

**Decision on the identification of bodies required to contribute to the
universal electronic communications service compensation fund and on the
establishment of values of contributions concerning USNC to be
compensated for 2019**

Public Version

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1. Scope and legal framework

This decision is intended to implement the provisions of Law No. 35/2012, of 23 August 2012, as it stands (hereinafter the Fund Law), for the purpose of the compensation of universal service net costs (USNC) determined in the context of tenders for the designation of universal service providers (USP) and incurred by the latter in 2019.

On 17.12.2020, the respective draft decision (DD) was approved and subsequently submitted to the prior hearing of bodies required to contribute to the compensation fund, under articles 121 and 122 of the APC, for ten working days. A prior hearing was also held, for the same period, to set or modify eligible turnover values, following the audit or checking carried out by ANACOM.

Assessments were received from MEO – Serviços de Comunicações e Multimédia, S.A., NOS Comunicações, S.A, NOS Açores Comunicações, S.A, NOS Madeira Comunicações, S.A., NOS International Carrier Services, S.A. and Vodafone Portugal – Comunicações Pessoais, S.A..

Following an analysis of contributions received, a report on the DD was prepared, which is an integral part of this decision, consisting of a summary of these contributions and ANACOM's views thereof.

The procedure for a prior hearing of interested parties to which the DD was subject follows up paragraph 4 of Article 11 of the said Law, which requires, in accordance with the Code of Administrative Procedure, that a prior hearing is conducted as regards a list with the following information:

- Bodies required to contribute to the compensation fund.
- Eligible turnover (ET) for calculation of contributions due to the compensation fund.
- Value of contributions due by each body, plus any compensatory interest due under paragraph 7 of article 11 of the said law, if any.
- Value of the compensation due to USP.
- Any relevant adjustments and corrections, in particular in the light of the data established as regards the ET actually achieved, where appropriate.

1.1. Compensation of universal service providers

The Electronic Communications Law¹ (ECL) lays down the right to compensation for costs incurred in providing the universal service (US). Under paragraph 1 of article 97 of that Law, universal service providers (USP) are entitled to receive compensation for costs incurred in providing the US where two cumulative requirements are met: (i) the existence of USNC is established and (ii) such costs are deemed to be an unfair burden by Autoridade Nacional de Comunicações (ANACOM).

On its turn, paragraph 1 of article 95 provides that where ANACOM takes the view that the provision of USNC may represent an unfair burden on its providers, it is required to calculate the net cost of the US obligation as follows: (i) by calculating the net cost of the US obligation, taking into account any additional market benefits enjoyed by providers, according to a methodology defined by ANACOM (point a) or (ii) by using the value indicated by the USP appointed through the designation mechanism provided for in ECL (point b)).

Where USNC deemed to be an unfair burden exist, ECL provides in its article 97 that payment of the compensation due may come, alternatively or cumulatively: (i) from public funds (cf. point a)) and/or (ii) from the division of the cost among companies providing public communications networks and publicly available electronic communications services in the national territory, in which case a compensation fund managed by ANACOM or by another independent body appointed by the Government (cf. point b) of paragraph 1 and paragraph 2 of the same provision) must be established.

With regard to the establishment of USNC deemed to be an unfair burden, it must be recalled that ANACOM established, by determination of 07.02.2012, that *«values that resulted from tenders 1 (telephone service at a fixed location) and 2 (provision of public payphones) shall be deemed to be an unfair burden and as such shall be financed under the terms and conditions laid down in the tender instruments and the instruments setting up the compensation fund»*.

1.2. US financing

The Fund Law implements the financing mechanism provided for in article 97 of ECL by establishing the universal electronic communications service compensation fund (USCF). Under that law, it was decided to distribute US costs among companies that, in the national

¹ Law No. 5/2004, of 10 February, as it stands.

territory, provide public communications networks and publicly available electronic communications services, having criteria for distributing USNC among the referred companies been defined.

The USCF is thus intended to finance USNC, and it is established in the Fund Law that companies providing public communications networks and/or publicly available electronic communications services in the national territory which, in the calendar year to which the net costs refer, have registered an ET in the electronic communications sector that gives them a weight equal to or greater than 1% of the sector's overall ET, are required to contribute to the compensation fund (*vide* article 2).

The Fund Law lays down in article 6 that the compensation fund is intended to finance USNC determined in the scope of tenders referred to in paragraph 3 of article 99 of ECL, deemed by ANACOM to be unfair, articles 10 and 11 ruling, respectively, the criteria for distributing net costs and the entry of contributions.

