

MULTI-ANNUAL

2015-2017

AND BUDGET

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IVITIES PLAN

MULTI-ANNUAL ACTIVITIES PLAN 2015-2017 AND BUDGET 2015

ANACOM

AUTORIDADE NACIONAL DE COMUNICAÇÕES

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# EXECUTIVE SUMMARY

#### 1. Executive Summary

The Multi-Annual Activities Plan 2015-2017 sets out the main lines of action to govern the work of ICP - Autoridade Nacional de Comunicações (ICP-ANACOM) over the three-year period. The plan identifies ICP-ANACOM's strategic priorities and details the main lines of action and concrete tasks that will be undertaken to accomplish them. The Plan also includes the activities carried out by ICP-ANACOM on a regular and ongoing basis - these make up the core of ICP-ANACOM's operations and are essential to the proper performance of its functions. As a result they take up a significant portion of ICP-ANACOM's human and financial resources.

For the first time in ICP-ANACOM's history, the strategic guidelines in the Multi-Annual Activities Plan 2015-2017 have been submitted to a process of public consultation. This consultation resulted in a valuable set of contributions, many of which have been incorporated into the Plan.

The strategic priorities, lines of action and the work tasks to be undertaken in 2015-2017, as set out in this document, are those which ICP-ANACOM's deems most necessary and appropriate to ensure a stable and predictable regulatory framework conducive to the promotion of competition, investment and innovation, as essential factors in the development of better offers for consumers.

Working in a sector that is highly dynamic, the ability to be proactive and anticipate future developments is crucial in order to ensure the adoption of appropriate regulatory measures, and it is also crucial that these measures should be enacted with minimum intrusion and with maximum transparency.

Accordingly, in the coming years, ICP-ANACOM will remain engaged in a range of key areas, including: strengthening competition in the sector - establishing conditions which enable the emergence of a wider range of better quality offers; guaranteeing provision of the universal service in electronic communications and postal services; improving and expanding the information made available to consumers; improving responsiveness to complaints; assessing the needs of spectrum use; and establishing new rules on the allocation, use and management of numbering. It should also be highlighted that the Chairman of ICP-ANACOM's Management Board will take over as Chair of the Body of European Regulators for Electronic Communications (BEREC) in 2015, and then as vice-

chair in 2016; this will give ICP-ANACOM an opportunity to take on a more active role, at European level in advancing topics relevant to the sector.

To carry out this important mission, it is vital for ICP-ANACOM to have the support of highlyqualified, committed and motivated staff. However, this is somewhat challenging when ICP-ANACOM's freedom to manage its human resources in a manner that is conducive to the promotion and retention of talent within the organisation is limited in a context of national economic crisis and cost containment.

Since human capital is critical in any organisation, it has been necessary to come up with mechanisms to overcome existing constraints. ICP-ANACOM's solution to motivate and develop its human resources and promote excellence is based on the implementation of a global process of training and development of critical competencies, which should be put into effect from 2015. ICP-ANACOM also seeks to promote an increasingly participatory culture and one that is receptive to organisational change.

In this manner, ICP-ANACOM seeks to improve the quality of its human resources, as an essential component of an organisation intent on improving its effectiveness and on becoming increasingly efficient. Such efficiency is a determinant factor, if ICP-ANACOM is to continue in pursuit of its future objectives of cost containment.

Indeed, the 2015-2017 investment plan will continue to be guided by a drive to rationalise costs and by a careful evaluation of all expenditure, to be accomplished without harming ICP-ANACOM's capability to act, in terms of regulation and supervision. The most significant investments in this three-year period result from the upgrade and modernisation of spectrum equipment and from the technological adaptation of IT systems (hardware and software), including, in particular, new work to develop the geo-referenced platform supporting the SIC - sistema de informação centralizado (centralised information system), in fulfilment of legal obligations.

Notwithstanding the necessity of these valuable assets, the investment forecast for 2015 is 3 percent higher than the investment envisaged in the 2014 budget. However, this increase is a one-off, and further reductions in investment is expected over the following two years.

As regards the financial plan, as in previous years, the main source of income in 2015 will continue to be the specific fees charged to cover the costs of ICP-ANACOM's regulatory activity in the context of electronic communications and postal services. These fees are

supported by the sector's operators according to a criterion of allocation that is proportional to the weight of each operator's relevant revenues in the sector's total. ICP-ANACOM also charges specific fees that are incurred by operators in return for their use of scarce public resources (such as radio spectrum and numbering).

It is estimated that, in 2015, ICP-ANACOM will generate income of 78,193 million euros, exceeding the income budgeted for 2014 (by 13 percent). This increase stems primarily from the revision of fees due in respect of the use of frequencies, subsequent to Administrative Rule no. 378 D/2013 of 31 December, which determined an increase of about 10 million euros in the value of these fees. This effect is reduced marginally by a decrease in the sum of fees resulting from the return of frequencies related to underutilized technologies, as is the case of fixed wireless access (FWA). In the following years, 2016 and 2017, ICP-ANACOM expects a reduction in income of around 2 percent per annum.

In terms of expenditure, the 2015 budget makes provision for total expenditure of around 50.103 million euros, representing an increase of 12 percent compared to the 2014 budget. This increase is due mainly to an alteration in the method used to budget provisions for ongoing litigation.

Excluding the value of the provisions from this analysis, the expenditure provided for in the 2015 budget exceeds planned spending in 2014 by about 3 percent. This increase is a result of personnel costs, given that assumptions in terms of salary cuts, as known at time of writing (August 2014), are less severe than existing assumptions, with the additional inclusion of a restoration of cuts amounting to 20 percent/year.

In the 2015-2017 period, further measures will be taken to reduce expenses and streamline ICP-ANACOM's cost structure, in order to accommodate some planned expenditure increases associated with the fulfilment of its new legal obligations.

Expected net profits for the periods covered by the Plan are: 28.1 million euros in 2015, 27.5 million euros in 2016 and 27.1 million euros in 2017.

BACKGROUND -REGULATORY COMMITMENT

### 2. Background - regulatory commitment

ICP - Autoridade Nacional de Comunicações (ICP-ANACOM) is a legal person governed by public law, construed as an independent administrative entity with administrative, financial and managerial autonomy and its own assets.

It is ICP-ANACOM's mission to regulate the electronic communications market and postal sector, ensuring the existence of conditions which are conducive to the opening up of markets and increased competition, innovation and investment, enabling the development of a diverse range of competitively priced offerings which respond to consumer needs.

The aim of regulation is to promote the proper functioning of markets, providing adequate fulfilment of consumer needs, in terms of diversity of offerings and prices.

In pursuit of its activity, and in accordance with the law, it is incumbent upon ICP-ANACOM, from the outset, to control the exercise of positions of market dominance and monopolies, to promote competition and to work directly to uphold the rights of consumers.

Management of the radio spectrum is a fundamental task of the State in electronic communications markets, in the exercise of regulatory functions and also in terms of the management of public assets. In this sense, spectrum management remains a critical area of ICP-ANACOM's work, and it must be performed in light of the significant and constant evolution in the way spectrum has been used, with the continuous development of new networks and services and increased choice for users.

Also in the context of managing scarce public resources, ICP-ANACOM will continue in pursuit of the lines of action it has been following in the management of the PNN - Plano Nacional de Numeração (National Numbering Plan).

The prevailing European regulatory framework has given national regulatory authorities responsibilities with regard to the reliability and security of networks; as such ICP-ANACOM has worked extensively with a view to the adoption of appropriate measures to safeguard the security of networks and electronic communication services.

ICP-ANACOM also does important work in the activity of market supervision and surveillance. It verifies compliance with laws and regulations, its own decisions, technical

requirements and activity authorisation titles, as well as the obligations which are binding upon universal service providers.

ICP-ANACOM's functions also include representation of the Portuguese State at various international bodies and organisations, and technical representation in countries outside the European Union (EU) and at various groupings of communications regulators, in pursuit of knowledge-sharing and the exchange of experience.

Finally, note should be made of ICP-ANACOM's work advising the Government. Under the terms of the law, ICP ANACOM is called on to advise the Government, upon its own initiative or upon the request of the executive, in defining general policy for the communications sector and in the formulation of major strategy.

To carry out its mission successfully, ICP-ANACOM continually seeks to improve its performance and the quality of its decision-making. To be more agile, more efficient, to have the ability to anticipate developments facing the sector in the future, making the regulatory process faster and more capable of keeping up with the rapid evolution of regulated markets - these are challenges that the regulator must face on a daily basis.

Nevertheless, it is essential to maintain a stable regulatory framework and to ensure predictability in decision-making, so that operators and service providers are able to grow their businesses and pursue their investments in an environment conducive to innovation, without fear of unwarranted regulatory disruption.

In exercising its powers, ICP-ANACOM seeks to deliver regulation that is, as far as possible, proportionate, rigorous and non-intrusive, intervening only to remedy market failures and distortions to healthy competition, to safeguard end-user interests, and to safeguard the integrity and security of networks and electronic communications services and access to emergency communications.

Considering the impact that its decisions have on the sector's various stakeholders - consumers and businesses - ICP-ANACOM always seeks to announce its preliminary decisions in good time and always seeks input from stakeholders, submitting all decisions that have external impact to the public consultation procedure. This procedure is used to accomplish the principle of transparency, a fundamental pillar of ICP-ANACOM's regulation.

## CURRENT FRAMEWORK OF COMMUNICATIONS SECTOR

### 3. Current framework of the communications sector

A drop in household disposable income and an increase in unemployment have contributed to a reduction in the electronic communications sector's retail revenues - in 2013, revenues in Portugal fell by 6.4 percent. In the postal sector, the trend in postal traffic continues to decline, as a result of substitutability by electronic communications services and exacerbated by the economic crisis - in 2013, total postal traffic declined by 6 percent.

Portugal's economic recovery is unlikely to be swift or easy, and the communications business will likely face a difficult economic environment over the next few years.

However, in recent years, the strong dynamism of the Portuguese communications market has resulted in the growth of fixed and mobile broadband Internet access services and of subscription television services. At the same time, major structural changes have been seen, driven by prevailing economic conditions and emerging new technological possibilities.

In particular, Portugal has seen the merger between ZON and Optimus (becoming NOS Comunicações) and the acquisition of Onitelecom by Grupo Altice (which already controlled Cabovisão). There was also the merger agreement between PT and the Brazilian operator Oi, which, while having no direct impact on the structure of the Portuguese market, may determine changes in terms of strategic positioning.

These movements in the market have created conditions which accelerate convergence, especially between mobile and fixed infrastructure. As a result, a new dynamic has been instilled in the sector, including through the strengthening of convergent offers, allowing the appearance of quadruple-play and quintuple-play bundles with mobile and fixed voice offers, mobile and fixed broadband Internet, and subscription television. This has resulted in increased competition, which in turn has driven the appearance of offerings with increasingly competitive pricing, bringing benefits to consumers.

The agreement signed between PT Comunicações and Vodafone Portugal, in July 2014, to share optical fibre networks is a significant innovation which must be thoroughly evaluated by ICP-ANACOM, particularly in the context of market analysis.

Increased competition in the market and the increased consumption of bundled services has resulted in higher fixed broadband and subscription television service penetration and

in a growing number of fixed service residential customers, as well as an increase in the penetration of mobile broadband.

Portugal also has high combined coverage of FTTH networks and EuroDOCSIS 3.0, allowing download speeds of 30 Mbps or higher (82.8 percent at the end of 1st quarter 2014). In terms of mobile broadband, coverage by Long Term Evolution networks (LTE) had reached 91.3 percent by the end of 2013. These values give Portugal some of highest levels of broadband network coverage in Europe.

The availability of these networks has fuelled the offer of bundles of different services and enabled new businesses such as cloud computing, which may provide telecom companies with new business opportunities.

At the same time, such networks enable further advances in the digitalisation of the economy and of society. Dematerialisation is a reality and is increasing the number of services that are provided online, by both businesses and government. Services of e-government, e-education, e-procurement, e-commerce, e-banking and electronic payments are all based on telecommunications and on technologies, and can make all the difference in terms of rationalisation, efficiency and improving quality of life for populations.

Meanwhile, the postal sector remains under pressure from competition from electronic communications. Overall traffic volumes continue to decline, largely due to the possibility of substitution of traditional postage by electronic communications. Meanwhile, areas associated with e-commerce, such as express mail and parcel traffic, despite reporting growth, are not yet large enough to compensate for the reduction in traditional business.

These pressures have led postal operators to seek new areas of activity, including international expansion, in search of new opportunities for growth not currently offered by the Portuguese market.

The recent privatisation of CTT - Correios de Portugal (70 percent of company's capital) may also contribute to the introduction of a new dynamic in the sector.

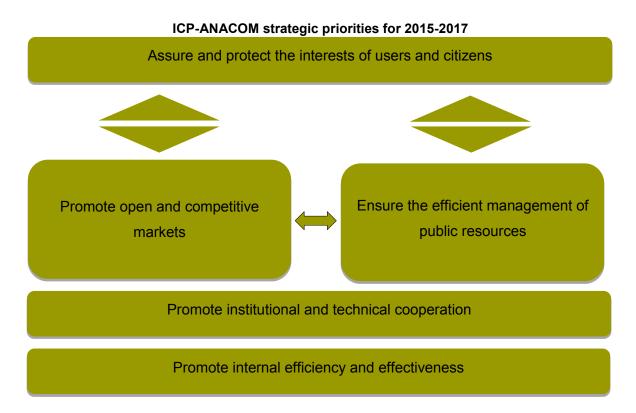
ICP-ANACOM will continue, with every effort, to maintain the right regulatory environment that will continue to allow the communications sector to develop. This Plan is intended as an instrument in accomplishing this environment.



