



01.

**Regulation
Activities**

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■ Offer Prices and Conditions

Electronic Communications

PRI 2007/ORCA

On 7 November 2007 ICP-ANACOM gave approval to a decision in respect of the Reference Interconnection Offer (PRI 2007) and Leased Lines Reference Offer (ORCA) in respect of the conditions for interconnection within the exchanges of PTC.

The decision ruled that PTC enact changes that focused on updating the values of benchmarks and costing data, taking into account data from the 2006 Analytical Accounting System, providing for:

- Amendments to the maximum prices of call origination and termination services and subsequent revaluation of their orientation to costs.
- Alteration of prices associated with activation of pre-selection and portability.
- Inclusion in the PRI by PTC of the new prices to be applied for interconnection by capacity, with the reasoning there for submitted to ICP-ANACOM.
- Definition by PTC of a price for the installation of the connection between the terminations of each OSP¹ in the intermediate distribution frame, taking into account the principle of cost orientation of prices, with the reasoning therefor submitted to ICP-ANACOM.

Amendments to the draft of the PRI Interconnection agreement

In order to ensure compatibility between the draft interconnection arrangement in the PRI and the applicable regulatory framework, with the aim of adopting transparent, efficient and non-discriminatory procedures, on 12 July 2007, the Board of Directors determined the approval of the draft decision to amend the draft interconnection agreement, carrying out the respective public consultation through a prior hearing of interested parties. These changes are designed to incorporate capacity-based interconnection (flat rate) into the PRI.

Flat Interconnection Tariff

On 9 January 2007, PTC published the new version of the PRI which included capacity-based interconnection (flat interconnection tariff), thereby complying with the determination of ICP-ANACOM of 14 December 2006.

The entry into force of this new version raised doubts in some operators, specifically OniTelecom-Infocomunicações, S.A. and PTC, whereby ICP-ANACOM produced two documents on the matter.

ORAC - Reference Conduit Access Offer

On 15 March 2007, ICP-ANACOM ordered the concessionaire, PTC, to enact the following amendments with respect to the ORAC:

1. The monthly price for the occupation of space by connection point (excl. VAT) and the monthly price of the occupation of space by excess cable (excl. VAT) shall not exceed €3.90 and €2.70, respectively.
2. Additionally, it shall be explicit that, in the event that a beneficiary entity requests a connection point or excess cable from PTC, the monthly charge for the occupation of space by point of entry in a manhole shall not apply, and rather the following shall apply: (i) the monthly charge for the occupation of space by connection point per connection point requested and (ii) the monthly charge for the occupation of space by excess length of cable per requested excess cable.
3. The definition of excess length of cable, comprised in the ORAC, shall be that it means surplus cable of around 20m, which may be stored in certain manholes, for future maintenance operations or minor network changes.

ORALL - Reference Unbundling Offer

On 6 June 2007, approval was given to a decision on procedures of co-installation with respect to the local loop offer (OLL), which determined the amendment of the ORALL by PTC, as follows:

¹ Public network operator or provider of telephone service (fixed or mobile) or data transmission.

a) Each new module shall be usually supplied with at the most two 50A protected lines, the distribution of power within a module being incumbent on the operator. In exceptional cases duly substantiated by the operator, PTC shall provide higher capacity lines (DC)², where capacity is available.

b) As regards the procedure for resolution of faults in loops, as a result of failure in internal cables or in HDF³, PTC may choose to apply the following procedure, in a non-discriminative way:

- Each operator shall reserve, for each module or associated group of modules, in a given exchange, a block of 50 or 100 pairs, and corresponding HDF positions, which shall be used only in case of faults.
- In this situation, these positions in the distribution frame may be freely used only in case of a failure of a pair, in a distribution frame cable or terminals, the

operator being requested to indicate the new HDF position to be used.

- Any additional costs resulting from internal connections shall be borne by PTC.

Inclusion of ISDN access in the ORLA

On 15 March 2007, ICP-ANACOM approved the conditions governing the inclusion of integrated services digital network (ISDN) accesses in the proposed reference subscriber line resale offer (ORLA).

1. The maximum price for the activation of the ORLA in the case of ISDN access shall correspond to the price of activation of the ORLA and pre-selection in the case of analogue accesses, which is presently €5.10 (excluding VAT).
2. The monthly maximum charge associated with the ORLA for ISDN access is presented in the following table:

Maximum prices associated with the ORLA for ISDN accesses

Table 1

	€ (excl. VAT)
Monthly charge for basic ISDN access	21,72
Monthly charge for basic ISDN plus access	23,42
Monthly charge for primary ISDN access	172,96
Split primary ISDN access	
- Monthly charge (includes 15 channels B)	105,84
- Each additional channel B	
- Monthly charge	4,56

Source: ICP-ANACOM.

3. The parameters, levels of quality of service (which shall be reported disaggregated by different types of access: analogue, basic ISDN, basic ISDN plus, primary ISDN and split primary ISDN) and penalties for non-compliance currently defined in the draft reference ORLA are, with any adjustments that may be necessary and duly substantiated, applicable to ISDN access.

4. The processes associated with the ISDN ORLA shall follow, with any adjustments that may be necessary and duly substantiated, the equivalent processes associated with the ORLA for analogue accesses.

² Direct current (a - 48 volt).
³ Handover distribution frame.



ADSL wholesale offer⁴

By determination of 3 October 2007, approval was granted to the decision which determined that, for the purposes of implementing the “retail-minus” rule for a given broadband internet access offer provided by Grupo Portugal Telecom (Grupo PT) with 1:50 maximum contention, a minimum difference shall be guaranteed between the monthly revenues per access and the monthly costs per access of the “Rede ADSL PT” wholesale offer.

Furthermore, the companies of Grupo PT shall inform ICP-ANACOM as to the conditions to be applied at retail level, including any promotions, 10 working days prior to the date on which it is intended that said conditions take effect.

In the event that a company of Grupo PT intends to launch a broadband Internet access offer with a contention rate other than 1:50, it shall submit duly reasoned information to ICP-ANACOM that demonstrates that effects of margin squeeze are not produced.

The adopted decision further determined that the methodology and its values shall be updated within a period not exceeding one year, in light of new data on speeds by access and other duly substantiated market data, identified by the interested parties, which gives justification to such updating.