In this respect, ANACOM established, by determination of 07.02.2012, as referred above, that values that resulted from tenders for the provision of services relating to the connection to a public communications network at a fixed location, publicly available telephone services and public payphones, would be deemed to be an unfair burden.

In this context, and in compliance with paragraph 1 of article 97 of ECL, net costs resulting from all US provisions were and are deemed to be an unfair burden and, as such, must be financed, under the terms and conditions laid down in the respective tender instruments, as well as in the law that establishes the USCF.

It should also be stressed in this context that the contracts concluded between the tender-designated USP and the Portuguese State, concerning the connection to a public communications network at a fixed location and publicly available telephone services and the provision of public payphones, specify the value of USNC to be compensated as well as the rules to be applied to the financing of costs concerned resulting from the provision of the US (in accordance with clause 13 of the referred contracts).

It should be noted that the contracts for connection to a public communications network at a fixed location and publicly available telephone services and the contract for the provision of public payphones expired during the first half of 2019.

Tables below show the compensation values of USNC incurred by USP in the scope of the provision of the US under the said contracts signed with the Portuguese State.

Table No. 1 – USNC incurred by NOS Comunicações, S.A. in 2019 concerning the US of connection to a public communications network at a fixed location and publicly available telephone services

	Component 1 Connection to a public communications network at a fixed location and publicly available telephone services		Component 2 Offer for retired people and pensioners			USNC compensation value
	Overall financing value	Value to be financed = (1/5 overall financing value x D/M)	Vu^2	Ms^3	Value to be financed = $Vu \times Ms \times D/M$	
Former ZON	2 550 000.01 €	210 986.31 €	1,518000006402 €	0	0.00 €	210 986.31 €
Former Optimus	7 050 000.01 €	583 315.08 €	0.00 €	0	0.00 €	583 315.08 €
Total						794 301.39 €⁴

Source: Contracts concluded between the Portuguese State and the former ZON and between the Portuguese State and the former Optimus, and ANACOM calculations.

Table No. 2 – USNC incurred by MEO in 2019 concerning the US provision of public payphones

	Overall financing value	USNC compensation value = (1/5 overall financing value x D/M)
MEO - Serviços de Comunicações e Multimédia, S.A.	12 333 000.00 €	662 265.21 €

Source: Contract concluded between the Portuguese State and the former PTC, and ANACOM calculations

It follows from the above that the overall value to be compensated for USNC incurred by USP under contracts is EUR 1 456 566.60 (one million, four hundred and fifty-six thousand, five hundred and sixty-six euros and sixty cents), as results from the sum of USNC compensation values due to NOS and MEO.

² “Vu” corresponds to the financing unit value per monthly payment indicated in the contract.

³ “Ms” corresponds to the number of monthly payments that are effectively discounted in the civil year to which costs to be compensated refer.

⁴ The application of twelfths resulted in a sum of EUR 79 301.37. This figure resulted in a total financing value for NOS of EUR 9 600 000.00, two cents less than the value due to it under the universal FTS contract. Thus one cent was added to the value of the financing due to the former Zon and another cent to the value of the financing due to the former Optimus, thus making the two cents.

2. Contribution entry procedure

Article 8 of the Fund Law lays down that the value of the sector's ET corresponds to the value of sales and services provided in the national territory, from which they are deducted: (i) revenues from activities not related to the provision of electronic communications networks and/or publicly available electronic communications services; (ii) revenues from transactions between bodies that belong to the same company; and (iii) sales of terminal equipment.

Companies providing, in the national territory, public communications networks and/or publicly available electronic communications services are required, in accordance with Article 15 of the Fund Law, to submit to ANACOM, by 30 June every year, a statement relating to the preceding calendar year, signed by a person with the power to bind them, acknowledged as such, with the turnover value and other information that allows the ET to be determined.

Paragraph 4 of this article also lays down that *«in case of termination of activity, companies are required to submit to ANACOM, within 15 working days from the date of termination, a statement with the value of the turnover and other information referred to in paragraph 1 for the current calendar year, as well as, where the termination occurs before 30 June, a statement with the same information for the previous calendar year.»*

In order to ensure easier communication of information on ET, ANACOM sent, on 08.06.2020, a letter with a template statement to companies operating in 2019 as network operators and/or providers of publicly available electronic communications services, to be completed and signed by a person empowered to bind them, acknowledged as such. To this end, ANACOM contacted 103 bodies and received information from 95 bodies (one of which only in the course of the audit which was carried out in the meantime). Entities that terminated activity in 2019 and/or had already cancelled their registration as network operators and/or providers of publicly available electronic communications services were not contacted, bearing in mind that, in such cases, the obligation to send information is different (it must be sent within 15 working days of the date of termination of activity).