### STRATEGIC PRIORITIES AND LINES OF ACTION TO BE PURSUED 2015-2017

### 4. Strategic priorities and lines of action to be pursued in 2015-2017

This Multi-Annual Plan sets out the strategic priorities and lines of action to be pursued in the 2015-2017 three-year period, as well as the work tasks that will contribute to the accomplishment of these priorities.



The Plan also covers activities, which while not priority activities, are essential to the proper performance of ICP-ANACOM's functions, involving the allocation of significant human and financial resources.

For the first time this year, ICP-ANACOM submitted its proposed strategic guidelines to public consultation, providing all interested parties with the opportunity to express their views, suggest new priorities and lines of action and indicate concrete work tasks. For ICP-ANACOM, being open to stakeholder opinion and contributions constitutes good practice and is seen as essential to optimise the setting of priorities, to enhance transparency and regulatory predictability and to ensure an effective response to market needs.

Eleven contributions were received in response to this public consultation, as well as the contribution made by the Chairman of ICP-ANACOM's Advisory Council, advancing important proposals that have been carefully reviewed and considered.

A large number of the proposals received were accepted and have been incorporated into ICP-ANACOM's Multi-Annual Plan 2015-2017, as referred to in the consultation report (since approved and published on ICP-ANACOM's website).

The principal lines of action to be pursued by ICP-ANACOM in the 2015-2017 period are detailed below, with the specific work tasks that will be undertaken to accomplish them, grouped according to strategic priority for the three-year period.

### Strategic Priority 1: Assure and protect the interests of users and citizens

#### Lines of action:

- **1.1** Oversee application of the conditions governing universal service provision (electronic communications and postal services) in its various components.
- **1.2** Assess the appropriateness of quality of service levels provided.
- **1.3** Monitor the evolution of retail prices in the markets.
- **1.4** Define and implement actions in the field of security and integrity of electronic communications networks and services.
- **1.5** Ensure legal compliance and transparency as regards business practices (including in contract terms) prevailing in the market and promote a review of associated procedures.
- **1.6** Strengthen effective complaint management mechanisms.
- **1.7** Promote out-of-court dispute resolution in cooperation with relevant authorities.
- **1.8** Improve information provided to users, giving support to their choices, and enabling them to take more informed decisions and resolve problems with service providers.

### 1.1 Oversee application of the conditions governing universal service provision (electronic communications and postal services) in its various components

This work involves a number of actions which include an evaluation of levels of compliance with the quality of service parameters and indicators imposed on universal service providers in electronic communications and postal sectors, and also involves auditing the quality indicators reported for the universal postal service.

It also involves an evaluation of levels of compliance with price-cap rules, as determined for the universal service provider of electronic communications with regard to the fixed service and public pay-telephones, and applicable to the tariff charged by the universal postal service provider.

ICP-ANACOM will also oversee compliance with postal network density targets and targets established for the minimum offer of services, as well as evaluate and define, where necessary, exceptional circumstances or geographical conditions that might justify the non-daily collection and delivery of mail covered by the universal service and/or not delivering mail to the addressee's premises.

### 1.2 Assess the appropriateness of quality of service levels provided

This line of action will be accomplished through a series of studies designed to assess the quality of service provided on mobile networks; these will examine the quality of the voice service, video-streaming and network coverage in mainland Portugal and in the Azores and Madeira, as well as SMS and MMS quality and quality of the voice service, video-streaming and coverage on the CP Alfa Pendular (High-speed rail service).

Furthermore, 2015 will see the launch of Netmede.pro, upgrading a platform launched by ANACOM that consumers can use to check their Internet connection speeds and which will collect indicators and produce reports on broadband Internet quality of service (2016).

ICP-ANACOM will also assess the need to define minimum requirements or quality of service indicators in the context of net neutrality.

### **1.3** Monitor the evolution of retail prices in the markets

This line of action covers the annual oversight of retail prices in relation to the various electronic communications services provided to consumers, monitoring trends in pricing and updating the report produced in 2014.

### 1.4 Define and implement actions in the field of security and integrity of electronic communications networks and services

With regard to network security and integrity, ICP-ANACOM plans to launch a process of security auditing, which entails approval of necessary measures, in terms of procedures and other technical aspects, as well as the constitution of an audit team.

# 1.5 Ensure legal compliance and transparency as regards business practices (including in contract terms) prevailing in the market and promote a review of associated procedures

A review will be made of the Regulamento da Portabilidade (Portability Regulation), with a view to making application of the Regulation more expeditious and more in keeping with market requirements. With this purpose, ICP-ANACOM will identify the amendments to be made and make an assessment of their impact.

In the 2016-2017 period, a new analysis will be made of contract conditions, as occurred in 2014, with the ongoing goal of ensuring the transparency in the information which service providers give consumers.

### 1.6 Strengthen effective complaint management mechanisms

In the electronic communications sector, complaints are common and there is widespread use of litigation between consumers and operators; this stems from the competitive situation in the market and the adoption of aggressive commercial practices. In 2013, ANACOM received more than 60 thousand complaints, and therefore, in order to improve ICP-ANACOM'S capacity to deal with these complaints, the process used to handle enquiries/complaints from end-users of electronic communications will be reviewed in 2015 and a new computer system installed to support this process.

### 1.7 Promote out-of-court dispute resolution in cooperation with relevant authorities

ICP-ANACOM recognizes the importance of non-judicial procedures for resolving conflicts and proposes to develop solutions and mechanisms which assist settlement of disputes.

In parallel, and in order to contribute to an improvement in decision-making quality in the arbitration of consumer disputes, ANACOM will work, in liaison with Direção-Geral do Consumidor (Directorate General for the Consumer), to provide information and training related to electronic communications, with a focus on existing arbitration and information centres, as well as other local/regional bodies working in this area (CIAC).

### 1.8 Improve information provided to users, giving support to their choices, and enabling them to take more informed decisions and resolve problems with service providers

In principle, better informed consumers make better informed choices, and are therefore better equipped to safeguard their interests and rights. With this in mind, ICP ANACOM publishes a wide range of information on its institutional and consumers' websites. In 2015, the processes of compiling, processing and producing information will be developed in two ways, with new features added to ANACOM's consumers' website and also to the COM.escolha tariff comparison tool, enabling broader comparison of offers and introducing standardised information that will be of use to consumers when interacting with providers of electronic communications services.

### Strategic Priority 2: Promote open and competitive markets

#### Action lines:

- **2.1** Analyse/review relevant electronic communications markets, taking into account the rules adopted at European level.
- **2.2** Review wholesale offers arising from obligations imposed on undertakings with significant market power in the various relevant markets.
- 2.3 Develop and improve regulatory costing systems and audit their results
- **2.4** Undertake actions associated with the provision of the universal service with market impact, particularly associated with universal service financing.
- **2.5** Oversee and monitor the development of next generation access networks (NGA).
- **2.6** Take an outlook on the market's development and define, review and monitor indicators for analysis and supervision.
- 2.7 Assess the impact of adopted regulatory measures.
- **2.8** Monitor and supervise the activities pursued by various agents, enforcing compliance with prevailing rules.

### 2.1 Analyse/review relevant electronic communications markets, taking into account the rules adopted at European level

Diagnosis of the competitive situation in the electronic communications sector is accomplished through analysis of the various relevant markets identified by the European Commission (EC). These analyses entail the review and update of previous analyses, taking into account the latest and foreseeable evolution in the markets concerned; they include definition of relevant markets, identification of any providers with significant market power and the maintenance, imposition, amendment or withdrawal of regulatory obligations to which these providers are subject.

As a result of these analyses, there may be: situations where certain markets are totally or partially deregulated; situations of geographic differentiation due to the prevalence of distinct competitive conditions in different regions of the national territory; and/or situations which warrant the withdrawal, modification or enhancement of regulatory measures.

The market analyses planned for the period of the Plan include analysis of market 7 and of market 18 of the previous recommendation (in 2015), followed by re-analysis of markets 2, 3, 4, 5 and 6 (2016 and 2017).

### 2.2 Review wholesale offers arising from obligations imposed on undertakings with significant market power in the various relevant markets

Subsequent to the market analyses, and based on the respective conclusions, or occasionally in parallel, reviews are conducted of relevant wholesale offers (reference offers). These offers govern conditions of access to networks and services of providers with significant market power by alternative providers in circumstances that enable sustained competition in downstream retail markets. This activity seeks to ensure transparency in technical and commercial information, and to achieve non-discrimination and price control.

Every year, ICP-ANACOM reviews a number of reference offers in the light of current data, particularly in terms of costing and quality of service, in terms of experience gained and of contributions received from the market. In 2015, reviews will be conducted of the Reference Interconnection Offer (RIO), the Subscriber Line Resale Offer (SLRO), the Leased Lines Reference Offer (LLRO) and the Reference Ethernet Leased Lines Offer (RELLO). In addition, ICP-ANACOM will implement any measures imposed subsequent to the analysis markets 4 and 5, taking due account of European Commission's relevant recommendations.

### 2.3 Develop and improve regulatory costing systems and audit their results

In the 2015-2017 period, ICP-ANACOM plans to review the SCA - Sistema de Contabilidade Analítica (Analytical Accounting System) used by CTT and audit the SCA used by the company for the years 2014, 2015 and 2016/2017. The SCA estimates and the estimates for CLSU - Custos Líquidos do Serviço Universal (net costs of universal service provision) presented by PTC will also be audited, together with any re-submissions relating to 2013 and 2014, in addition to the audit of the SCA used by PTC for 2016/2017.

Other planned actions relate to updating PTC's cost of capital in respect of the years 2015/2016/2017 and a review of the mobile termination rate model. Additionally, there will be a review of the use of the SCA by PT, in accordance with the trends in the market and regulation, and a cost model will be developed for next generation networks.

### 2.4 Undertake actions associated with the provision of the universal service with market impact, particularly associated with universal service financing

In fulfilling its legal mandate, ICP-ANACOM will pursue a number of actions related to the provision of the universal service, particularly with regard to its financing. Therefore, in 2015, it will be necessary to audit the values resubmitted by PTC in respect of the 2012 CLSU and audit the values in respect of retirees and pensioners for the period subsequent to the designation of the universal service provider by public tender.

Audits will also be conducted on the values reported for the turnover of those operators required to contribute to the universal service compensation fund, and processes developed for the reimbursement of the net costs of universal service provision to PTC for the period 2007-2014. The same will be done for the new universal service provider from 2014.

As regards the universal postal service, the procedures are similar, with net costs determined and where there is reimbursement.

In 2015, ICP-ANACOM will also have to change the methodology used for calculating the CLSU for electronic communications and will likely advise the Government in the context of the launch of the new tender for directories and directory enquiry services.

### 2.5 Oversee and monitor the development of next generation access networks (NGA)

Upon conclusion of the analysis of markets 4 and 5, appropriate remedies will be defined and implemented, taking due account of the relevant recommendations of the European Commission.

In this context, 2015 will see preparation of a draft transposition of Directive 2014/61/EU of the Parliament and of the Council of 15 May, on measures to reduce the cost of deploying high-speed electronic communications networks, for approval by the Government.

Many aspects of this Directive have already been enacted in Portugal by Decree-Law no. 123/2009. In this context, over the three-year period, ICP-ANACOM will develop work on the implementation of the SIC - Sistema de Informação Centralizado (Centralised Information System), begun in 2014.

### 2.6 Take an outlook on the market's development and define, review and monitor indicators for analysis and supervision

ICP-ANACOM regularly seeks information from providers and so defines and follows the evolution of a set of indicators; these allow it to monitor the market and oversee compliance with the obligations of providers and produce various analyses. Periodically analysis is made, in the light of market trends, of the need to make changes to the information sought and to the indicators which are monitored; this review process will take place in 2015.

In anticipation of market trends, ICP-ANACOM conducts a range of studies to compile an outlook on new trends in the market and to enable informed decision-making. In 2015, a study is planned on the relationships between OTT (Over The Top) and traditional operators in a context of technological neutrality.

### 2.7 Assess the impact of adopted regulatory measures

For ICP-ANACOM to improve upon its performance and enhance the quality of the regulatory process, it is very important to assess how the market is impacted by its decisions. With a view to examining the impact of its decisions on a case by case basis, ICP-ANACOM proposes to develop a study of regulatory impact analysis (RIA), with special focus on the development of a comparative analysis of the different approaches taken by different national regulatory authorities (NRA) with regard to RIA programmes.

### 2.8 Monitor and supervise the activities pursued by various agents, enforcing compliance with prevailing rules

In terms of supervision, a wide range of market enforcement actions are carried out every year, in order to check compliance with prevailing laws and determinations. Some of these actions are scheduled on an annual basis, while in other cases they stem from specific needs perceived following analysis of complaints received by ICP ANACOM. In 2015, 1.460 enforcement actions are planned, focusing on electronic communications operators and postal operators, in addition to checking on compliance with the rules governing telecommunications infrastructure in buildings and urban settlements (ITED/ITUR).

In the context of frequency management, 1.500 spectrum monitoring actions are planned for 2015.

Within this line of action, ICP-ANACOM will also work on the transposition of Directive 2014/53/EU of the Parliament and of the Council of 16 April on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EC - this work will be completed in 1st quarter 2016.

### **Strategic Priority 3: Ensure the efficient management of public resources**

#### Lines of action:

- **3.1** Define and implement a national strategic plan for use of the radio spectrum.
- **3.2** Examine, on a prospective basis, trends of radio spectrum use occurring internationally, anticipating evolutionary scenarios (digital dividend).
- **3.3** Evaluate the development of various services, including broadcasting, and associated spectrum needs.
- **3.4** Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform.
- 3.5 Establish appropriate rules on the allocation, use and management of numbering.

