitled to collocation
What kind of interconnection accounting methodology (e.g. LRIC, FDC, etc.) is used for calculating the incumbent's interconnection charges?		FL-LRAIC
Is carrier pre-selection implemented? If so, please describe the coverage of carrier pre-selection (e.g. local, long-distance and international).	Yes	All types of geographic calls

18. Fixed to Mobile Network Interconnection

	Details
Are termination rates to mobile networks published?	Yes, only the rates to the incumbent: ATS 1,9 per minute
How are the termination rates for fixed-to-mobile calls determined in your country (e.g. commercial negotiated between operators, determined by mobile operator or other)?	NRA set the rates based on cost-accounting for the incumbent.
Are these rates subject to any regulation (e.g. must they be cost orientated if operators have significant market power)?	Only the rates of mobile operators with SMP (cost-oriented)

Unbundling (Questions 17 -18)**19. Please describe initiatives for local loop unbundling and indicate when unbundling policies were put in place or the expected date of implementation.**

By formal decision of July, 2, 1999, the Austrian National Regulatory Authority, the Telekom-Control-Commission, settled the dispute between the incumbent operator, Telekom Austria, and new Entrants about the general terms and conditions regarding the ULL.

Expiration of the decision

30th of September 2000

The decision making process

The NRA considered in their decision the

- top down model, which is an adjusted cost calculation model of Telekom Austria, as well as a
- bottom up model, which was suggested by the New Entrants.

Concerning the questions of interest rates and depreciation periods external experts were called in.

WACC: 7,79%

Depreciation Period: 21,2 years (Cables, Ducts and Buildings on an weighted average)

20. Please provide the prices for access to unbundled local loops and specify the service on offer (e.g. raw copper, DSL subscriber line).

Please provide details:

The price

ATS 170,-- (EUR 12,35) monthly rental fee for a 2 wire local loop (excluding taxes). This price is valid for the whole country (no regional deaveraging).

The services

Types of lines to be rented (raw copper unbundling only, no bit streaming or line sharing):

- 2 wire up to 144 kbit/s
- 2 wire for high bit rate usage

1. No restriction apply for

- Plain Old Telephony Service (POTS)
- Services up to 144 kbit/s (ISDN)

2. No general restrictions apply further for a specified list of services

- 784 kbit/s ETSI TS 101 135 (ETR 152) (6 wire HDSL)
- 1168 kbit/s ETSI TS 101 135 (ETR 152) (4 wire HDSL)
- 2320 kbit/s ETSI TS 101 135 (ETR 152) (2 wire HDSL)
- ETSI ETR 328 (ADSL)

3. Other services

If the New Entrants intend to use other services than mentioned in the above list they need approval for general network compliance by TA.

Rent of parts of the Unbundled Local Loop (ULL)

Although asked for by the New Entrants the Commission did not oblige TA to rent parts of the ULL. A preferred part of the ULL asked for was the copper line from the in-house distribution point to a single flat (drop cable).

Consumer Issues (Questions 19 -20)

21.

	Details
In the context of universal service policies, which elements of telecommunication service are considered as part of universal service in your country?	<ol style="list-style-type: none"> 1. Access to the public voice telephony service via a fixed network connection, via which a fax machine and modem can also be operated, including the transfer of data at rates compatible with transmission paths for voice communication, 2. Unrestricted access free of charge to emergency services, including the correct processing of emergency calls and the necessary identification of the caller's location, 3. Access to directory enquiry services, 4. Access to directories of subscribers to public voice telephony services and 5. Full area coverage with public pay telephones at generally accessible locations.
Please provide details of any explicit funding mechanism for addressing universal service and its coverage (this can include initiatives related to infrastructure in respect to addressing digital divide issues).	Possibility to install a universal service fund
Is the cost of providing universal service calculated? If so please provide the latest annual costing.	No
What percentage of telephone subscribers do not have access to an Internet service provider's point of presence with a local call?	n.a.
What is the average monthly online time for a subscriber to the largest PTO's Internet access service (e.g. number of hours).	n.a.
What is the average household consumption expenditure of telecommunication services in your country? Please provide the data in local currency and specify the year of the survey. Please indicate which of the following telecommunications services are included or excluded – fixed PSTN services, cellular mobile services and Internet access -- or provide a definition of the indicator used in your country.	

22.

	2000	2001	2002	2003
Please report any estimates of the potential coverage of access lines with DSL by the end of the following years (as a % of total subscriber lines) by the incumbent(s):				