When launching offers intended to carry out a block migration of customers of lower speed offers, PTC shall ensure, for a six-month period from the entry into force of new retail offer conditions, that all migration requests and any speed alteration, regardless of the aggregation mode and whether or not a change of service provider is involved (transfer of provider), are provided free-of-charge and that all customer migration is duly carried out according to appropriate and non-discriminatory conditions.

Wholesale naked digital subscriber line offer (Naked DSL)

Naked DSL is a form of wholesale offer that enables the provision of an ADSL service to the end-user, who is not required by the operator holding the local loop to engage (or maintain) a fixed telephone service.

Considering that the introduction of this offer may promote increased competition in the broadband market and, subsequently, an increase in the penetration of this service, on 4 April 2007 ICP-ANACOM launched a public consultation.

There was considerable expression of interest in the consultation, with 56 individual entities and 10 operators responding and all, without exception, expressing interest in the offer.

The report of the consultation was approved on 25 July 2007, whereby it was decided to recommend to PTC that:

- i) It present, no later than 31 October 2007, an amendment to the “Rede ADSL PT” offer so as to include Naked DSL in both modalities (ATM⁵ and IP⁶ aggregation), applicable to active and non-active loops, having heard beneficiaries of the offer for 15 working days at the least, and taking into account the view taken by ICP-ANACOM in the consultation report, namely in terms of applicable prices and deadlines for supply and return of the service.
- ii) It define an implementation schedule of its offer, so that Naked DSL is operational as from 1 February 2008.

It was further determined to require PTC to make the relevant developments known to this Authority, including the offer “Rede ADSL PT” altered no later than 31 October 2007 and the offer implementation schedule, whereby this Authority would intervene where the implementation schedule or the features of the offer are not deemed appropriate or compatible with the regulatory principles in force.

Provision of bundled network line and traffic offers by companies of Grupo PT

On 22 March 2007, taking into account the grounds set forth in the report on the respective prior hearing, ICP-ANACOM adopted the following decision:

1. Companies of Grupo PT are entitled to provide retail offers that bundle access and telephone traffic, in so far as:

⁴ Asymmetric digital subscriber line

⁵ Asynchronous transfer mode

⁶ Internet protocol

- (i) Beneficiaries are requested (notifying ICP-ANACOM thereof) to bill and charge for all services rendered by companies of Grupo PT or by other companies where the services are billed and charged by companies of Grupo PT, in respect of accesses with the ORLA activated, at a price equal to or greater than:
 - (a) 3.74 Euro cents per call, including the risk of non-recovery, for metered services and
 - (b) 3% of the invoice value, in all other cases, including the risk of non-recovery, a minimum value of 3.74 Euro cents being ensured at all times for each invoiced item, including the risk of non-recovery.
 - (ii) The ORLA Reference Proposal shall be amended so as to include issues determined by ICP-ANACOM in the determination of 15/03/07, in respect of conditions for the inclusion of ISDN accesses in the ORLA Reference Proposal.
 - (iii) Offers that bundle access and telephone traffic shall comply with applicable obligations, especially cost-orientation of prices, non-discrimination and transparency.
2. The companies of Grupo PT must amend and publish the Reference Proposal, according to the amendments set forth in this decision.

Contract prevention mechanisms - shared database

By determination of 8 March 2007, approval was given to the opinion on the functioning conditions of the shared database provided for by article 46 of the Law of Electronic Communications (LCE). This opinion was issued following the project submitted by the mobile telephone service providers, TMN - Telecomunicações Móveis Nacionais, Vodafone Portugal - Comunicações Pessoais and Optimus - Telecomunicações.

ICP-ANACOM concluded that it saw advantage in the costs for accessing and using said database by the beneficiary companies/operators being adjusted in such a way that these costs did not inhibit use of the database by new electronic communication operators.

Postal Services

Tariffs and discounts applicable to the provision of books, newspapers and other periodicals

ICP-ANACOM determined on 8 March 2007 not to oppose the entry into force of the proposal on tariffs and discounts applicable to the service of books, newspapers and other periodicals, which proposal was submitted by Correios de Portugal, S.A. (CTT) in the scope of the current Universal Postal Service Price Convention. It was likewise determined not to oppose the reduction of deadlines for notification of prices, provided for in article 5 of the Convention. accordingly prices under consideration shall be disclosed by CTT no later than five working days in advance of the respective date of entry into force.



■ Analysis Of Markets

Wholesale market for broadcasting transmission services, to deliver broadcast content to end users (Market 18)

On 27 June 2007, ICP-ANACOM approved the report on the prior hearing and the final decision on this market, whereby for the purposes of ex-ante regulation and in accordance with the principles of competition law, the wholesale supply market of television broadcasting services through terrestrial analogue networks was identified as relevant.

Having carried out an analysis of this market and taking utmost account of the Guidelines, ICP-ANACOM concluded that Grupo PT had significant market power (SMP) in the identified relevant market, whereby the obligations set out in Article 66 of the LEC were imposed, given a lack of effective competition in the market.

The European Commission (EC) and the NRAs of the other Member States were notified pursuant to article 57, paragraph 1 of Law no 5/2004 of 10 February.

The EC set out its position on 27 July 2007, having made only one comment, stating that emerging broadcasting technologies, such as Fixed Wireless Access (FWA) and xDSL/IP⁷, could represent a growing competitive constraint to cable television broadcasting services, whereby it invited ICP-ANACOM “to monitor the developments in this market and reassess the situation if necessary”, which does not alter the analysis made.

The Board of Directors decided on 2 August 2007, adding a reference to the comments made by the EC.

Wholesale markets of voice call termination on individual mobile networks (Market 16) - price control obligation

Bearing in mind the need to determine further price cuts for the termination of voice calls in respect of the obligation to control prices, also reviewing, the approach followed in respect of symmetry in price between the three operators, subject to the obligation of cost orientation, ICP-ANACOM assessed the impact of such measures, whereby it determined on 24 October 2007 to approve a draft decision which set maximum prices for termination of voice calls on mobile networks to be applied by the three mobile operators notified as having SMP.