#### 3.1 Define and implement a national strategic plan on use of the radio spectrum

Even though, every year, ICP-ANACOM plans and provides information on allocation of spectrum use by service, it was considered important to prepare a systemised and comprehensive plan, on a provisional basis, for the entire spectrum and bands in use, contributing to the more transparent and efficient management of public resources. This plan, which will be prepared taking into account the international context, will provide medium and long-term guidance on spectrum use.

### 3.2 Examine, on a prospective basis, trends of radio spectrum use occurring internationally, anticipating evolutionary scenarios (digital dividend)

ICP-ANACOM will begin to assess outlooks on the development of the UHF broadcasting band, taking into consideration the needs of the national market, the European and national regulatory framework, as well as the most relevant aspects in terms of the evolution of services, networks and technologies. This action also entails the definition of a strategic framework for the 700 MHz band and its implementation (with completion expected in mid-2016), and the elaboration of scenarios on the future use of the 470-694 MHz band and respective implementation (with completion expected in 2017).

### 3.3 Evaluate the development of various services, including broadcasting, and associated spectrum needs

In 2015, ICP-ANACOM will assess the development of various services - fixed, mobile, including private mobile, broadcasting and BWA - to identify the requirements of spectrum use in the relevant bands.

Upon conclusion of this work, ICP-ANACOM will proceed with the designation and provision of spectrum for the corresponding services, taking into account the objectives of regulation established by law, in particular the radio spectrum policy programme, the results of the World Radiocommunication Conference (WRC-15) and the level of national interest in using the spectrum remaining after the BWA auction, after the multi-band auction and other bands of relevant spectrum.

### 3.4 Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform

It is one of ICP-ANACOM's functions to verify compliance with the obligations of the operator of the DTT platform, and in this context, the quality of the digital television signal is monitored on a permanent basis. To do this effectively and continuously, almost 400 probes are installed throughout mainland Portugal to provide constant monitoring of the television signal. In 2015, a study on the quality of the DTT service will be carried out based on readings from these probes. In parallel, ICP-ANACOM will be checking compliance with the network obligations of the platform operator and will commence a study on the evolution of the DTT network and its possible adaptation based on the probe network.

#### 3.5 Establish appropriate rules on the allocation, use and management of numbering

ICP-ANACOM's Multi-annual Plan 2015-2017 sets out a number of actions regarding the PNN - Plano Nacional de Numeração (National numbering plan). Firstly, ICP-ANACOM will reevaluate the conditions governing the use of geographic numbers and, if necessary, redefine these conditions. Consideration is also given in the Plan to the preparation of a numbering regulation to update the main elements of the PNN, as well as seeking to re-evaluate the need to define the eCall numbering range.

### **Strategic Priority 4: Promote institutional and technical cooperation**

Lines of action:

- **4.1** Ensure active participation at international forums with relevance to the sector (electronic communications and postal services).
- **4.2** Increase involvement in BEREC, including taking over the BEREC Chair in 2015 and Vice-chair in 2016.
- **4.3** Promote the sector at a national and international level and promote cooperation with other regulators.
- **4.4** Actively participate in the platforms of collaboration between Portuguese-speaking countries, especially ARCTEL.
- **4.5** Promote cooperation with national and international organisations and ensure coordination of activities in relevant areas (spectrum management, consumer protection, communications security).
- **4.6** Promote the dissemination of legal and regulatory regimes applicable to the sector.
- **4.7** Promote coordination of the entities involved in the planning, construction and maintenance of infrastructure, including management of the SIC.

### 4.1 Ensure active participation at international forums with relevance to the sector (electronic communications and postal services)

ICP-ANACOM provides representation of the Portuguese State at international bodies of the communications sector and on international committees and working groups, where it is charged with advancing Portuguese interests and positions.

ICP-ANACOM's plans for 2015 set out the implementation of a new strategy of participation in international organisations/agencies, making this participation more efficient in terms of the allocation of human and financial resources, reducing, wherever possible, the membership contributions incurred. ICP-ANACOM has been working on this in recent years and in 2015 it will continue to evaluate this possibility for the coming years.

### 4.2 Increase involvement in BEREC, including taking over the BEREC Chair in 2015 and Vice-chair in 2016

In 2015, ICP-ANACOM will have an enhanced role at the Body of European Regulators for Electronic Communications (BEREC) - the chairman of ICP-ANACOM's Management Board, Fátima Barros, takes over as BEREC chair in 2015 and will take office as Vice-chair in 2016. In this capacity, ICP-ANACOM will also coordinate and chair the meetings of the Contact Network (CN) which are held to prepare the plenary meetings.

In addition to its increased involvement in BEREC, as Chair of the Body, Portugal will be able to ensure that the European agenda covers the issues that are most important for the sector's future development.

### 4.3 Promote the sector at a national and international level and promote cooperation with other regulators

As part of its work, ICP-ANACOM seeks to foster the transfer of knowledge and experiences with other organisations, through groups which work in the field of internationalisation.

Over the 2015-2017 period, ICP-ANACOM will continue to pursue this goal by prioritizing actions of bilateral cooperation, with the strategic redefinition of bilateral cooperation protocols and their subsequent deployment.

ICP-ANACOM also aims to conduct an assessment of the economic impact of its cooperative effort.

It also plans to conclude an agreement with aicep Portugal Global - Trade & Investment Agency and participate actively in the Secretariat of the Euro-Mediterranean Regulators Group (EMERG).

### 4.4 Actively participate in the platforms of collaboration between Portuguesespeaking countries, especially ARCTEL-CPLP

In the context of its participation in ARCTEL-CPLP - Associação de Reguladores de Comunicações e Telecomunicações da Comunidade dos Países de Língua Portuguesa (Association of Communications and Telecommunications Regulators of the Community of Portuguese Language Countries), ICP-ANACOM plans to contribute actively to the completion of a study on universal service in CPLP countries. In addition to its intense cooperation with CPLP countries on a bilateral basis, ICP-ANACOM is committed to its participation in ARCTEL, promoting the exchange of experiences and disseminating the European regulation model.

# 4.5 Promote cooperation with national and international organisations and ensure coordination of activities in relevant areas (spectrum management, consumer protection, communications security)

Some areas of ICP-ANACOM's work entail close cooperation with other organisations with relevance to the sector. These areas include spectrum management, communications security and consumer protection, where there is frequent collaboration with the Armed Forces, Gabinete Nacional de Segurança (National Security Office), CNPD - Comissão Nacional de Proteção de Dados (National Data Protection Commission), INAC - Instituto Nacional de Aviação Civil (National Civil Aviation Institute), FCT - Fundação para a Ciência e Tecnologia (Foundation for Science and Technology), DGC - Direção-Geral do Consumidor (Directorate General for the Consumer) and other organisations, including other organisations representing consumers.

In 2015, protocols will be developed with organisations involved in the management of aeronautical services spectrum, with a view to more efficient and effective management, and stemming from the European "Single Sky" regulatory framework.

### 4.6 Promote the dissemination of legal and regulatory regimes applicable to the sector

During the period covered by this Plan, ICP-ANACOM plans to be engaged in a range of dissemination activities arising from regulatory changes.

With the update of the technical manuals of ITED - infraestruturas de telecomunicações em edifícios (telecommunications infrastructures in buildings) and of ITUR - infraestruturas de telecomunicações em loteamentos, urbanizações e conjuntos de edifícios (Infrastructures for telecommunications in housing developments, urban settlements and concentrations of buildings), in 2015, ICP-ANACOM will need to work to spread information and raise awareness among different economic agents with regard to the new regulations.

Given the need to update the regulation governing the amateur and amateur satellite services, it is expected that legislation in this regard will be published in Q1 2015, so that it will then be important to draft regulation embodying the new procedures associated with these radiocommunication services.

The transposition of Directive 2014/53/EU of 16 April, which should be completed by June 2016, means that two seminars will have to be held that year to disseminate the new legal framework on radio equipment.

### 4.7 Promote coordination of the entities involved in the planning, construction and maintenance of infrastructure, including management of the SIC

Under Decree-Law no. 123/2008, the SIC - Sistema de Informação Centralizado (centralized information system) will aggregate all the information contained in communications infrastructure records, as well as the procedures and rules governing the construction of new infrastructure and access to existing infrastructure. Furthermore, infrastructure construction plans will be published, so that operators are able to plan and participate in any works on a basis of cost-sharing, reducing the impact of works on local populations.

Under the law, it is the responsibility of ICP-ANACOM to design, manage and maintain the SIC, and also to ensure that it is accessible and available, whereas undertakings responsible for infrastructure will collect the relevant information, make it available and keep it up-to-date. Following a tender process in 2014, the first phase of the SIC's implementation is due to be

completed in 2015, entailing the development of the geo-referencing platform/system. In 2016 and 2017, the system is expected to be put into operation and use.

### **Strategic Priority 5: Promote internal efficiency and effectiveness**

#### Lines of action:

- **5.1** Implement measures to rationalize expenditure, guaranteeing efficiency.
- **5.2** De-materialise/automate/simplify procedures and expand the provision of services online.
- **5.3** Invest in training and ensure excellence in human resources.
- **5.4** Promote an organisational culture that is more open to change.

#### 5.1 Implement measures to rationalize expenditure, guaranteeing efficiency

Cost reduction will remain a constant goal of ICP-ANACOM over the three-year period

2015-2017. Reductions can be achieved in a number of ways, including: through the renegotiation of contracts, reduction in consumption, behaviour change, reviewing and dematerialising processes.

In 2015, a review will be made of ICP-ANACOM's stock of servers with a view to technological consolidation, which will improve the usability of existing information systems at ICP-ANACOM, increasing efficiency and substantially reducing costs.

In 2016, with the same goal, ICP-ANACOM will computerise procedures related to processes of overseeing the equipment market.

### 5.2 De-materialize/automate/simplify procedures and expand the provision of services online

The improvement of overall efficiency is a priority for ICP-ANACOM; as such, a number of projects will be implemented in 2015 to streamline processes and procedures and reduce the

administrative burden associated with certain tasks. This may result in the release of funds to more value-added functions, while at the same time improving ICP-ANACOM's ability to respond to external requests, achieving an improvement in quality and response times.

The actions planned to simplify, dematerialize and automate processes include:

- Implementation of the 2015-2017 strategic plan for information systems.
- Development of new features in computer applications to support spectrum management, particularly with regard to updating geo-referenced systems in 2015; meanwhile, the operation of electronic licensing requires analysis with a view to future developments in following years.
- Consolidation of the electronic billing model that has been already implemented.
- Extension of the scope of the Extranet to encompass the quarterly collection of data from various services (not yet collected in this way) and data from the annual questionnaires on communications and portability.
- Computerize procedures related to the processes of equipment market monitoring (2016), speeding up the completion of processes and referral for litigation.

ICP-ANACOM will continue to expand the range of services it provides online, though its institutional website and its Consumers' Website, following the introduction of electronic licensing, in the management and availability of geo-referenced information and the provision of the reports of the annual monitoring plans to the Direção-Geral da Saúde (General Directorate of Health) and municipalities using the extranet.

In the area of spectrum monitoring and control, improvements are expected, arising from the entry of geo-mapping data in the corresponding computer application, which will improve execution of the survey plan.

To facilitate interaction with end-consumers, new features will be developed on ANACOM's Consumers' Website, including availability of standard forms online, which users can use to make submissions to ICP-ANACOM or other entities, in addition to other new features.

#### 5.3 Invest in training and ensure excellence in human resources

ICP-ANACOM recognises how important it is to have staff who are committed to the organisation and its goals, and will make use of the most modern management techniques to promote excellence among its people. Accordingly, it will continue to invest in the quality of its human resources, investing in training that will allow them to improve and develop their skills, providing them with tools that will enhance performance, helping to overcome the challenges that ICP-ANACOM is facing. With this objective, a new model for employee training will be fully implemented in 2015, structured to promote the development of skills in a manner more aligned with the needs of the organisation.

In parallel, a new dynamic will be instilled in the organisation's internal communication, strengthening the "ANACOM culture" and the spirit of belonging to the organisation.

### 5.4 Promote an organisational culture that is more open to change

Over the period covered by this Plan, ICP-ANACOM intends to implement a culture of dialogue at all levels of the organisation, in order to give impetus to the promotion of change. In this respect, a study of organisational climate will be made in 2015, in order to gather information on employee satisfaction, motivation and their involvement in the organisation's goals, enabling the identification of areas where improvement is needed to contribute to an enhanced social climate.

In parallel, ICP-ANACOM will continue actions aimed at consolidating the "ANACOM culture"; these actions include social responsibility initiatives, such as actions in support of social solidarity and the development of a graduate internship programme, facilitating the entry of young graduates with high potential into the labour market.

# ONGOING ACTIVITIES

### 5. Ongoing activities

At the core of ICP-ANACOM's work is a wide range of ongoing activities which are crucial to the proper performance of its mission. Since these tasks entail a sizable allocation of time, as well as human and financial resources, it is fitting that they are described in this Plan.

These activities are detailed below, grouped according to the strategic priorities defined for the 2015-2017 three-year period.

### Strategic Priority 1: Assure and protect the interests of users and citizens

### • Distribute information to consumers

In principle, keeping consumers informed is a way of ensuring that they are able to make appropriate choices, responding to their needs and upholding their rights and interests when dealing with service providers. Accordingly, ICP-ANACOM regularly publishes information on a range of subjects related to the sector: new products and services, tariffs, sector legislation, ICP-ANACOM determinations, data on services, data on complaints, etc.