In accordance with Article 16 of the Fund Law, an audit was carried out on the ET declared by network operators and providers of electronic communications services, which was awarded to Grant Thornton & Associados, SROC, Lda., by determination of ANACOM of 06.08.2020.

23 companies⁵ were audited, although some integrate the same economic group. Companies subject to the audit were selected by ANACOM considering: i) those with the most significant annual turnover values; ii) those with significant reductions in turnover compared to the preceding year; iii) those that identified activities as unrelated to the provision of electronic communications networks and publicly available electronic communications services and that by their nature are likely to be classified as electronic communications activities; and iv) others selected at random. The ET value of audited companies represents over 99% (considering ET values resulting from the audit) of the sector's ET, and the audit included all companies identified as contributors, in accordance with article 11 of the Fund Law.

As regards remaining non-audited companies, ANACOM checked the consistency and accurateness of values reported in statements, namely by comparing the overall value presented with values for the various items. In some cases, inaccuracies were detected and ANACOM made the correction.

ANACOM also analysed the few bodies that failed to submit any statement or information for the purpose of the Fund Law, seeking to obtain by other means the respective ET value in order to determine the value of the ET for the sector, as explained below. In parallel, these bodies were urged, via new communications sent on 21.07.2020, to submit information required under the Fund Law.

Without prejudice to the assessment of situations of non-compliance with the Fund Law in the scope of legal action, ANACOM takes the view that such situations do not affect the calculation of the ET value, given that, as will be explained below, this situation concerns only few cases with a negligible impact, and, in some cases, it was possible to assume an ET on the basis of alternative sources of information.

The following chapters explain the ET value of audited companies (2.1) and, as regards remaining companies, the ET value of companies that submitted relevant information for the

⁵ AR Telecom - Acessos e Redes de Telecomunicações, S.A.; BT Portugal - Telecomunicações Unipessoal, Lda.; COLT Technology Services, Unipessoal, Lda.; Dstelecom, S.A.; Fibroglobal - Comunicações Electrónicas, S.A.; G9Telecom, S.A.; IBASIS Portugal, S.A.; IP Telecom - Serviços de Telecomunicações, S.A., Lycamobile Limited; Lycamobile Portugal, Lda.; MEO - Serviços de Comunicações e Multimédia, S.A.; NOS Açores Comunicações, S.A.; NOS Comunicações, S.A.; NOS International Carrier Services, S.A.; NOS Madeira Comunicações, S.A.; NOS Wholesale, S.A.; NOWO Communications, S.A.; ONITELECOM - Infocomunicações, S.A.; Orange Business Portugal, S.A.; Rentelecom – Comunicações, S.A.; TATA Communications (Portugal) – Instalação e Manutenção de Redes, Lda; Vodafone Enterprise Spain, S.L. - Portugal branch; Vodafone Portugal - Comunicações Pessoais, S.A..

purpose of the Fund Law (2.2), as well as the ET value that has been considered in the case of companies that failed to submit any information (2.3).

2.1. Eligible turnover of audited companies

An audit was carried out on 23 companies (network operators and electronic communications service providers). It should be noted that the audit included the case of one company, Lycamobile Limited, which failed to submit any information to ANACOM, as required to calculate the ET value to be considered, an objective which was achieved, given that the company sent the missing information in the course of the audit.

Following the audit, situations with an impact on the ET value declared were identified, in particular given that revenues that should have been considered for the purpose of the calculation of ET were deducted. Reverse situations also occurred, that is, deductions that should have been made in the statement initially submitted by operators, which were also corrected. The most significant effect resulted from adjustments made with regard to the income from provisions concerning television and audio-visual services which some bodies unduly deducted from their ET.

The table below presents a list of companies that were audited, reported ET values, adjustments introduced by the audit and ET values corrected accordingly.