This draft decision encompassed some of the changes proposed in the opinion submitted by Autoridade da Concorrência (AdC - the Competition Authority) on 11 October 2007 pursuant to the procedure of cooperation between the two Authorities and in respect of the relevance that the level and symmetry of the prices for termination on mobile networks has taken.

The draft decision was submitted to the general consultation procedure, in accordance with article 8 of Law no 5/2004 and to the prior hearing of interested parties, in accordance with Articles 100 and 101 of the Code of Administrative Procedure (CPA), the duration of said consultation having been set at 30 working days.

The EC and the NRAs of the other Member States were notified pursuant to Article 57, paragraph 1 of the LCE.

⁷ Digital Subscriber Line technologies.

■ Universal Service

Residential tariff for fixed telephone services

On 28 February 2007, ICP-ANACOM determined not to oppose the proposal for the fixed telephone service residential tariff, in the scope of the US, as presented by PTC on 28 August 2006 and modified on 20 December 2006, provided that the following cumulative conditions are fully met:

- 1) the tariff to be implemented shall comprise two options for the analogue access monthly charge: i) one that corresponds to the monthly charge currently in force, which allows free calls during the NOITES (nights) period and ii) another, which is optional, at a price that is 60 cents (VAT included) below the monthly charge referred in i), whereby the current NOITES (nights) period tariff shall apply to users who subscribe to this option.
- 2) this proposed tariff shall only come into force following a determination of ICP-ANACOM confirming that the companies of the Grupo PT have met the conditions attached to the provision by these companies of packages bundling the network line and traffic with a single price.
- 3) the right to choose between these two tariff options shall be expressly set out, without prejudice to paragraph 3 of article 48 of the LEC, through the inclusion by PTC of an advertising space in the bill of each Fixed Telephone Service (FTS) residential customer, comprising: (a) a factual and relevant description, deemed appropriate for each of the available options; (b) an indication of the tariff option that applies in case the customer does not express any contrary intention and that such decision shall not imply any costs to the customer; and (c) contacts available in the event that customers wish to change their tariff option.
- 4) the referred advertisement shall comply with the limitations set out in the determination issued by ICP-ANACOM on 25/06/06, on restrictive measures against action designed to win back pre-selected customers, which establishes a four-month withdrawal period, following the presentation of the pre-selection request by the pre-selected provider, to be complied with by the companies of Grupo PT, as holders of SMP in retail markets of access to the public telephone network at a fixed location, regardless of whether the direct access provider complies or not with the 5-working day time limit, from the date of presentation of the electronic request by the pre-selected provider, established for the pre-selection activation, relatively to customers who selected or pre-selected other operators, so that this advertisement does not constitute a win-back action.
- 5) PTC shall also grant (without prejudice to the normal and periodic review of PRI prices), a reduction of 10% on each component of the time-based interconnection model (activation price and price per minute), comprising call origination and termination (PTC - indirect access operator). Prices thus reduced apply for the calculation and setting of the capacity-based interconnection prices.
- 6) insofar as these conditions have been met, PTC is granted a 15-day deadline from the date of this determination to notify ICP-ANACOM as to whether the company intends to implement the tariff proposed on 20 December 2006 and to indicate the planned date of the commencement of the application of said tariff. To ensure the certainty of the market operation, the activities of other operators not being made subject to alterations in the internal transactions between PTC's wholesale and retail areas, with implications at the level of strategic and commercial options, that date must be set at the most within three months from this determination.

The tariffs came into force on 26 March 2007.



Pricing conditions for retired people and pensioners

Article 158 of Law no. 53-A/2006 (Law of the State Budget for 2007) of 29 December repealed Decree-Law no. 20-C/86 (subsequently amended by Decree-Law no 18/2003), whereby a discount was granted, for which the State is responsible, amounting to 50% of the price of the telephone subscription rate for retired people, pensioners and the disabled with an income not exceeding the national minimum wage.

PTC further offered, at its own cost, additional benefits under this plan, an additional 10% discount on the price of the subscription rate and a traffic credit of €2.3 (excluding VAT). These benefits are known collectively as the Retired and Pensioner Subscriber Plan.

In this context and in a letter dated 13 February 2007 and sent to ICP-ANACOM, PTC proposed two alternative pricing plans to replace the current plan.

In view of the levels of reasonable use associated with each plan, it was concluded that they were incompatible with the obligations of non-discrimination and for prices to reflect the costs incurred by PTC in the retail and wholesale narrowband markets.

On 17 May 2007, ICP-ANACOM approved the final decision and the report on the prior hearing and the general consultation procedure to which the corresponding draft decision was submitted, having been approved by decision of 8 March 2007, which was also the subject of an opinion of the Advisory Council.

This final decision determined the following:

- 1) The proposal presented by PTC on 13 February with two price plans "Plan 1" and "Plan 2" substituting the current "Retired and Pensioner Subscriber Plan" was not accepted.

- 2) To determine to PTC that, within the scope of the US, it shall provide a discount to retired persons and pensioners who are subscribers to a single line of the analogue network and whose household income does not exceed the national minimum wage. This discount shall be 50% of the resale charge for the network line, and may be supplemented, as a commercial option of PTC, by an additional discount of 10% on the analogue access monthly charge and a traffic credit not exceeding €2.30 (excluding VAT).
- 3) To determine to PTC that the discount of 50% on the resale of the network line as set out above, shall further be reflected in respect of the ORLA (subscriber line resale offer) in respect of accesses over which services are provided to persons and pensioners who have subscribed a single analogue network line and whose monthly household income that does not exceed the national minimum wage, under the same conditions as those currently in force.
- 4) To determine to PTC that it shall resubmit to ICP-ANACOM, within a period not exceeding thirty working days, a proposal for the simplification of the procedures governing the application of the specific conditions for retired persons and pensioners, with the caution, however, that mechanisms shall be maintained for controlling the abusive use of schemes which are destined solely for specific groups of customers, considering the repeal of Decree-Law no. 20-C/86 and the present determination, enacting the necessary adaptations in order to ensure general accessibility and transparency.
- 5) The provisions of paragraphs 2 and 3 of the present determination have retroactive effect from 1 January 2007.