This information is released to the public through ANACOM's institutional website (<u>www.anacom.pt</u>) and through its Consumers' Website (<u>www.consumidor-anacom.pt</u>), created specifically to enhance ICP-ANACOM relationship with the consumer-public. With this goal, the Consumers' Website has been improved in terms of content and graphics, and will continue to be enriched with information and features that are useful for consumers, making it possible for them to interact with the regulator more easily and more quickly.

### • Respond to complaints and enquiries from consumers

Besides the information it makes public generally, ICP-ANACOM also provides specific information to individual consumers upon request. It receives tens of thousands of requests every year, including complaints and requests for information about the sector (more than 60 thousand in 2013); all of these are analyzed, classified and answered. ICP-ANACOM's target is to provide responses to 95 percent of the requests addressed to it during the year. In this way, ICP-ANACOM is contributing to the resolution of many of the problems that consumers face when situations that give rise to complaints fall within the remit of this Authority. Where matters otherwise fall outside ICP-ANACOM's remit, a response is still

given to all consumers, to inform them of their rights and give them information about which entity is best placed to help them resolve the problem they have reported.

Reports on the complaints received by ICP-ANACOM are produced on a regular basis, detailing trends and giving information about which sectors, services and operators are most commonly cited in complaints. Given that the information they contain is essential when consumers are choosing between services and operators, these reports are published.

Whenever analysis of complaints gives indication of non-compliance, processes are submitted to investigation and may even be referred directly to litigation when there is evidence that an offence has been committed. The analysis of complaints may also result in regulatory measures being drawn up to put an end to inappropriate practices.

### • Monitor information disclosed by service providers

ICP-ANACOM monitors the information which providers disclose to consumers, in order to ascertain whether it complies with sector legislation and with the determinations of ICP-ANACOM, thereby, safeguarding consumer rights. It also periodically reviews provider contracts to check that the respective clauses comply with legal requirements and obligations of disclosure and transparency.

### • Conduct studies on the sector

ICP-ANACOM regularly conducts studies on the electronic communications and postal sectors. In many cases, these studies make comparisons with situations internationally, providing ICP-ANACOM with thorough knowledge of the regulatory situation compared to other countries. From this point of view, studies serve as an important tool in support of ICP-ANACOM's regulatory activity and decision-making process.

### Strategic Priority 2: Promote open and competitive markets

### • Grant and revoke licenses for the exercise of activities, allocate numbering and frequencies

Pursuit of activity in the electronic communications sector is subject to the general authorisation regime. In the postal sector, although in some cases access to the activity is subject to licensing, it is also ICP-ANACOM who is responsible for issuing these licences.

Also in cases where exercise of the activity involves the use of numbering resources, these are allocated by ICP-ANACOM, just as it is responsible, when applicable, for allocation of rights of use of frequencies.

At the request of operators or upon its own initiative, in the event of confirmed noncompliance with their provisions, ICP-ANACOM has powers to revoke issued titles.

#### • Verify compliance with obligations and instigate breach proceedings

As part of its supervisory activity, ICP-ANACOM is responsible for enforcing compliance with the prevailing regulatory framework, sector legislation and with its own determinations, as well as compliance with the obligations associated with allocated rights of use of frequencies and titles governing exercise of provider activities. ICP-ANACOM also oversees the conditions associated with the operation of networks and provision of services.

When it detects prohibited practice, the processes are referred to litigation with the goal of punishing the offender and correcting the behaviour in question.

### • Compile and disseminate statistical information about the communications sector, to evaluate market trends and support decision-making

ICP-ANACOM regularly compiles and analyses a wide range of statistical information on the sector, thereby obtaining detailed understanding of the market and enabling quality decision-making. These analyses are then published, enhancing transparency and ensuring that all stakeholders have access to information that may be relevant in defining their strategies and market positioning. With the statistical information it compiles, ICP-ANACOM prepares and publishes an annual report on the status of the communications sector, which provides a highly detailed snapshot of the sector, as well as a set of regular quarterly reports.

### Strategic Priority 3: Ensure the efficient management of public resources

### • •Management and allocation of numbering resources

ICP-ANACOM is responsible for managing the PNN - Plano Nacional de Numeração (National numbering plan), according to principles of transparency, efficiency, equality and non-discrimination. It is also called on to define the conditions governing the allocation and use of national numbering resources and to allocate these resources according to objective, transparent and non-discriminatory procedures.

Use of numbering is subject to the allocation of rights of use; these may be allocated to companies providing publicly available electronic communications networks and services and also to companies which make use of these networks or services.

In the management of numbering resources, ICP-ANACOM may recover allocated numbering in the event that allocation conditions are not respected.

### • Licensing of telecommunications networks and stations

ICP-ANACOM issues station and network licences for the different radiocommunications services, which, in practical terms, is equivalent to authorising the operation of those networks and stations; as such, ICP-ANACOM is responsible for the analysis and processing of the respective licensing procedures, including the assignment of frequencies.

### • Laboratory activities

ICP-ANACOM undertakes important laboratory work, undertaken at LEC - Laboratório de Ensaios e Calibração (Testing and Calibration Laboratory), which conducts electromagnetic compatibility tests, radioelectric testing and equipment calibration. This area of activity complements ICP-ANACOM's enforcement work, since in many cases equipment seized during investigations needs to be analyzed at the LEC to verify compliance with the technical requirements in force. In addition to its work in support of enforcement activities, LEC performs work for third parties.

### Strategic Priority 4: Promote institutional and technical cooperation

### • Cooperate with national entities

Fulfilment of ICP-ANACOM's remit entails, in many areas, the need for cooperation with other authorities and organisations from Portugal and abroad. At a national level, ICP-ANACOM cooperates frequently with other national regulatory authorities, especially with AdC - Autoridade da Concorrência (Portuguese Competition Authority) and ERC - Entidade Reguladora para a Comunicação Social (Media Regulatory Authority). When these entities work on issues that require the opinion of the sector regulator, ICP-ANACOM is called on to give such opinions. ICP-ANACOM also works in collaboration with the Assembleia da República (Assembly of the Republic), offering information and providing explanations upon request.

ICP-ANACOM's work also involves frequent cooperation with Direcção-Geral do Consumidor (Directorate General for the Consumer) and consumer organisations, as well as organisations involved in spectrum management for aeronautical purposes, the armed forces and national security.

### Cooperate with international entities

In addition to the cooperation of a strategic nature outlined above, focusing on priority areas of its activity, specifically cooperation with the European Union and PALOP countries, ICP-ANACOM also maintains important relations with regulators and regulator associations in other geographical areas. The aim of this cooperation is to exchange knowledge and experiences which might enrich regulatory practice in the countries involved, in electronic communications and in the postal sector.

### Strategic Priority 5: Promote effectiveness and internal efficiency

### • Continuously modify procedures, de-materialise processes and expand range of services provided online

With the objective of becoming more efficient, agile and quick to respond to enquiries, ICP-ANACOM seeks continuously to improve the way it works, simplifying procedures, reducing the bureaucratic burden associated with many tasks and de-materialising processes. In its relations with third parties, consumers and providers, ICP-ANACOM seeks, wherever possible, to facilitate interaction, making services available online whenever deemed appropriate.

### • Promote excellence in human resources

ICP-ANACOM has a policy of adding value to its human resources based on the development of competencies. For this purpose, ICP-ANACOM is engaged in a range of different human resource management processes, including performance evaluation and internal mobility.

## GLOBAL INDICATORS

### 6. Global indicators

ICP-ANACOM has implemented a system to appraise its activities and monitor the evolution of its performance, taking into account objectives of continuous improvement. This system includes global indicators, which extend across the entire organisation, and specific indicators to monitor performance in individual areas.

With this set of indicators, ICP-ANACOM is able to evaluate its responsiveness to enquiries, specifically its performance in providing a timely response to consumers and external entities and also to internal requests from its own departments.

The defined global indicators will be maintained throughout the period of the 2015-2017 plan. The targets associated with global indicators are presented in Annex V.



### HUMAN RESOURCES PLAN

### 7. Human resources plan

The main challenge facing ICP-ANACOM over the next three years in human resources will be to streamline professional development plans that instil mobility and which ensure a sustained ability to generate and harness knowledge and innovation; this is fundamental if ICP-ANACOM is to meet the challenges ahead and adapt to the changes imposed on it.

As part of its strategic priority of promoting efficiency and internal effectiveness, the promotion of excellence in human resources is one of the most challenging areas to address, with a focus, in 2015, on the implementation of an overall process to manage training and development of critical competencies, together with the promotion of an increasingly participatory and open organisational culture.

In this context, in 2015 and in following years, ICP-ANACOM plans to build upon the results achieved by recently-launched initiatives in human capital management, especially the reformulation of the performance management system and other important initiatives, which will constitute priorities for next three-year period:

- consolidate the ANACOM "Academy" programme of integrated training and development, as a strategic lever for growth among all staff and in the retention of talent, based on an effective and renewed internal communication policy;
- carry out an appraisal of the organisational climate to assess staff needs and levels of satisfaction, supporting the definition of action plans that instil a climate which fosters internal motivation and commitment to the organisation;
- implement actions as part of the annual programme of professional and academic internships, in partnership with academic institutions, promoting the development and enhancement of skills among young people in their transition into a working life.

In 2015, ICP-ANACOM plans to continue promoting organisational volunteering initiatives with social and environmental objectives. Meanwhile, giving impetus to internal mobility will retain an important role as a factor in the enrichment of skills and increasing ICP-ANACOM'S capacity for response.

The people plan for the 2015-2017 three-year period will be guided by a spirit of containment, so that staff numbers in 2015 will not exceed the forecast complement of 403

employees, considering the flow of staff joining and leaving the organisation (Annex II - Table 1). Nevertheless, it is essential to maintain ongoing rejuvenation and ensure that ICP-ANACOM's resources are more closely aligned with ICP-ANACOM's needs.

Annex II presents tables with the forecast variations in the human resources plan, both in terms of the number of employees and in the number of hours of worked and corresponding allocation of financial resources.

In this regard, use of overtime will remain limited to properly justified exceptional situations (Annex II - Table 2).

With regard to the financial resources corresponding to the human resources plan (Annex II - Tables 3 and 4), the partial restoration of salary cuts, amounting to 20 percent/year, will affect ICP-ANACOM and the entire public sector.

Over the 2015-2017 three-year period, personnel costs are expected to increase by 5 percent over the value budgeted in 2014, as a result of the 20 percent restoration of salary cuts referred to above.

Given its relevance and weight, ICP-ANACOM's strong commitment to its internship programme also impacts personnel costs.

# FINANCIAL PLAN

### 8. Financial Plan

ICP-ANACOM's 2015-2017 multi-annual financial plan will continue to pay close attention to the current phase of economic and financial recovery that Portugal is experiencing.

It is in this context that ICP ANACOM is committed to the continued promotion of efficiency in its activities and the rationalisation of expenditure and investment, leading to further reductions in the regulatory fees charged to the sector. However, because of the efforts already made in recent years to reduce outgoings, the scope for additional expenditure cuts is more limited. Furthermore, ICP ANACOM must also retain its capacity to act effectively as an independent regulator, in a scenario of increasingly demanding and complex regulation, given its increased powers and responsibilities as a result of European directives and national legislation.

In accordance with its statutes, the accounts of ICP-ANACOM are organized according to the SNC - Sistema de Normalização Contabilística (Accounting Standardisation System). The 2015 budget and 2015-2017 financial plan, prepared in accordance with the rules of the SNC, reflect the financial quantification as is appropriate and necessary for the execution of activities set out in the multi-annual plan.

### 8.1 2015 Budget

### Investment

The 2015 investment budget (Annex III - Table 5) is focused on the continued modernisation and re-equipping of ICP-ANACOM's monitoring and inspection activities and on the necessity of bringing ICP-ANACOM's information systems up-to-date, to ensure it retains the necessary means to keep pace with the transformations of the communications industry.

Total investment planned for 2015 is 3.229 million euros, representing an increase of 3 percent compared to the 2014 budget; this increase is due to the impact of new, one-off projects in 2015. The most important projects/investments planned in 2015 include:

 upgrade and modernisation of spectrum monitoring equipment, specifically: improvements to metallic towers, hardware upgrades in equipment supporting the SINCRER network, upgrade of existing spectrum monitoring and control infrastructure and acquisition of equipment for new radiocommunications systems;

- development of geo-referenced technological platform to support the SIC Sistema de Informação Centralizado (Centralised Information System), providing legal compliance with Decree-Law No. 123/2009;
- renewal and upgrade of the computer system, both in terms of hardware (servers), and in terms of developing new applications to support ICP-ANACOM's core activities.

### Income

The 2015 income budget (Annex III - Table 6) amounts to 78.193 million euros and results from the application of fees pursuant to prevailing legislation. The final figures also took into account each one of the characteristics of service; the income budget comprises the following situations:

(1) administrative regulation fees associated with electronic communications (representing 31.3 percent of total income); these are based on the principle of cost orientation, and to this extent, vary depending on the level of costs incurred by ICP-ANACOM in the regulation of electronic communications activities;

(2) fees associated with the use of spectrum frequencies (representing to 62.6 percent of total income), which stem from the occupation/use of a scarce public resource - use of the spectrum must be marked by efficiency, with fees charged from a "user pays" perspective;

(3) fees associated with the use of numbering (representing 2.2 percent of total income);

(4) administrative fees associated with the regulation of postal services (representing 1.9 percent of total income); these are based on the principle of cost orientation, and to this extent, vary depending on the level of costs incurred in the regulation of postal services;

(5) interest earned from the application of available financial resources (1.1 percent of total income);

(6) other fees and revenues that constitute residual income.