Inclusion of advertising and information of utilitarian nature in telephone directories to be provided in the scope of compliance with the obligations of the US

Supervision was maintained of PTC's compliance with the decision issued by ICP-ANACOM on 8 November 2005 on the inclusion of advertising and information of utilitarian nature in telephone directories to be provided in the scope of compliance with the obligations of the US.

Found that it was necessary to determine the adaptation of that determination in order to make it viable to include, in the initial pages, of the directories, information on customer service phone numbers and information from the largest possible number of providers of publically available electronic communications services, ICP-ANACOM determined on 14 June 2007 to amend the text of the determination of 8 November 2005.

Telephone directories and information services within the scope of the US

Under this procedure, on 28 May 2007, ICP-ANACOM decided the following:

1. To determine to Optimus Telecomunicações, S.A. (Optimus) and PTC and to Vodafone Portugal and PTC that, within a period of 30 days, they take such steps as may be necessary to reach an agreement, pursuant to and for the purposes of article 89 of the LEC, on the format and the conditions applicable to the provision of relevant information about subscribers who have expressed a wish that their data be included in the directories and information services within the scope of the US.
2. To determine to the companies concerned that, once the period set out in the previous paragraph has elapsed, they shall send copies of the agreements reached to ICP-ANACOM.
3. To determine that, in the event that no such agreement is made, the companies concerned shall notify this Authority of such and send detailed evidence of the steps taken, of the difficulties encountered and of the means by which they believe that such obstacles could be surpassed, accordingly ICP-ANACOM may determine the format and conditions to apply to the provision of said information to the provider of the US.
4. To recommend to PTC that it take special care to ensure that the information which is forwarded to it for the purposes set out in article 89 of the LEC is not used for any other purpose.

On 25 July 2007, ICP-ANACOM set a new deadline (until September 14) for the companies concerned to comply with the determination of 28 May 2007.

It is recalled that the EC deemed that the Portuguese Republic failed to fulfil its obligation to ensure the availability of a complete directory and a full enquiry service, according to the requirements of the articles 5 and 25 of the Universal Service Directive, and on these grounds, instituted the procedure against the Portuguese State for failure to fulfil its obligations.

Evaluation of net costs incurred through the provision of US

By determination of 5 December 2007, approval was given to the draft decision on the evaluation of net costs incurred through the provision of us, which was made subsequent to the presentation by PTC, on 12 October 2006, of the estimated net costs of universal service in respect of 2003 and a revision of the estimates in respect of 2001 and 2002, and the communication of PTC of 27 July 2007 on this subject.



■ Frequencies

Frequency Usage Rights

QNAF 2007 - National Frequency Allocation Plan

The QNAF is considered to be a document that will have significant impact on the relevant markets and as such, on 8 March 2008, it was determined that the new QNAF shall be submitted to the general consultation procedure.

Taking all the comments received in respect of this consultation into consideration, ICP-ANACOM approved the new QNAF on 25 July 2007, whereby the version then in force (QNAF 2005-2006) was updated, particularly with respect to the information on usages with reference to 30 June 2007, the information on reserved frequency bands and frequency bands to be made available in 2007, as well as the section on spectrum use that is exempt from radio licensing. It is further noted that, the market was sounded out over possible expressions of interest in the use of the spectrum for uses related to the land mobile service in the 450 MHz, 900 MHz and 1800 MHz frequency bands.

Regulatory framework for the activity of Mobile virtual Network Operators (MVNO)

On 9 February 2007, ICP-ANACOM gave approval to a document for public release which clarifies the regulatory framework for the activity of MVNO. The MVNOs are entities that:

- a) Have direct customers, which means they are exclusively responsible for the relationship with end users, directly ensuring towards the latter and towards ICP-ANACOM, compliance with specific user and subscriber protection rules, applicable to the electronic communications sector, such as portability, use of standard contracts approved by the regulatory authority and provision of customer support services, including the provision of information and handling of complaints, billing and collection, as well as other conditions provided for in article 27 of the LEC, where appropriate.
- b) Design and place in the market their own retail offer, which may freely differ from that of the operator on whose network they are supported, and define their own business strategies.

The activity of MVNOs (light and full) can fall within the category of provision of electronic communications networks and services. As such, under the LEC, they are bound to comply with the general authorisation regime, as well as to the conditions attached to the allocation of rights of use for numbers.

The MVNOs, irrespective of their form, have no right to use frequencies for the provision of the mobile telephone service, whereby they are not subject to the payment of this type of spectrum usage fee.

The MVNOs may invoke the obligation to negotiate interconnection, whereby the other mobile and fixed operators shall ensure the interoperability of services in accordance with the law.

Digital Terrestrial Television (DTT)

Throughout 2007, ICP-ANACOM, through the Mission Unit created for the purpose, performed all the work needed to launch the public consultation on the launch of DTT in Portugal.

As such, notwithstanding the studies and preparatory work conducted in 2006, following the publication of the new Television Law, an examination was conducted of the implications arising from the new legal regime on access to the television activity, in accordance with the models and solutions recommended for the introduction of DTT.

Therefore, bearing in mind that this remit is divided between the Government and the Regulator, ICP-ANACOM approved and submitted the following to the appropriate consultation procedures:

- (1) The draft decision on the limitation of the number of rights to use frequencies reserved for digital terrestrial television broadcasting and the definition of the allocation procedure, pursuant to article 31 of the LEC; and
- (2) The draft regulation of the public tender for the allocation of a right to use national frequencies for the digital terrestrial television broadcasting service, associated with Multiplexer A, pursuant to article 35, paragraph 5 of the LEC.

At the same time, ICP-ANACOM, in its role of advisor to the Government and in cooperation with Gabinete para os Meios de Comunicação Social (GMCS - Media department, formerly ICS), accompanied the formulation of the draft regulation of the public tender for the allocation of five rights to use frequencies reserved for the digital terrestrial television broadcasting service, corresponding to two with coverage of national territory and three with partial coverage of mainland territory, which shall be associated respectively with Multiplexers B and C and Multiplexers D, E and F, together with the licensing of the distribution operator responsible for the activity of television which consists of the selection and putting together of programme services with restricted access or unrestricted access with a subscription charge to be made available to the public on Multiplexers B to F. This draft regulation was the object of a joint order of the Minister of Public Works, Transport and Communications and the Minister of Parliamentary Affairs (Order no. 19.193-B/2007 of 27 August 2007, published in *Diário da República*, 2nd series of 31 August).

With the public consultation on this package of regulatory instruments having come to a close in mid-October, the respective consultation reports were prepared and the instruments of the tender were finalised, including the corresponding tender specifications, with a view to the tenders being launched by ICP-ANACOM and the Government in 2008.

Mobile Television (DVB-H)

The market expressed interest in developing a network for this technology in the near future, whereas the networks planned for mobile reception can only be developed and implemented after the switch-off of analogue TV broadcasting, which is expected to occur in 2012. Therefore, the process was initiated of assessing the availability of spectrum for the implementation of a network of this kind in mainland territory, prior to the switch-off, whereby it is expected that this assessment shall be completed by the end of the 1st half of 2008.

Terrestrial Digital Audio Broadcasting (T-DAB)

In order to promote a debate on the options that enable the sustained development of terrestrial digital audio broadcasting in Portugal, a document has been drawn up to support a possible public consultation to be carried out during 2008.

BWA - Broadband Wireless Access

By determination of 14 June 2007, approval was given to the report of the public consultation on the introduction of Broadband Wireless Access (BWA) - the term used to describe new wireless broadband technologies encompassing applications of fixed, nomadic and mobile nature - in Portugal, and the envisaged plan of action.

From the consultation launched and the analysis carried out it was possible for ICP-ANACOM to identify the principle processes underlying the allocation of spectrum for BWA, given the number of manifestations of interest in its use and also taking into account the objectives, as set out in the LEC, of ensuring effective and efficient use of frequencies and of ensuring conditions necessary for effective competition in the relevant markets.

Accordingly, by determination of 31 October 2007, approval was given to the draft decision on the limitation of the number of frequency usage rights reserved for BWA in the 3400-3800 MHz frequency bands and on the respective allocation procedure. This draft decision set out the following provisions:

1. To limit the number of new rights to use frequencies reserved for BWA, taking into account the territorial division into areas as defined in the annex to Administrative Rule no 1062/2004 of August 25, as follows:
 - a. Two rights to use frequencies in each geographical area, corresponding to 1 block of 2x28 MHz each, in the 3400-3600 MHz sub-band.
 - b. Two rights to use frequencies in each geographical area, corresponding to 1 block of 2x28 MHz each, in the 3600 - 3800 MHz sub-band.



2. To define that the procedure for allocating the frequency usage rights set out in the preceding paragraph shall be by auction.
3. To amend the current QNAF accordingly.

Rights to use frequencies in the 450 - 470 MHz band

Following the approval of QNAF-2007 and the sounding out of the market, with a view to identifying the potential interest in the exploitation of the 450 MHz, 900 MHz and 1800 MHz frequency bands for the provision of the publically available Land Mobile Service (LMS), by determination of 4 October 2007, a draft decision was adopted that included the following measures:

- (i) To limit to one the number of rights to use frequencies granted in the 450-470 MHz band, for the provision of the LMS available to the public.
- (ii) To define that the allocation procedure for this right to use frequencies shall take the form of a public tender.
- (iii) To provide for the allocation of individual rights to use frequencies, in the 450-470 MHz band, for the provision of the LMS available to the public, at the request of providers of the mobile service with shared resources (MSSR), at the end of the referred public tender, without prejudice to the compliance of MSSR operators with determinations issued by ICP-ANACOM in the scope of ongoing procedures.
- (iv) To accordingly amend the provisions of the QNAF.

The draft decision was subject to the general consultation procedure.

FM radio broadcasting

Following the public tender launched by the government to allocate licenses (permits) for the activity of radio broadcasting in the municipalities of Almodôvar, Chaves and Seia, ICP-ANACOM conducted an examination of the technical conditions of the fifteen applications admitted to the tender, whereby it was concluded that, of the fifteen technical projects reviewed, seven did not meet the requirements for issuing a positive opinion.

Transfer from OPTIMUS to NOVIS TELECOM, S.A. (Novis) of rights to use frequencies and numbers

By determination of 19 September 2007, approval was granted to a draft decision on the request for the authorisation to transfer rights to use frequencies and numbers allocated to OPTIMUS to Novis, subsequent to their merger, by incorporation of the former company into the latter. The opinion of Autoridade da Concorrência (the Competition Authority) on the matter had been previously obtained.

The draft decision was submitted to the prior hearing of the two companies.

Upon the conclusion of the procedure, by determination of 24 October 2007, the request was approved, whereby the corresponding authorisation was granted subject to the following conditions:

- (i) Novis shall guarantee the fulfilment of obligations relating to the effective and efficient use of frequencies and numbers affected by the transmission.
- (ii) Novis shall implement a system of separation of accounts and cost accounting organised for the unit that, within the acquiring company, will be responsible for the provision of telecommunications and mobile communications services. This system shall be in accordance with the system to which OPTIMUS is currently committed under the terms of ICP-ANACOM's determination of 25 February 2005 with respect to the enforcement of obligations in the Wholesale Market for Voice Call Termination in Individual Mobile Networks.

New electronic communication service from TMN - Telecomunicações Móveis Nacionais, S.A. (TMN)

By determination of 19 April 2007, approval was given to the decision on the provision by TMN of a new electronic communications service. The decision also encompassed associated issues of frequency usage and numbering, as well as the information to be made available to users. At the same time approval was given to the prior hearing and the general consultation procedure to which the corresponding draft decision, approved by determination of 25 January, was subject.

New electronic communication service "Optimus Home"

By determination of 19 April 2007, approval was given to the decision on the provision by OPTIMUS of "Optimus Home", a new electronic communications service. The decision also encompassed associated issues of frequency usage and numbering, as well as the information to be made available to consumers. At the same time approval was given to the prior hearing and the general consultation procedure to which the corresponding draft decision, approved by determination of 25 January, was subject.

Renewal of the rights of frequency use of TMN

In February 2007, the rights to use frequencies which were allocated to TMN for the provision of the land mobile service with GSM (Global Standard for Mobile) were renewed for a period of 15 years.