The legal framework governing the fees provided for in the 2015 Budget is as follows:

- fees arising from electronic communications Law Current legislation is as follows:
  - LCE Lei das Comunicações Eletrónicas (Electronic Communications Law Law no. 5/2004 of 10 February, as amended by Law no. 51/2011 of 13 September) establishes the legal regime applicable to electronic communications networks and

services and to associated resources and services; and Decree-Law no. 264/2009 of 28 September, establishes the regime applicable to the licensing of radiocommunications networks and stations, the supervision of the installation of the said stations and the use of the radio spectrum, together with the sharing of radiocommunications infrastructure;

 Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 96-A/2013 of 2 October and Administrative Rule no. 378-D/2013 of 31 December - supporting the new fee model, with basis in article 105 of the LCE.

The fees governed by these texts are those associated with the following:

- the issue of declarations supporting rights issued by ICP-ANACOM with regard to the exercise of the activity of supplier of electronic communication networks and services, allocation of rights of use of frequencies and allocation of numbering;
- exercise of activity of provider of publicly available electronic communication networks and services;
- use of frequencies;
- use of numbering.
- Fees in respect of the activity of postal service operator the regulations which govern this activity are as follows:
  - Law no. 17/2012 of 26 April, establishing the regime governing access to and pursuit of the activity of provider of postal services in competition;
  - Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 296-A/2013 of 2 October - giving basis to the collection of fees due in this context.
- ITED/ITUR fees Fees of this category are governed by the following:
  - Law no. 47/2013 of 10 July, which defines the regime governing the construction of infrastructure which is suitable for accommodating electronic communications networks, the installation of electronic communications networks and ITUR -Infraestruturas de Telecomunicações em Loteamentos, Urbanizações e

Condomínios (Infrastructures for telecommunications in housing developments, urban settlements and concentrations of buildings) and ITED - Infraestruturas de Telecomunicações em Edifícios (Telecommunications infrastructure in buildings) construction; the associated fees are set in Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 296-A/2013 of 2 October.

- Remaining provisions of service Due to their importance, reference is made to the following rules:
  - fees in respect of use of the amateur radio service Decree-Law no. 53/2009 of 2 March lays down the rules that apply to amateur radiocommunications service, and Administrative Rule no. 1473-B/2008 of 17 December establishes the fees which are applicable in respect of this service, as amended by Administrative Rule no. 296-A/2013 of 2 October;
  - fees of the citizen's band (CB) service Decree-Law no. 47/2000 of 24 March establishes the legal regime governing use of the Personal Radio Service -Citizen's Band (PRS-CB), which fees are set by Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 296-A/2013 of 2 October;
  - Decree-Law no. 177/1999 of 21 May, which establishes the rules governing access to and exercise of the activity of provider of audiotext services, the fees for which were approved by Administrative Rule no 567/2009 of 27 May;
  - testing and calibration of equipment the amounts included under this item refer to services provided by ICP-ANACOM in the context of the tasks assigned to it and result from the application of a specific tariff, as determined by its Management Board;
  - enforcement actions this heading item comprises revenues resulting from enforcement actions, including applied fines and inspections.
- Interest and other similar income sums recorded under this item essentially result from the gains obtained from interest on investments planned during the year.
- Other income and gains this item includes the following income and gains:
  - Subsidies obtained from the European Union (EU) these amounts relate to expenses incurred in travel to meetings and conferences within the EU, in

accordance with the tasks assigned to ICP-ANACOM, in cases where travel expenses are reimbursed by the EU;

 Other - this item covers income and gains of low value or of an occasional nature, including those arising from the sale of tender specifications, scrap, sale of goods, etc, as well as extraordinary items and accounting adjustments.

In the 2015 budget, income is expected to reach 78.193 million euros, an amount which exceeds expected income in the 2014 budget (by 8.6 million euros). This increase in income stems from the following effects:

- review of fees in respect of the use of frequencies provided for in Administrative Rule no. 378-D/2013 of 31 December, which determined an increase of 10 million euros, marginally offset by a reduction in fees linked to the return of frequencies related to underutilized technologies (e.g. FWA);
- gradual growth in postal regulation fees, due to the progressive adjustment (five-year transitional period) provided for in Administrative Rule no. 1473-B/2008, as amended by Administrative Rule no. 296-A/2013 of 2 October;
- reduction of interest rates payable on financial applications, due to the assumption of a scenario of lower available surplus volumes and maintenance of low interest rates, according to market forecasts;

#### Expenditure

In 2015, ICP-ANACOM will continue to promote measures of internal efficiency and expenditure rationalisation. However, because of the efforts to reduce costs made in recent years, the potential for further reductions is more limited. The expenditure budget, presented in Annex III - Table 7, totals 50.103 million euros.

In the 2015 budget, a budgetary rule is introduced that is more adjusted in terms of <u>provision</u> estimates for ongoing cases of litigation - this will have a significant impact on the budgeting of this item. To date, in order not to put excessive pressure on the annual fees payable by operators of electronic communications by adding values for provisions before they are confirmed (as only happens at the end of the year with the closure of accounts), it was decided to budget more conservative values for provisions. It is recalled that, until 2013, the regulation fees of each year were calculated based on the actual (average) values of provisions over the last four years, plus the amount budgeted in the year. As such, higher values for provisions would be budgeted before it could be confirmed whether these provisions would be effectively established at year-end, leading to an immediate hike in the fees payable and charged to operators. Because of this mechanism, more conservative estimates were used for provisions in the case of budgets prepared in previous years.

However, with the amendment introduced by Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 296-B/2013 of 2 October, the amount budgeted for provisions no longer had relevance in terms of calculating regulation fees, given that, under these new rules, the average is determined based only on the actual values of the last 4 years. Therefore, and given that the budgeted values no longer have an impact on the calculation of regulation fees, from 2015, it was decided to adjust the budget estimate for this item to include the value of provisions considered as likely to be actually constituted (i.e., the increases in provisions forecast based on existing processes, pursuant to ICP-ANACOM's policy and rules on provisions). Provisions made with relation to new processes are not included in the budget, which considers the reinforcement of provisions for existing processes only. This change increases the budgetary assumption for provisions from one million euros (2014 budget) to 5.3 million euros (2015 budget). In 2015, <u>external supplies and services</u> are seen at 11.193 million euros, which represents a decrease (-1.3 percent) compared to the budgeted amount in 2014 (Annex III - Table 7). This item is one that most reflects the savings derived from the cost-cutting measures that ICP-ANACOM has been implementing. Despite the decrease in expenditure across a range of items, stemming from additional measures to reduce costs, expenditure has increased on specialized work arising from ICP-ANACOM's need to fulfil certain legal obligations, including, in particular: the monitoring of Internet QoS (NETmede.pro project) and audits provided for under the Lei do Cinema (Cinema Law - Law no. 55/2012) to validate the self-assessment of cinema fees payable by cinema operators to ICA - Instituto do Cinema e Audiovisual (Cinema and Audiovisual Institute). The increase in travel and accommodation is associated with the fact that ICP-ANACOM is due to take over the chair of BEREC in 2015, requiring staff travel to coordinate at BEREC, whereas a portion of these expenses are reimbursable and are offset under the subsidies item under the income budget.

As regards personnel costs, the amount provided for in the 2015 budget (Annex III -Table 8) reflects approved staffing levels, which remain constant throughout the year. The main resource of a regulatory authority such as ICP-ANACOM are its people, so that is normal that personnel costs constitute the largest part of its cost structure, with the following major components and respective assumptions:

- remuneration of ICP-ANACOM's permanent staff and additional remunerations are budgeted in light of the application of the salary reduction, as stipulated under the law, which, at time of writing (August 2014) had approval; this translates into a temporary and progressive salary reduction of between 3.5 percent and 10 percent, as follows: 3.5 percent for monthly salaries of more than 1500 euros and less than 2000 euros; 3.5 percent on the value of 2000 euros with a further 16% on the total amount of salary exceeding 2000 euros, in the case of salaries of 2000 euros and above up to 4165 euros (giving an overall rate of reduction ranging between 3.5 percent and 10 percent); 10 percent for values greater than 4165 euros. On the other hand, a gradual reversal of the temporary salary reduction is expected, to the tune of 20 percent/year from 1 January 2015;
- post-employment benefits entail ICP-ANACOM's contribution to a Pension Fund, taking into account the payment of retirement pensions to a group of employees from CTT and also health care liabilities as regards retired ICP-ANACOM staff who came from CTT;

- charges on remunerations paid by ICP-ANACOM reflect contributions to social security made by application of the TSU - taxa social única (Single Social Tax);
- work accident insurance is extended to cover all employees;
- social action expenditure relates to expenses resulting from the agreement concluded with CTT, S.A. and Portugal Telecom, S.A., with regard to sickness prevention, hygiene and safety at work, and health insurance which extends to all ICP-ANACOM employees;
- the amount needed to cover training activities is as required for the development of staff competencies and to achieve stipulated levels of training.

In 2015, personnel costs are seen at 23.062 million euros, an increase of 4.9 percent compared to the 2014 budget. This increase reflects the assumptions of wage cuts used in preparation of the budget as known at time of writing (including wage restoration of 20 percent from 2015) and a slight increase in average permanent staffing levels over the 2014 forecast, as has been approved.

In the 2015 budget, <u>depreciation and amortisation</u> costs are seen at 3.203 million euros. This represents a decrease (- 8.5 per cent versus the 2014 budget) due to a slowdown in the pace of investment over the last two years. The depreciation and amortisation of equipment held by ICP-ANACOM is calculated based on specific rates (as regards property transferred from CTT) or on the rates stipulated in Regulatory Decree no. 25/2009 of 14 September (as regards property acquired by ICP-ANACOM).

A further 90 thousand euros is included under impairment losses, in respect of net changes relating to impairments that affect receivables, primarily to cover possible difficulty in collecting sums due with regard to issued invoiced.

Finally, the <u>Other expenses</u> item in the 2015 budget is seen at 7.212 million euros (554.000 euros more than budgeted in 2014). This increase also stems from a legal obligation of ICP-ANACOM, whereby it is bound to contribute 6.25 percent of total fees to finance AdC - Autoridade da Concorrência (Portuguese Competition Authority); this contribution has increased between the 2014 budget and the 2015 budget by 600 thousand euros.

Other expenses include amounts allocated for the payment of contributions to international telecommunications and postal organisations, as well as expenses in respect of meetings and conferences related to ICP ANACOM's assigned functions.

This item also includes the costs incurred in the pursuit of cooperation activities with Portuguese-speaking African countries (PALOP) and other cooperation activities with countries in Europe and other African countries, as well as with Brazil and Macau; the contribution to FPC - Fundação Portuguesa das Comunicações (Portuguese Communications Foundation) in the context of ICP-ANACOM's participation as founding entity; as well as various sponsorships awarded with basis in defined criteria to public and private entities, associations, etc. The budget also includes some low-value sums designated for the payment of certain taxes, financial expenses and losses and other extraordinary costs and losses as may occur in the course of ICP-ANACOM's activity.

In summary, it should be emphasised that, in 2015, further measures will be taken to cut expenditure and to adjust ICP-ANACOM's cost structure. The total expenditure planned for 2015 is 50.103 million euros. This level of total expenditure represents an overall increase compared to the 2014 budget (+12 percent), due in main part to the application of rules governing the budgeting of provisions (as explained above). Indeed, if provisions for ongoing litigation (whose increase versus the 2014 budget stems from the change in budgeting methodology) were excluded, the increase in other expenses in 2015, as compared to the 2014 budget, would fall to 3 percent. This increase is justified entirely by the increased budget for personnel costs, given that the envisaged scenario of cuts includes a restoration of salary cuts amounting to 20 percent in 2015, among other effects. As regards remaining expenditure, reductions are planned compared to the 2014 budget (in some cases maintenance in nominal terms), with a few cases of increased expenditure, as clearly highlighted and justified by the requirement for ICP-ANACOM to comply with additional legal obligations.

### Profits

Based on the above estimates, Net Profit in the 2015 budget is forecast at 28.089 million euros (+14.6 percent versus the 2014 budget), as set out in Annex III - Table 8.

### 8.2 Financial plan 2015-2017

The components of ICP-ANACOM's financial plan for the 2015-2017 period are listed in Annex IV (Tables 10-16) and are as follows:

- Investment plan (for projects).
- Income plan.
- Expenses plan.
- Income statement by nature.
- Cash Budget.
- Balance statement.
- Cash flow statement.

The <u>Investment</u> plan for 2016 and 2017 is reduced compared to 2015 - the major investment in the SIC - Sistema de Informação Centralizado (Centralised Information System) is concentrated in 2015, so that this investment spending is not repeated with the same magnitude in subsequent years. The following phase of the SIC's implementation will primarily have impact in terms of specialised work, which therefore see an increase over these years. The upgrade of information system technological platforms will follow the Strategic Plan for Information Systems, ISSP 2015 2017.

The <u>Income</u> plan remains based on proceeds from the settlement and collection of all fees due to ICP ANACOM by providers of electronic communications networks and services, depending on the regulatory costs incurred by the respective regulatory activities, and fees charged for the use of frequencies and the use of numbering, which together represent about 96 percent of total income. It also comprises regulatory fees in respect of postal services and other revenues, which account for the remaining 4 percent.

In the period covered by the 2015-2017 Plan, overall income levels are expected to stabilise, with a tendency towards a slight reduction to the order of 2 percent per year.