Assignment de additional channels to REPART in the 450 MHz frequency band

By determination of 4 January 2007, approval was given to the assignment of 6 additional duplex channels in the 450 MHz frequency band to Sistema de Comunicações de Recursos Partilhados, S.A. (REPART) for use on their analogue network.

"Casa t Fixo" of TMN

On 14 November 2006, TMN presented a communication to ICP-ANACOM with respect to the commencement of the provision of a new electronic communications service, called "Casa t Fixo". Furthermore, it requested permission to use the GSM and UMTS frequencies allocated to it in local access for the provision of services in a defined geographic location. Being a service similar to those notified by Novis Telecom/Optimus ("Novo Optimus Home" service) and by Vodafone Portugal ("Homephone" service), the assessment of the provision of the "Casa t Fixo" service focused on the same issues discussed with respect to the notification of the "Novo Optimus Home" and "Homephone" services:

- Use of frequencies - since the issues concern the use of GSM and UMTS frequencies, allocated to TMN, for a purpose not included in the respective title, namely, to supply capacity of its GSM and UMTS network access for the provision of another electronic communications service, namely the telephone service at a fixed location.
- Use of numbers - with evidence of the need, given the nature of the support network, for the service to be configured, in terms of mobility, in line with the typical mobility provided by the available technologies in the fixed network systems, in order that use of the "2" numbering range is not ineligible.
- Transparency of data conveyed to users - given the nature of the offer, users of the service need to obtain, prior to the conclusion of any contract, written information on the conditions of access and use of the service and, of course, about its inherent limitations. Specifically users need to be informed that the service is provided only at the address stated by the customer for this purpose, of any limitations of indoor accessibility and of the possible impact on the location of the caller, where calls are made to the single European emergency number (112).

Given that it concerned the amendment of the conditions applicable to frequency usage rights, the draft decision on the offer this service was submitted, by determination of 25 January 2007, to the general consultation procedure, as well as the prior hearing of TMN.

Upon conclusion of this procedure, on 19 April 2007 ICP-ANACOM determined to authorise the GSM and UMTS frequencies of the land mobile network of TMN in the local access network to be used for the provision of the telephone service at a fixed location by the company, with the typical features of the presented service.



Meanwhile, the right of TMN was recognised to use the “2” range of numbers of the national numbering plan (PNN) with respect to this service, subject to compliance with the defined conditions. The same decision further determined that TMN shall provide clear and transparent information to end users on the features of the service, explaining, among other things, the guarantee that access to the service is provided only at the address stated by the end user for this purpose and any limitations of indoor accessibility as well as the impact on the caller location where calls are made to “112”.

Regulation on the method for monitoring and measuring the intensity levels of electromagnetic fields produced by radio-communication stations

By determination of 14 February 2007, approval was granted to a regulation governing the method for monitoring and measuring the intensity levels of electromagnetic fields produced by radiocommunication stations. This regulation was published in 2nd series of Diário da República in accordance with the regulatory procedure set out in the statutes of ICP-ANACOM.

Mobile communications services on aircraft (MCA)

A decision was drawn up under the auspices of the EC on the harmonised use of the 1710-1785 MHz and 1805-1880 MHz frequency bands and a recommendation regarding the harmonisation of the authorisation process, both for MCA services, which are expected to be adopted at the beginning 2008. In this context, ICP-ANACOM intends to decide on the type of authorisation for the use of radio spectrum in respect of such services.

Short-range radar applications (SRR)

According to the studies which have been carried out, there are no problems of harmful interference in the 24 GHz band, provided that the total number of vehicles registered, placed on the market or put into service and equipped with short-range radar in this frequency, does not exceed 7 percent of the total number of vehicles in use in each Member State and it is not currently anticipated that this threshold will be reached before June 2013.

For the purposes of verifying the penetration rate of vehicles equipped with short-range radar, a set of data is required for the analysis of the particular situation in each Member State. ICP-ANACOM, together with the General Traffic Directorate, will monitor this situation.

GSM Onboard Vessels

The study was begun of the impact of the introduction of mobile terminals on board vessels. The aim is to provide passengers with the land mobile service based on GSM 900 and 1800 during the passage of vessels through territorial waters. Meanwhile work was begun on drawing up a European Conference of Postal and Telecommunications (CEPT) decision on the free movement and use of GSM terminals on board vessels.

Ultra Wide Band (UWB) Systems

UWB technology enables the development of various systems with different applications, including communication, measuring, viewing, surveillance and localisation systems. This technology, which is designed for wireless communications over short distances, with a very high rate of transmission, which can go up to 500 Mbps, uses low power and spreading in the spectrum, characteristics which mean that UWB devices could affect various radio services.

In 2007, ICP-ANACOM was actively involved in studies carried out at CEPT level, which had the objective of continuing to develop solutions to harmonise the use of radio spectrum for UWB systems.

Radio Licensing

The aim of this activity is to issue network and station licences for the various radio services, particularly in the areas of mobile and radiodetermination services (private and public networks), the fixed service and satellite and the broadcasting service (radio and television).

In 2007, ICP-ANACOM undertook the analysis and handling of the respective licensing procedures, including the assignment of frequencies. The distribution of radio licensing activities by the various radio services during 2007, is presented in Table 2.

Licensing and reorganisation of networks/stations

In comparison with the previous year, 2007 saw a decrease in the number of amendments or registrations of the stations of the public land mobile service with GSM and UMTS technology and the trunking mobile service.

Radio licensing activities by radio service in 2007

Table 2

Radio Service		New Licenses		Amendment of licenses		Temporary licenses		Miscellaneous Requests
		Station	Network	Station	Network	Station	Network	
Amateur	Amateur	321		1257				283
Mobile	Terrestrial - Networks Private	--	137	--	380	--	87	440
	Terrestrial - Networks Public (GSM)	--	--	--	97	--	--	--
	Terrestrial - Public Network (UMTS)	--	--	--	54	--	--	6
	Terrestrial - Trunking	--	--	--	17	--	--	1
	Maritime	11	--	17	--		--	30
	Aeronautical	5	--	8	--	4	--	3
Fixed	Point - Point Connections	--	21	8	92	--	1	117
	Point - Multipoint Connections	--	2	--	12	--	--	31
	Studio-Transmitter Links	--	7	--	34	--	2	87
	Transportable Connections	--	3	--	3	--	--	4
Broadcasting	Sound (Analogue)	15	--	257	--	23	--	167
	Sound (Digital)	--	--	--	1	--	--	7
	Television (Analogue)	37	--	194	--	--	--	217
Satellite	Fixed by Satellite	1	--	15	--	--	--	6
	VSAT - Very Small Aperture Terminal	--	--	--	21	--	--	1
	SNG - Satellite News Gathering	2	--	21	--	38	--	54
	Exploration of earth by satellite	--	--	--	--	--	--	--
	Mobile by Satellite	--	--	--	--	--	--	--
Radiodetermination	Radiolocalisation	--	--	--	--	2	--	--
	Radionavigation Maritime	2	--	--	--	--	--	--
	Radionavigation Aeronautical	77	--	1	--	--	--	--
Mobile/Fixed	Services Ancillary to Broadcasting (SAP/SAB)	--	1	--	--	53		8

Source: ICP-ANACOM.

In 2007, the number of UMTS stations reached 1111, with 54 amendments to the licensing of the network recorded. It should be noted that the requests from operators of the land mobile service with UMTS technology were executed, although partially, with the use of extranet.

With respect to the 924 existing GSM stations, at the end of 2007 there were 97 amendments to the licensing of the network.



In respect of the land mobile service - private networks, ICP-ANACOM continued the process of putting in order the licensing of networks/stations of various entities with national coverage, whereby, in the light of information provided by ANPC - Autoridade Nacional de Protecção Civil, the networks of Low Bandwidth (40 MHz), the simplex network at 160 MHz and the ROB - Rede Operacional dos Bombeiros (Operational Fire Service Network) and REPC - Rede Estratégica de Protecção Civil (Strategic Civil Protection Network) networks were likewise reformulated.

A reformulation was carried out of the REN - Redes Energéticas Nacionais (National Energy Networks) and the records of the entities whose licensing processes were completed prior to the end of 2007 were updated.

The process of putting in order the licensing of the stations of the Maritime Mobile Service and of the radiodetermination stations of NAV - Navegação Aérea de Portugal (Portuguese Air Traffic Control) was continued.

The process was continued of licensing stations included in the maritime traffic control system (VTS - Vessel Traffic System) of IPTM - Instituto Portuário e dos Transportes Marítimos (Port and Maritime Transport Institute).

With respect to the fixed service, it should be noted that 18 licenses were awarded and 39 amended, amounting to the networks of the operators Radiomóvel, Vodafone, Sonaecom and PTC, which together include the installation of 2156 new fixed stations, providing 1078 point-point connections.

Regarding satellite radiocommunications, note should be made of the liberalisation of the operation of VSAT (Very Small Aperture Terminals) earth stations in accordance with Decision ECC/DEC(00)05, resulting from the amendment of the applicable radio licensing scheme.

With respect to the space operations service and the Earth exploration by satellite service, the licensing process was begun for 3 earth stations of the European Space Agency (ESA) to be installed on the island of Santa Maria (Azores), with one station designed for following up on the launch of the Ariane 5 rockets and the other two designed to receive data sent by the ERS-1 and ENVISAT satellites.

Note should also be made of the licensing of the TVTEL - Comunicações, S.A. (TVTEL) earth station, offering DTH services (Direct to Home).

Amendment of the criteria for the assignment of frequencies applicable to the private networks of the land mobile service

With a view to reformulating the criteria for the assignment of frequencies, applicable in the national territory, to private networks of the land mobile service, a proposal for amendment has been formulated and put up for internal discussion. For the time being this proposal was restricted to the Autonomous Regions of Madeira and Azores.

Amateur and amateur satellite services

In 2007 the procedures concerning the operation of the audio and radio beacon repeater stations of the amateur service, which will be approved and published at the beginning of 2008. New information will be made available on the website of ICP-ANACOM regarding the stations of the amateur service, both of individual radio amateurs and of associations of radio amateurs. The preparation of new legislation for these services continued and approval is expected in 2008.

Temporary Licensing - Online Services

In May 2007, ICP-ANACOM made it possible for applications for the temporary licensing of radio stations and networks to be made online through its website. These forms, available in the Online Services area of the website, will enable the process of radio licensing to be simpler, more efficient and faster. This is crucial when it comes to this type of licensing where the response time required by the customer is usually tight.

In addition to these forms, a page has been made available containing all relevant information with reference to legislation, procedures and fees applicable to various radio services/applications, in cases of temporary uses.

Notification and registration of frequencies

In respect of the inventory process and the process of frequency assignments to be notified to the Radiocommunications Bureau of the International Telecommunications Union (BR/ITU), covering the 1.5 GHz - 56 GHz frequency range, an analysis and updating of notifications of frequencies assigned to national radio stations in respect of the fixed and fixed satellite services was carried out over the course of 2007.

Regarding the fixed service stations, 1971 suppression filings, 202 addition filings and 20 modification filings were sent to the ITU.

With respect to the fixed satellite service, there were 3 suppression filings regarding deactivated earth stations, 9 modification filings regarding earth stations whose reported technical characteristics were outdated and 11 new filings regarding earth stations whose notification process had never been initiated.

With respect to the radio broadcasting service and as usual, the frequencies used by operators of short-wave were reported for the two currently defined periods. Notifications were also made with respect to FM radio broadcasting, resulting from changes in stations as well as from new stations entering into operation.

Regarding the television broadcasting service, note should be made of the update to the GE06 Plan with respect to digital technology, subsequent to the meeting held with the Spanish Administration for the resolution of cases which remained pending following the RRC-06.

Coordination of satellites networks

During 2007 an analysis was made of 657 notifications for coordination of satellites networks published in the 26 ITU Weekly Circulars, which resulted in 37 manifestations of disagreement with the corresponding applications for coordination from various foreign administrations.

Requests and opinions issued in 2007

Table 3

Subject	Number of applications	Number of opinions pare
Items for the review of Municipal Director Plans	79	36
Installation of radio infrastructure	125	122
Implementation of Wind Farms	84	60
Implementation of High Voltage Overhead Lines	39	29
Plans for construction/urban development	133	109
Establishment of radio easements	5	-
Other cases	10	6

Source: ICP-ANACOM.