In the period of the plan (between 2015 and 2017) the majority of expenditure items are expected to remain relatively stable in nominal terms. Additionally, the plan incorporates the largest expected effects associated with known and ongoing projects, which have a multiannual character. Under personnel costs, ICP-ANACOM expects to maintain staff numbers over the period, with a gradual restoration of the temporary salary reduction, amounting to 20 percent per year.

Based on the above assumptions, ICP-ANACOM expects to report a net profit of around 27.5 million euros in 2016 and 27.1 million euros in 2017.

In Annex IV, the remaining accounting and financial statements are presented - these were prepared based on the income, expenditure and investments already explained, and were prepared also according to the accounting criteria of the SNC, as is ICP-ANACOM's practice and as is accepted by the auditors.



### Annex I – List of actions to be performed

						TIME	TABLE					
Actions 2015		20	15			20	16			2	017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Assure and p	orotec	t the	intere	ests o	f user	rs and	d citiz	zens				
Line of action - Oversee application communications										sion (	electr	onic
Prepare report on compliance with the QoS parameters and indicators imposed on the universal service providers of electronic communications	<b>X</b> End				<b>X</b> End				<b>X</b> End			
Prepare analysis of compliance with price-cap established for the electronic communications universal service provider (FTS)				<b>X</b> End				<b>X</b> End				<b>X</b> End
Prepare analysis of compliance with price-cap established for the electronic communications universal service provider (public pay- telephones)				<b>X</b> End				<b>X</b> End				<b>X</b> End
Monitor accomplishment of postal network density objectives and minimum offers of service	<b>X</b> End											
Conduct analysis of compliance by the universal postal service provider with the universal postal service tariff				<b>X</b> End				<b>X</b> End				<b>X</b> End
Prepare report on compliance with the QoS parameters and indicators imposed on the universal service provider of postal services	<b>X</b> End				<b>X</b> End				<b>X</b> End			
Audit the values of the universal postal service quality indicators of year n-1												
Definition of technical specifications and definition of type of procedure to used in formulation of the provision of services contract	X Start				X Start				X Start			

Selection of auditor	X Start	<b>X</b> End			X Start	<b>X</b> End			X Start	<b>X</b> End		
Perform auditing		<b>X</b> Start	<b>X</b> End			<b>X</b> Start	<b>X</b> End			<b>X</b> Start	<b>X</b> End	
Draft decision on audit findings and subsequent actions.			<b>X</b> End				<b>X</b> End				<b>X</b> End	
Final decision on audit findings and subsequent actions.				<b>X</b> End				<b>X</b> End				<b>X</b> End
Evaluate, and if necessary define, exceptional geographical circumstances or conditions that give basis to a waiver of obligation of daily collection and distribution of universal service and/or distribution at addressee's address (2013-2014)												
Identification of the current situation with universal service provider.	<b>X</b> Start											
Identification of possible criteria to be defined and evaluation of their impact on universal service provision	<b>X</b> End	<b>X</b> End										
Draft decision			<b>X</b> End									
Final Decision				<b>X</b> End								
Audit inventory of assets attached to CTT concession (2014)												
Presentation of inventory by CTT	<b>X</b> End											
Definition of technical specifications and definition of type of procedure to used in formulation of the provision of services contract	<b>X</b> End	<b>X</b> End										
Selection of auditor		<b>X</b> End	<b>X</b> End									
Perform auditing			<b>X</b> End	<b>X</b> End								
Final decision on audit findings and subsequent actions.				<b>X</b> End								
Make assessment of the conditions governing provision of the universal postal service					<b>X</b> Start							<b>X</b> End

Line of action - Assess th	ne app	ropria	atenes	ss of c	juality	of se	rvice	levels	provi	ded		
Conduct studies on quality of service on mobile networks												
Voice, video-streaming and coverage in mainland Portugal				<b>X</b> End				<b>X</b> End				<b>X</b> End
Lisbon suburban rail network					x							
Porto suburban rail network						<b>X</b> End						
SMS/MMS			<b>X</b> End				<b>X</b> End				<b>X</b> End	
Autonomous Regions of Azores and Madeira		<b>X</b> End								<b>X</b> End		
Voice, video-streaming and coverage on CP Alfa Pendular (High-speed rail service)			<b>X</b> End								<b>X</b> End	
Conduct quality of service studies on Broadband Internet access (NETmede.pro)												
Implementation of the Netmede.Pro technology platform	<b>X</b> Start			<b>X</b> End								
Production of information/indicators on broadband QoS						<b>X</b> Start	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End
Evaluate and implement measures on net neutrality												
Assessment of the need to define, in the light of possible developments in the regulatory framework or EC recommendations, indicators or minimum requirements for quality of service in the context of net neutrality and the establishment of corresponding metrics.				<b>X</b> Start	<b>X</b> End							
Line of action - Mc	onitor t	he ev	olutio	on of re	etail pi	rices i	in the	mark	ets			
Update and improve monitoring report of retail prices of various services	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Line of action - Define and imple comr					ld of s and se			d integ	grity o	f elec	tronic	
Conduct security audits												

Conduct public consultation on procedures and technical aspects to be taken into consideration	<b>X</b> Start	<b>X</b> End										
Approval of final measures		<b>X</b> End										
Transitional period and constitution of audit team		<b>X</b> Start			<b>X</b> End							
Line of action - Ensure legal complia contract terms) prevailing in t												ng in
Review and revise the Regulamento de Portabilidade (Portability Regulation)												
Identification of amendments and assess impact of options to be considered	<b>X</b> Start	<b>X</b> End										
Draft decision		<b>X</b> Start	<b>X</b> End									
Final Decision			<b>X</b> Start	<b>X</b> End								
Line of action - Streng	gthen e	effecti	ve co	mplaiı	nt mar	nagen	nent r	necha	inism	s		
Review the handling of enquiries/complaints from end-users of communications services				<b>X</b> End								
Line of action - Promote out-of-c	ourt d	ispute	e reso	olution	in coo	opera	tion w	/ith rel	evant	t auth	orities	S
Develop cooperation with DGC to promote activities of awareness raising/joint training in electronic communications, including information and arbitration centres	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Develop solution and mechanisms for out-of-court conflict resolution				<b>X</b> End								
Line of action - Improve information p to take more informed of									-		abling	them
Introduce new features on ANACOM's Consumers' Website			<b>X</b> End									

Develop new features on COM.escolha (3rd version - comparison of standardised information)					<b>X</b> Start				<b>X</b> End			
Promo	ote op	en ar	nd co	mpeti	tive n	narke	ts					
Line of action - Analyse/review relevant					ations level	s marl	kets, t	taking	into a	accou	nt the	rules
Review relevant markets												
Markets 2 and 3 (prepare public consultation)									<b>X</b> Start			<b>X</b> End
Markets 4 and 5							<b>X</b> Start			<b>X</b> End		
Market 6								<b>X</b> Start			<b>X</b> End	
Market 7	<b>X</b> End											
Market 18	<b>X</b> Start		<b>X</b> End									
Define methodology for economic replicability												
Identify best practices and request costing data from PTC	<b>X</b> End											
Definition of specific methodology		<b>X</b> Start			<b>X</b> End							
Line of action - Review wholesal significant ma									under	aking	s with	ו
Evaluate offer of virtual access to optical fibre (VULA) that may be imposed in context of analyses of markets 4 and 5		<b>X</b> Start			<b>X</b> End							
Evaluate and review wholesale offers												
Reference interconnection offer (RIO)	<b>X</b> Start			<b>X</b> End								
Subscriber line resale offer (SLRO)	<b>X</b> Start			<b>X</b> End								
Leased lines reference offer (LLRO)				<b>X</b> End								
Reference Ethernet leased lines offer (RELLO)	<b>X</b> Start			<b>X</b> End								
Line of action - Develop and	impro	ve re	gulato	ory cos	sting s	ysten	ns an	d audi	t their	resu	lts	
Audit of CTT's SCA 2014												

Tender launch	X End											
Contracting of auditor		X End										
Performance of audit			<b>X</b> Start		<b>X</b> End							
Audit of CTT's SCA 2015												
Tender launch					X End							
Contracting of auditor						X End						
Performance of audit							<b>X</b> Start		X End			
Audit of CTT's SCA 2016/2017												
Tender launch									<b>X</b> End			
Contracting of auditor										X End		
Performance of audit											<b>X</b> Start	
SCA review of CTT												
Contracting of consultant		X End								X End		
Performance of audit		<b>X</b> Start		<b>X</b> End								
Develop NGN costing model												
Tender launch		X End										
Contracting of consultant			X End									
Model development			<b>X</b> Start				<b>X</b> End					
Review MTR (mobile termination) model												
Tender launch		X End										
Contracting of consultant				X End								
Model development				<b>X</b> Start				<b>X</b> End				
Review FTR model (fixed termination)												
Tender launch									X End			
Contracting of consultant										X End		
Model development										<b>X</b> Start		
Update WACC PTC 2015												
Contracting of consultant		X End										
Development of work		X End										

Update WACC PTC 2016								
Contracting of consultant				<b>X</b> End				
Development of work				X End				
Update WACC PTC 2017								
Contracting of consultant							X End	
Development of work							<b>X</b> End	
Arrange audit of SCA/CLSU estimates presented by PTC (2013) and any re-submissions								
Monitor the development of the audit; prepare draft and final decision on SCA	<b>X</b> End							
Monitor the development of the audit; prepare draft and final decision on CLSU	<b>X</b> End							
Contract audit of resubmitted SCA Monitor development of audit and final decision on SCA	<b>X</b> Start	<b>X</b> End						
Contract audit of CLSU re-submission Monitor the development of the audit; final decision on CLSU		<b>X</b> Start	<b>X</b> End					
Arrange audit of SCA/CLSU estimates presented by PTC (2014) and any resubmission								
Contract audit of SCA/CLSU		<b>X</b> End						
Monitor the development of the audit; prepare draft and final decision on SCA		<b>X</b> Start		<b>X</b> End				
Monitor the development of the audit; prepare draft and final decision on CLSU			<b>X</b> Start	<b>X</b> End				
Contract audit of resubmitted SCA Monitor development of audit and final decision on SCA				<b>X</b> Start	<b>X</b> End			

Contract audit of CLSU resubmission Monitor the development of the audit; and final decision on CLSU						<b>X</b> Start	<b>X</b> End				
Audit PTC's SCA 2016/2017											
Tender launch								X End			
Contracting of auditor									<b>X</b> End		
Performance of audit										<b>X</b> Start	
Line of action - Undertake actions a impact, particula									e with	n mar	ket
Arrange audit of CLSU 2012 values re-submitted by PTC											
Monitor the audit work (CLSU 2012)	<b>X</b> End										
Presentation of conclusions and preparation of final decision	<b>X</b> End										
Arrange audits of values related to Retirees and Pensioners in the period following designation of the universal service provider by public tender											
As regards 2014	<b>X</b> Start	<b>X</b> End									
As regards 2015				<b>X</b> Start	X End						
As regards 2016								<b>X</b> Start	<b>X</b> End		
Arrange audits of turnover values used in context of universal service compensation fund											
Audit the values reported by operators on 30.06.2015 (in respect of 2014)			<b>X</b> End								
Audit the values reported by operators on 30.06.2016 (in respect of 2015)						<b>X</b> End					

Audit the values reported by operators on 30.06.2017 (in respect of 2016)							<b>X</b> End	
Develop processes for reimbursement of CLSU to PTC (period preceding designation of the universal service provider by public tender)								
Reimbursement of CLSU in respect of 2007 - 2009	<b>X</b> End							
Reimbursement of CLSU in respect of 2010 - 2011			<b>X</b> Start	<b>X</b> End				
Reimbursement of CLSU in respect of 2012 - 2013					<b>X</b> Start	<b>X</b> End		
Reimbursement of CLSU in respect of 2014							<b>X</b> Start	
Develop processes for reimbursement of CLSU in period following designation of the universal service provider by public tender								
CLSU 2014			<b>X</b> Start	 X End				
CLSU 2015					<b>X</b> Start	X End		
CLSU 2016							<b>X</b> Start	
Adapt the methodology to be used for calculating CLSU for electronic communications		<b>X</b> End						
Advise Government on the preparation of a new tender for telephone directories and directory enquiry services	<b>X</b> End	<b>X</b> End	<b>X</b> End					
Evaluate the CLSU (if applicable) submitted by postal universal service provider in respect of previous calendar year (year n-1)								

					-							
Define the technical specifications and the type of procedure for the formulation of the contract with the auditor governing provision of services		<b>X</b> End				<b>X</b> End				<b>X</b> End		
Presentation of CLSU by universal service provider (by end of Q2 of year n)		<b>X</b> End				<b>X</b> End				<b>X</b> End		
Auditor selection procedure		<b>X</b> End	<b>X</b> End			<b>X</b> End	<b>X</b> End			<b>X</b> End	<b>X</b> End	
Perform CLSU audit			<b>X</b> Start	<b>X</b> End			<b>X</b> Start	<b>X</b> End			<b>X</b> Start	<b>X</b> End
Draft decision on CLSU				<b>X</b> End				<b>X</b> End				<b>X</b> End
Final decision (up to 120 working days following universal service provider's submission of CLSU)				<b>X</b> Start	<b>X</b> End			<b>X</b> Start	<b>X</b> End			<b>X</b> Start
Develop processes for reimbursement of CLSU (if applicable)												
CLSU 2014				<b>X</b> Start			X End					
CLSU 2015								<b>X</b> Start		X End		
CLSU 2016												<b>X</b> Start
Arrange auditing of turnover values used in context of the Universal service compensation fund (if applicable)												
Audit the values presented by operators with respect to 2014							<b>X</b> Start		<b>X</b> End			
Audit the values presented by operators with respect to 2015										<b>X</b> Start		<b>X</b> End
Line of action - Oversee and moni	tor the	e deve	elopm	ent of	next	gener	ation	acces	ss net	works	s (NG	A)
Conduct audit on the equivalence of access			<b>X</b> Start				<b>X</b> End					

Definition of technical specifications and definition of type of procedure to used in formulation of the provision of services contract Selection of auditor Perform auditing Draft decision on audit findings and subsequent actions.			X Start X Start	X End X Start		X End X End						
Final decision on audit findings and subsequent actions.							<b>X</b> End					
Prepare draft transposition of Directive 2014/61/EU of 15.5.2014			<b>X</b> End									
Line of action - Take an outlook on th					nt and rvision		ne, rev	view a	ind m	onitor	indic	ators
Perform OTT study (including net neutrality)				<b>X</b> End								
Conduct internal reflection on the need to review and or (re)define statistical indicators				<b>X</b> End								
Line of action - As	sess t	he im	pact o	of ado	pted re	egulat	tory n	neasu	res			
Develop study on RIA, focusing on comparative analysis of different approaches taken by NRAs on RIA programmes			<b>X</b> End									
Line of action - Monitor and supervis				oursue ng rule		variou	s age	nts, e	nforci	ng co	mplia	ince
Perform inspections on sector agents to assess compliance with prevailing rules, including ITED / ITUR	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Perform spectrum monitoring actions	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End

Prepare draft transposition of Directive 2014/53/ EU of 16.04.2014		<b>X</b> Start			<b>X</b> End							
Ensure the e	fficier	nt ma	nage	ment	of put	olic re	esoui	ces				
Line of action - Define and impl	emen	t a na	itional	strate	egic pl	an foi	use	of the	radio	spec	trum	
Develop and adopt a national strategic plan for use of the radio spectrum, taking into account the international context, establish medium-long term guidelines	<b>X</b> Start					<b>X</b> End						
Line of action - Examine, on a prosperation anticipating									curring	g inter	natio	nally,
Assess outlooks on the development of the UHF broadcasting band, taking into consideration the national market, the European and national regulatory framework, as well as the most relevant aspects in terms of the evolution of services, networks and technologies.												
Definition of a strategic framework for the 700 MHz band and its implementation	<b>X</b> Start									<b>X</b> End		
Elaboration of scenarios on the future use of the 470-694 MHz band and respective implementation	<b>X</b> Start											<b>X</b> End
Line of action - Evaluate the develop	oment			servic needs		cludin	g bro	adcas	ting, a	and a	ssoci	ated
Designation and provision of spectrum for electronic communications services, taking into account the objectives of regulation established by law, in particular the radio spectrum policy programme, the results of the World Radiocommunication Conference (WRC-15) and level of national interest in the use of spectrum remaining after the BWA auction, after the multi-band auction and other relevant bands of spectrum.												
Definition and implementation of a framework for BWA	<b>X</b> Start			<b>X</b> End								

Definition and implementation of a framework for action with regard to spectrum remaining from multi-band auction	<b>X</b> Start							<b>X</b> End				
Definition and implementation of a framework for action in relation to spectrum which is available and harmonized at a European level	<b>X</b> Start							<b>X</b> End				
Conduct follow-up of public consultation on the evolution of DTT												
Identify a plan of action for the possible provision of spectrum as a result of the public consultation	<b>X</b> End											
Implementation of planed actions	<b>X</b> Start			<b>X</b> End								
Line of action - Monitor and ensu ter	re cor restria						of th	e ope	rator	of the	digita	al
Conduct QoS study of DTT												
Development of study based on data provided by the probes	<b>X</b> Start		<b>X</b> End									
Preparation of final report				<b>X</b> End								
Monitor the evolution of the DTT network and make necessary adjustment to probe network												
Development of study					<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Formulation of opinion and recommendations								<b>X</b> End				<b>X</b> End
Verify compliance with DTT coverage obligations	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Line of action - Establish appropriate rules on the allocation, use and management of numbering												ng
Reassess the need to define eCall numbering range (National Numbering Plan)												
Consultation / draft decision			<b>X</b> Start	<b>X</b> End								

1	-	1			1	1	1	1	1		
			<b>X</b> Start	<b>X</b> End							
	<b>X</b> Start		<b>X</b> End								
	<b>X</b> Start	<b>X</b> End									
			<b>X</b> Start	<b>X</b> End							
				<b>X</b> Start	X End						
Promote institutional and technical cooperation											
Line of action - Ensure active participation at international forums with relevance to the sector (electronic communications and postal services)											
<b>X</b> Start			<b>X</b> End				X End	<b>X</b> Start			<b>X</b> End
<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
		<b>X</b> End									
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Implementation where need to reduce UPU contribution is confirmed							<b>X</b> End					
Line of action - Increase involvement				luding in 201		g over	the E	BERE	C Cha	air in 2	2015	and
Ensure participation in BEREC												
Active participation in all Expert Working Groups (EWG) and ad hoc groups	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Participation of 3 drafters in EWGs	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Presidency of 1 EWG	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Chair 2015	<b>X</b> Start			<b>X</b> End								
Vice-chair 2016					<b>X</b> Start			<b>X</b> End				
Line of action - Promote the sector at a national and international level and promote cooperation with other regulators												
Ensure participation in EMERG												
Active participation in the secretariat	<b>X</b> Start			<b>X</b> End								
International promotion of sector and of knowledge transfer												
Agreement with AICEP-global	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Prioritisation of bilateral cooperation actions	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Evaluate strategic redefinition of bilateral cooperation protocols	<b>X</b> End				<b>X</b> End				<b>X</b> End			
Entry of bilateral cooperation protocols into effect	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Assessment of economic impact of cooperative effort in previous year	<b>X</b> End				<b>X</b> End				<b>X</b> End			

Line of action - Actively participate cou	in the ntries,	e platf , espe	orms ecially	of coll	labora TEL-C	ition b PLP	etwe	en Po	rtugu	ese-s	peaki	ng
Ensure participation in ARCTEL												
Active participation in the secretariat	<b>X</b> Start			<b>X</b> End	<b>X</b> Start	<b>X</b> End						
Maintenance of effort for participation in GTs	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Annual support for workshops/seminars of ARCTEL training centre (CFA)												<b>X</b> End
Active contribution to the completion of a study on universal service in CPLP countries				<b>X</b> End								
Active contribution to further studies	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Line of action - Promote cooperation with national and international organisations and ensure coordination of activities in relevant areas (spectrum management, consumer protection, communications security)												
Conduct audits, pursuant to the lei do cinema (cinema law), upon request of the ICA	<b>X</b> Start			<b>X</b> End								
Develop the necessary protocols with entities involved in spectrum management of the aeronautical services to ensure effective and efficient management	<b>X</b> Start			<b>X</b> End								
Line of action - Promote the disser	ninatio	on of	legal	and re	egulato	ory re	gimes	s appli	icable	to th	e sec	tor
Promote the dissemination and awareness of ITED / ITUR regime	<b>X</b> End	<b>X</b> End		<b>X</b> End	<b>X</b> End	<b>X</b> End		<b>X</b> End	<b>X</b> End	<b>X</b> End		<b>X</b> End
Promote dissemination and awareness in relation to Directive on radio equipment						<b>X</b> End		<b>X</b> End	<b>X</b> End			
Adapt the rules associated with the amateur and amateur-satellite services												
Preparation and publication of legislation amending Decree-Law no. 53/2009 of 2 March	x											

								-				
Drafting, consultation and publication of Regulation to replace current procedures associated with these radio services	<b>X</b> Start	<b>X</b> End										
Line of action - Promote coordin maintenance of ir										ructio	n and	
Implement SIC - sistema informação centralizado (Centralised Information System)												
Development of technology platform	<b>X</b> Start			<b>X</b> End								
Entry of SIC into operation				<b>X</b> Start	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End	<b>X</b> End
Promote internal efficiency and effectiveness												
Line of action - Implement measures to rationalize expenditure, guaranteeing efficiency												
Computerize procedures for the supervision of equipment market (DER Directive)												
Development of computer application									<b>X</b> Start		X End	
Entry into production												<b>X</b> End
Line of action - De-materialise/automa	ate/sin	nplify	proce	edures	and e	expan	d the	provi	sion o	f serv	vices (	online
Consolidate e-invoicing model, arranging its uptake	<b>X</b> Start			<b>X</b> End								
Implement the strategic plan for information systems (ISSP) 2015 2015-2017	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End	<b>X</b> Start			<b>X</b> End
Develop the process of providing the Direção Geral de Saúde (General Health Directorate) and municipalities with reports from annual monitoring plans												

			1								
Establish contacts with the DGS and municipalities	X End										
Development of IT solution in order to provide information to external parties		<b>X</b> End									
Amend the relevant regulations - Decree- Law no. 11/2003 of 18 January and Regulation no. 609/2011 - to be effective for the reporting of monitoring plans from 2016		<b>X</b> Start		X End							
Implement improvements in survey plans in SMCE - serviço de monitorização e controlo de espectro (spectrum monitoring and control service)	<b>X</b> Start			X End							
Develop new features to be implemented in computer applications supporting spectrum management, including electronic licensing											
Prepare proposal for the implementation of new features (as identified) and monitor their development					<b>X</b> Start			X End			
Management and availability of geo- referenced information	<b>X</b> Start			X End							
Extend the extranet to encompass FTS,IAS,STV and postal services, annual questionnaire communications and portability survey											
Extend extranet to quarterly questionnaires	<b>X</b> Start			X End							
Extend extranet to the annual questionnaire and portability questionnaire					<b>X</b> Start			X End			
Line of action - Invest in	n train	ing ar	nd en	sure e	xcelle	nce ir	n hum	an res	sourc	es	
Implement new training model (complete)				X End							

Streamline internal communication				X End							
Submit application of 2 or 3 improvement processes to "Committed to Excellence" (part of the scheme of European EFQM recognition)				X End							
Line of action - Promote	Line of action - Promote an organisational culture that is more open to change										
Conduct studies of organisational climate	<b>X</b> Start		X End								

### Annex II – Strategic People Plan (tables)

Category	2015	2016	2017
1 – Managerial staff	253	253	253
2 – Non managerial staff	150	150	150
Total permanent staff (1+2)	403	403	403

#### Table 1 - Evolution in ICP-ANACOM human resources

Unit: number of staff.

### Table 2 - Evolution in types of complementary work

2015/2017 Plan								
Category	2015	2016	2017					
Supplementary work	4960	4712	4476					
Total	4960	4712	4476					

Unit: hours.

#### Table 3 - Evolution in personnel costs

	2015/2017 Plan		
Category	2015	2016	2017
Wages and expenses	20 900 610	21 207 200	21 513 800
Other Personnel Costs	2 161 790	2 173 700	2 185 800
Total	23 062 400	23 380 900	23 699 600

### Table 4 - Personnel costs plan

Category	2015	2016	2017
1. Permanent contracts (year-end)	403	403	403
2. Permanent staff potential (1800 hours/year)	725 400	725 400	725 400
3 Supplementary work (hours)	4 960	4 712	4 476
4. Potential work (2 to 4)	730 360	730 112	729 876
5. Management Remuneration	952 668	972 291	991 914
6. Staff remuneration	13 711 705	13 907 782	14 106 663
7. Additional remuneration	2 886 156	2 927 428	2 969 290
8. Post-employment benefits	724 636	735 506	746 539
9. Salary expenses	3 350 081	3 399 699	3 445 933
10. Work accident insurance	67 319	68 359	69 426
11. Social action costs	694 892	694 892	694 892
12. Other personnel costs	674 943	674 943	674 943
13. Total (5 to 12)	23 062 400	23 380 900	23 699 600

# Annex III – 2015 Budget

### Table 5 - Investment budget

Category	2014 Budgot	2015 Budgot	Variation 2015/2014		
	Budget	Budget	Value	%	
Land and Buildings	0	160 000	160 000		
Basic radio Equipment	1 272 500	790 500	-482 000	-37,9%	
Transport Equipment	24 000	24 000	0	0,0%	
Administrative Equipment					
* IT Equipment (Hardware)	813 700	1 150 000	336 300	41,3%	
* Miscellaneous Equipment	85 000	25 000	-60 000	-70,6%	
Computer programmes (Software)	929 300	1 020 000	90 700	9,8%	
Work to premises	0	60 000	60 000		
Total	3 124 500	3 229 500	105 000	3,4%	

# Table 6 - Income Budget

Category	2014	2015	Variat 2015/2	
	Budget	Budget	value	%
Regulation of electronic communications	66 260 700	75 226 200	8 965 500	13,5%
* Statements of rights	14 000	14 000	0	0,0%
* Exercise of electronic communications activity	24 291 400	24 480 000	188 600	0,8%
* Use of frequencies - SCET	28 056 000	37 933 200	9 877 200	35,2%
* Use of frequencies - other	12 226 500	11 042 800	-1 183 700	-9,7%
* Use of numbering	1 672 800	1 756 200	83 400	5,0%
Regulation of postal services	1 075 900	1 500 000	424 100	39,4%
ITED/ITUR	146 400	43 100	-103 300	-70,6%
Remaining provisions of service	351 000	405 000	54 000	15,4%
Interest and other similar income	1 200 000	863 000	-337 000	-28,1%
Other income and gains	60 000	155 400	95 400	159,0%
Total	69 094 000	78 192 700	9 098 700	13,2%