Protection of radio networks and stations

Under the powers assigned to it by Decree-Law no. 151-A/2000 of 20 July, ICP-ANACOM, as a result of the licensing and authorisations granted for the operation and use of radio networks and stations and in view of safeguarding their operation, undertakes to assure them the protection that is necessary and possible so as to enable them to pursue their objectives.

According to Decree-Law no. 597/73 of 7 November, some of these radio stations enjoy special protection by means of administrative use which places restrictions on the construction and placement of obstacles in areas defined in respect of this use.

ICP-ANACOM is asked to give an opinion on the feasibility of installing buildings and infrastructure in these areas. In particular, its assistance has been requested in the review of projects and issuance of opinions with regard to the feasibility of installing radio infrastructure, pursuant to Decree Law no. 11/2003 of 18 January.

ICP-ANACOM also participated in several Joint Coordination Committees to review Municipal Director Plans (PDM), representing its Tutelage, attending the meetings of these Committees, contributing to the drafting of PDMs and issuing opinions on them.

Table 3 presents the distribution of the number of requests and opinions expressed by ICP-ANACOM in this respect.



■ Numbering, Portability and Pre-Selection

Amendments to the Regulation of Selection and Pre-Selection

Regulation no 1/2006 of 9 January (Selection and Pre-Selection Regulation) which establishes the principles and rules that apply to these resources in the public telephone network, entered into force on January 2006.

More than a year later, the practice of companies subject to this regulation demonstrated the need for some amendments to the initial version, as far as principles and rules binding on companies are concerned. These amendments were undertaken in pursuit of two main objectives:

- i) To give importance to the contractual relationship between pre-selected providers and subscribers, in which the direct access provider takes no part.
- ii) Set up mechanisms that achieve better accountability of providers, both among themselves, in the scope of the implementation of pre-selection procedures, and also towards subscribers, especially as regards meeting deadlines laid down in the Regulation. This increased accountability is expressed by means of monetary compensations, between providers and to subscribers, and the establishment of obligations to provide information to subscribers.

In order to achieve this aim, on 10 May, ICP-ANACOM adopted a draft amendment to this Regulation, which was subject to the regulatory procedure set out in article 11 of the Statutes of ICP-ANACOM, as well as to the general consultation procedure established in article 8 of the LEC. Taking into account the comments received, amendments were introduced in paragraphs 8 and 9 of article 10 of the Regulation with respect to the draft text.

By determination of 13 September 2007, approval was granted to the consultation report and to the new Regulation amending the Selection and Pre-Selection Regulation.

The Regulation was published in the 2nd series of Diário da República no.198 of 15 October 2007.

"761" and "762" numbering range

On 11 January 2007, ICP-ANACOM submitted a draft decision to a hearing and the general consultation procedure with the aim of establishing the "761" and "762" codes with tariff caps per call of €1 and €2 respectively (prices excl. VAT), designating them as services with flat tariffs per call.

Comments were also sought from Instituto do Consumidor (Consumer Institute) and consumer associations, taking into the account the possible impact of the adopted decision on consumer interests.

Having examined the comments received, by determination of 4 April 2007, the "761" and "762" codes were established with a tariff cap per call of €1 and €2 respectively (values excl. VAT).

The services identified by these codes were also characterised and specific conditions defined for the granting of rights to use numbers with these codes. This determination will be reviewed no later than one year after its entry into force.

"116" numbering range

Decision 2007/116/EC of 15 February 2007 determined that Member States enact the reservation of the "116" range of numbers in the PNN to accommodate harmonised services of social value.

Harmonised service of social value is defined as "a service meeting a common description to be accessed by individuals via a freephone number, which is potentially of value to visitors from other countries and which answers a specific social need, in particular which contributes to the well-being or safety of citizens, or particular groups of citizens, or helps citizens in difficulty" (article 2 of the Decision).

In compliance with this decision and by determination of 5 September 2007, approval was given to the designation of the "116" range of the PNN to accommodate harmonised services of social value and the designation of each "116xxx" number in the PNN for the respective service.

It was also decided to approve and publish procedures for the allocation of rights to use the “116” range of numbers, along with the conditions for allocation and usage of these numbers.

“92” numbering range

On 26 April 2007, TMN sought the allocation of numbering resources aimed at meeting the expectations for growth in terms of new customers and respective numbering allocations.

After examining the documentation which accompanied this request, it was considered that it fulfilled a rate of usage of allocated numbers by active customers in excess of 60%, which is a condition imposed in the “Principles and criteria for the management and allocation of numbering resources” for the allocation of additional E.164 numbers (Rec. ITU-T) and which had been practised by ICP-ANACOM.

It was therefore concluded that additional numbering allocation rights be due to TMN for the mobile telephone service and, under these terms, on 12 July 2007, the Board of Directors determined the following:

1. To approve the designation of the National Numbering Plan (NNP) “92” numbering range for the “Mobile Telephone Service” and to determine the respective management along the lines currently defined in the “Principles and criteria for the management and allocation of numbering resources”.
2. To publish a framework notice on the designation of a new numbering range for the mobile telephone service.
3. To update the designation “Land Mobile Service” set out in the PNN.

It should be noted that it is the position of this Authority that this decision was not a measure with impact on the relevant market and, as such, subject to the general consultation procedure set out in article 8 of the LEC, whereas it should be explained in an open and transparent way to the market in general.

ENUM - Electronic Numbering

Following the public consultation launched in 2006 on the ENUM service, on 11 January 2007 this Authority decided to approve the consultation report and submit for approval by the member of the Government responsible for the area of communications the designation of ICP-ANACOM as Portuguese administration in the Telecommunication Standardisation Sector of International Telecommunication Union (ITU-T) as Tier 1 Manager of the “1.5.3.e164.arpa” domain, on account of its responsibility for the management of the international country code (351) allocated by ITU-T.

The decision also included the promotion by ICP-ANACOM, together with other entities, of a working group on ENUM, to examine the conditions for the introduction of ENUM in Portugal, including the proposal to conclude a protocol with FCCN - Fundação para a Computação Científica Nacional (Foundation for National Scientific Computing) for the development of a ENUM pilot project in Portugal.