### Table 7 - Expenditure budget

Category	2014	2015	Variati 2015/2	
	Budget	Budget	Value	%
External Supplies and Services	11 334 900	11 193 000	-141 900	-1,3%
* Specialized work	3 219 500	3 408 800	189 300	5,9%
* Advertising and promotion	146 700	122 300	-24 400	-16,6%
* Surveillance and Security	439 000	441 000	2 000	0,5%
* Maintenance and repairs	2 796 600	2 685 200	-111 400	-4,0%
* Books and technical documents	250 000	250 000	0	0,0%
* Energy and liquids	552 700	537 900	-14 800	-2,7%
* Travel, accommodation and transport	486 100	595 500	109 400	22,5%
* Rents and leasing	1 700 200	1 669 800	-30 400	-1,8%
* Communication	626 900	435 000	-191 900	-30,6%
* Insurance	132 000	132 000	0	0,0%
* Cleanliness, hygiene and comfort	283 200	291 500	8 300	2,9%
* Other supplies and services	702 000	624 000	-78 000	-11,1%
Personnel costs	21 992 200	23 062 400	1 070 200	4,9%
* Wages and wage expenses	20 054 793	20 900 610	845 817	4,2%
* Other personnel expenses	1 937 407	2 161 790	224 383	11,6%
Depreciation and amortisation	3 507 000	3 207 500	-299 500	-8,5%
Impairment losses	90 000	90 000	0	0,0%
Provisions for period	1 000 000	5 338 800	4 338 800	433,9%
Other expenses and losses	6 657 400	7 211 700	554 300	8,3%
* Contributions	986 500	963 100	-23 400	-2,4%
* Meetings and conferences	289 500	313 400	23 900	8,3%
* Sponsorships	218 100	185 000	-33 100	-15,2%
* Payments/Transfers	4 949 200	5 526 100	576 900	11,7%
* Cooperation	173 100	173 100	0	0,0%
* Other expenses and losses	41 000	51 000	10 000	24,4%
Total	44 581 500	50 103 400	5 521 900	12,4%

### Table 8 - Personnel expenditure budget

Category	2014 Dudget	2015 Budget	Variati 2015/20	-
	Budget	Budget	Value	%
1. Permanent staff (year-end)	396	403	7	1,8%
2. Permanent staff potential (1800 hours/year)	712 800	725 400	12 600	1,8%
3. Supplementary work (hours)	5 882	4 960	-922	-15,7%
4. Potential work (2 to 3)	718 682	730 360	11 678	1,6%
5. Management Remuneration	944 470	952 668	8 198	0,9%
6. Staff remuneration	13 149 380	13 711 705	562 325	4,3%
7. Additional remuneration	2 813 262	2 886 156	72 894	2,6%
8. Post-employment benefits	702 565	724 636	22 071	3,1%
9. Salary expenses	3 147 681	3 350 081	202 400	6,4%
10. Work accident insurance	66 649	67 319	670	1,0%
11. Social action costs	699 866	694 892	-4 974	-0,7%
12. Other personnel costs	468 327	674 943	20 616	44,1%
Total (5 to 12)	21 992 200	23 062 400	1 070 200	4,9%

### Table 9 - Income and expenses budget

Category	2014	2015	Variation 2015/2014		
	Budget	Budget	Value	%	
INCOME					
* Fees - regulation of electronic communications	24 291 400	24 480 000	188 600	0,8%	
Fees - use of frequencies	40 282 500	48 976 000	8 693 500	21,6%	
* Fees - use of numbering	1 672 800	1 756 200	83 400	5,0%	
* Fees - regulation of postal services	1 075 900	1 500 000	424 100	39,4%	
* Remaining provisions of service	511 400	462 100	-49 300	-9,6%	
* Interest and other similar income	1 200 000	863 000	-337 000	-28,1%	
* Other income and gains	60 000	155 400	95 400	159,0%	
Total income	69 094 000	78 192 700	9 098 700	13,2%	
EXPENSES					
* External supplies and services	11 334 900	11 193 000	-141 900	-1,3%	
* Personnel costs	21 992 200	23 062 400	1 070 200	4,9%	
* Depreciation and amortisation	3 507 000	3 207 500	-299 500	-8,5%	
* Impairment losses	90 000	90 000	0	0,0%	
* Provisions for period	1 000 000	5 338 800	4 338 800	433,9%	
* Other expenses and losses	6 657 400	7 211 700	554 300	8,3%	
Total expenses	44 581 500	50 103 400	5 521 900	12,4%	
Net profit for period	24 512 500	28 089 300	3 576 800	14,6%	

# Annex IV –2015-2017 Financial Plan (Tables)

Category	Objectives	2015	2016	2017
Modernisation of laboratories	Acquisition of equipment in light of evolution in technology and regulatory framework; and update of software	146 000	150 000	150 000
Technological refurbishment of spectrum monitoring	Upgrade of existing MCE (spectrum monitoring and control) facilities and acquisition of equipment for the new communications systems	110 000	300 000	300 000
Major repairs and hardware updates no SINCRER	Improvements to metallic towers, earth network and air conditioning. Hardware updates to network support equipment.	528 500	260 000	260 000
NETMEDEPRO	Update of infrastructure used to measure Internet access quality of service (QoS)	51 000	100 000	100 000
SIC	Adaptation of the terms of availability and information on access to ducts, poles, other installations and sites by the public communication service concessionaire for coordination with SIC	420 000	100 000	100 000
Technological adaptation -architecture and technology platforms	Adaptation of infrastructural technological strongpoints through the acquisition of necessary hardware and software	1 615 000	1 365 000	1 365 000
Acquisition of various basic radioelectric equipment	Acquisition of basic equipment for inspection actions	70 000	100 000	100 000
Acquisition of various IT equipment	Acquisition of current hardware and software	135 000	135 000	135 000
Miscellaneous day-to-day acquisitions	Acquisition of administrative equipment and performance of works in building	154 000	164 000	164 000
Total		3 229 500	2 674 000	2 674 000

# Table 10 – Investment Plan (by project)

# Table 11 - Income plan

Category	2015	2016	2017
Electronic communications	75 226 200	74 654 600	74 268 800
* Statements of rights	14 000	14 000	14 000
* Exercise of electronic communications activity	24 480 000	24 300 000	24 200 000
* Use of frequencies - SCET <sup>1</sup>	37 933 200	37 933 200	37 933 200
* Use of frequencies - other	11 042 800	10 651 200	10 365 400
* Use of numbering	1 756 200	1 756 200	1 756 200
Exercise of postal activity	1 500 000	1 983 600	2 100 000
ITED-ITUR	43 100	43 100	43 100
Remaining provisions of service	405 000	405 000	405 000
Interest and other similar income	863 000	650 000	450 000
Other income and gains	155 400	155 400	155 400
TOTAL	78 192 700	77 891 700	77 422 300

<sup>&</sup>lt;sup>1</sup> SCET – Terrestrial electronic communication services.

# Table 12 - Expenditure plan

Category	2015 2016		2017
External Supplies and Services	11 193 000	11 223 600	11 073 600
* Specialized work	3 408 800	3 850 400	3 850 400
* Advertising and promotion	122 300	122 300	122 300
* Surveillance and Security	441 000	441 000	441 000
* Maintenance and repairs	2 685 200	2 369 700	2 269 700
* Books and technical documents	250 000	250 000	250 000
* Energy and liquids	537 900	537 900	537 900
* Travel, accommodation and transport	595 500	500 000	450 000
* Rents and leasing	1 669 800	1 669 800	1 669 800
* Communication	435 000	435 000	435 000
* Insurance	132 000	132 000	132 000
* Cleanliness, hygiene and comfort	291 500	291 500	291 500
* Other supplies and services	624 000	624 000	624 000
Personnel costs	23 062 400	23 380 900	23 699 600
* Wages and wage expenses	20 900 610	21 207 200	21 513 800
* Other personnel expenses	2 161 790	2 173 700	2 185 800
Depreciation and amortisation	3 207 500	3 221 500	2 986 200
Impairment losses	90 000	90 000	90 000
Provisions for period	5 338 800	5 400 000	5 400 000
Other expenses and losses	7 211 700	7 078 500	7 059 800
* Contributions	963 100	832 900	832 900
* Meetings and conferences	313 400	313 400	313 400
* Sponsorships	185 000	185 000	185 000
* Payments/Transfers	5 526 100	5 523 100	5 504 400
* Cooperation	173 100	173 100	173 100
* Other expenses and losses	51 000	51 000	51 000
TOTAL	50 103 400	50 394 500	50 309 200

Table 13 - Financia	l Statements b	y nature
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Category	2015	2016	2017
Income and expenses			
* Fees for exercise of activity of electronic communications	24 480 000	24 300 000	24 200 000
* Fees for use of frequencies	48 976 000	48 584 400	48 298 600
* Fees for use of numbering	1 756 200	1 756 200	1 756 200
* Fees for exercise of activity of postal services	1 500 000	1 983 600	2 100 000
* Remaining provisions of service	462 100	462 100	462 100
* External Supplies and Services	-11 193 000	-11 223 600	-11 073 600
* Personnel costs	-23 062 400	-23 380 900	-23 699 600
* Impairment losses	-90.000	-90.000	-90.000
* Provisions for the period	-5 338 800	-5 400 000	-5 400 000
* Other income and gains	155 400	155 400	155 400
* Other expenses and losses	-7 211 700	-7 078 500	-7 059 800
Profit before depreciation and amortisation	30 433 800	30 068 700	29 649 300
* Expenses/Reversals of depreciation and amortisation	-3 207 500	-3 221 500	-2 986 200
Operating profit	27 226 300	26 847 200	26 663 100
* Interest and similar income earned	863 000	650 000	450 000
NET PROFIT FOR PERIOD	28 089 300	27 497 200	27 113 100

# Table 14 - Cash budget

Category	2015	2016	2017
Balance brought forward	89 157 900	91 566 700	101 225 500
Receipts			
* Income from operations	77 329 700	77 241 700	76 972 300
* Interest and other similar income	863 000	650 000	450 000
Total receipts	78 192 700	77 891 700	77 422 300
Payments			
* Investment	3 229 500	2 674 000	2 674 000
* Operations	41 467 100	41 683 000	41 833 000
* Transfer to the State	31 087 300	23 875 900	23 372 600
Total payments	75 783 900	68 232 900	67 879 600
Cash available	91 566 700	101 225 500	110 768 200

#### Table 15 – Balance statement

Category	2015	2016	2017
Assets			
Non-current assets	17 851 700	17 224 200	16 872 000
* Tangible Assets	15 934 450	15 937 700	15 758 600
* Intangible Assets	1 817 250	1 206 500	1 013 500
* Other receivables	100 000	100 000	100 000
Current assets	100 266 700	110 025 500	119 668 200
* Customers	4 900 000	5 000 000	5 100 000
* Other receivables	1 700 000	1 700 000	1 700 000
* Deferrals	2 100 000	2 100 000	2 100 000
* Bank deposits and cash at hand	91 566 700	104 225 500	110 768 200
Total assets	118 118 400	127 269 700	136 540 200
Equity and liabilities			
Equity	54 498 900	58 120 200	61 860 700
* Other reserves	26 409 600	30 623 000	34 747 600
* Net result for period	28 089 300	27 497 200	27 113 100
Liabilities	63 619 500	69 149 500	74 679 500
* Debts and provisions post-employment benefits	54 528 800	60 018 800	65 508 800
* Other account payables	9 090 700	9 130 700	9 170 700
Total liabilities + equity	118 118 400	127 269 700	136 540 200

### Table 16 – Cash flow Statement

Category	2015	2016	2017
Cash Flows - Operating Activities			
* Receipts from customers	77 174 300	77 086 300	76 816 900
* Payments to suppliers	-11 253 000	-11 283 600	-11 133 600
* Payments to employees	-23 062 400	-23 380 900	-23 699 600
Cash generated from operations	42 858 900	42 421 800	41 983 700
* Other receipts/payments	-38 144 600	-30 800 000	-30 278 000
Cash flows from operating activities	4 714 300	11 621 800	11 705 700
Cash Flows - Investment Activities			
Payments with reference to			
* Tangible Assets	-2 149 500	-1 614 000	-1 314 000
* Intangible assets	- 1 020 00	- 1 000 000	-1 300 000
Receipts from			
* Tangible Assets	1 000	1 000	1 000
* Interest and similar income	863 000	650 000	450 000
Cash flows from investment activities	-2 305 500	-1 963 000	-2 163 000
Change in cash and cash equivalents	2 408 800	9 658 800	9 542 700
Cash and cash equivalents at beginning of period	89 157 900	91 566 700	101 225 500
Cash and cash equivalents at end of period	91 566 700	101 225 500	110 768 200

# Annex V – Global indicators for 2015-2017 three-year period

Category		15	2016		2017	
Category	Target	Actual	Target	Actual	Target	Actual
Percentage of prior hearing reports and final decisions released within a maximum period of (n+15), where n is the number of working days provided for the prior hearing of interested parties	90%		90%		90%	
Rate of implementation of actions under 2015-2017 Plan (Percentage of actions included in the Strategic Plan executed according to approved timetable)	95%		95%		95%	
Average time taken for the allocation of numbering resources (working days)	5		5		5	
Maximum time taken for the allocation of numbering resources (working days)	15		15		15	
Average response time to radio licensing requests (working days)	5		5		5	
Enquiries regarding the market processed during the period / Total enquiries received on the market in the period	95%		95%		95%	
Number of inspections conducted –	1460		1483		1483	
- Electronic communications services	300		300		300	
- Postal services	500		500		500	
- ITED Infrastructure	428		470		470	
- ITUR Infrastructure	18		18		18	
- Equipment market (R&TTE/CEM)	194		175		175	
- Training providers	20		20		20	
Reduction in number of breach proceeding with administrative decisions	10%		10%		10%	
Increase in number of final decisions in respect of breach proceedings	5%		5%		5%	



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