Table No.3 – ET declared by companies and adjusted following audit

Companies	ET declared ⁽¹⁾	Final ET following the audit	Adjustment introduced by the audit
Beginning of confidential information [BCI]			
AR Telecom - Acessos e Redes de Telecomunicações, S.A.			
BT Portugal - Telecomunicações Unipessoal, Lda.			
COLT Technology Services, Unipessoal, Lda.			
Dstelecom, S.A.			
Fibroglobal - Comunicações Electrónicas, S.A.			
G9Telecom, S.A.			
IBASIS Portugal, S.A.			
IP Telecom - Serviços de Telecomunicações, S.A.			
Lycamobile Limited			
Lycamobile Portugal, Lda.			
MEO - Serviços de Comunicações e Multimédia, S.A.			
NOS Açores Comunicações, S.A.			
NOS Comunicações, S.A.			
NOS International Carrier Services, S.A. ⁽²⁾			

Companies	ET declared ⁽¹⁾	Final ET following the audit	Adjustment introduced by the audit
NOS Madeira Comunicações, S.A.			
NOS Wholesale, S.A.			
NOWO Communications, S.A. ⁽¹⁾			
ONITELECOM - Infocomunicações, S.A. ⁽¹⁾			
Orange Business Portugal, S.A.			
Rentelcom - Comunicações, S.A. ⁽¹⁾			
TATA Communications (Portugal) - Instalação e Manutenção de Redes, Lda.			
Vodafone Enterprise Spain, S.L. - Portugal branch			
Vodafone Portugal - Comunicações Pessoais, S.A.			
End of confidential information [ECI]			
Total	3 758 701 690.15	4 137 685 311.53	378 983 621.38

Source: Audit reports drawn up by Grant Thornton & Associados, SROC, Lda.
Values in Euro.

- (1) Some of the (audited) declared values differ by a few cents from those sent to ANACOM due to rounding. For the purpose of establishing the ET of the sector, values without rounding off are taken into account.
- (2) This company changed its name, on 20.07.2020, to IBASIS NICS, S.A., as it was named in the DD, and was extinguished on 22.12.2020 as a result of the registration in the commercial register of the merger by incorporation into IBASIS Portugal, S.A., transmitting to this company its rights and obligations.

Under the conditions described, the ET value to be considered for all 23 companies subject to the audit procedure is EUR 4 137 685 311.53.

2.2. Eligible turnover of non-audited companies that submitted information

In addition to the companies whose statements were audited, ANACOM received information from 72 companies. Overall, the ET of these companies represents approximately 0.50% of the sector's ET.

From the analysis of information conveyed by these companies, and without prejudice to the fact that, in some situations, statements were submitted after the deadline indicated in the Fund Law and that some of the statements were not signed by persons entitled to bind them, acknowledged as such, no issues were identified in most of the statements that would call into question the use of the reported ET values.

In situations where a formal irregularity exists from the outset, due to the absence of acknowledgement of signatures in statements, in the light of the principle of good-faith and collaboration between taxpayers and the administration (article 59 of the General Tax Law), it is deemed that this irregularity is without prejudice to the use of information conveyed by such companies, for the purpose of establishing the sector's ET.

Company	Values	Observations
Claranet Portugal, S.A.		
Códigotropical, Unipessoal, Lda.		[BCI] [ECI]
Cogent Communications Portugal, Lda.		
Companhia I.B.M. Portuguesa, S.A.		
COMSAT - Serviços de Satélite, Lda.		
Cubic Telecom Limited		
Cyclop Net - Informática e Telecomunicações, Lda.		
Dense Air Portugal, Unipessoal, Lda.		
Derivadas e Segmentos, S.A.		[BCI] [ECI]
Detector Portugal - Serviços de Segurança Privada, Unipessoal, Lda.		
Dialoga - Servicios Interactivos, S.A.		
DIDWW Ireland Limited		
Dstelecom Alentejo e Algarve, S.A.		
Dstelecom Norte, S.A.		
EchoStar Mobile Limited		
Emacom - Telecomunicações da Madeira, Unipessoal, Lda.		
First Rule, S.A.		[BCI] [ECI]
Fleximédia - Serviços e Meios de Informação e Comunicação, Lda.		
Go4mobility - Tecnologia e Serviços para a Mobilidade, Lda.		
Gotelecom, Lda.		
Greenmill, Lda.		

Company	Values	Observations
Repart - Sistemas de Comunicação de Recursos Partilhados, S.A.		
Satélite da Sabedoria - Serviços de Internet, Unipessoal, Lda.		
SemCabo - Soluções em Redes Informáticas, Lda.		[BCI] [ECI]
SITA OnAir N.V.		
Skylogic, SpA		
STV - Sociedade de Telecomunicações do Vale do Sousa, S.A.		[BCI] [ECI]
Telefónica International Wholesale Services II, S.L. Unipersonal, Sucursal em Portugal		
T-Mobile HotSpot GmbH		
Towerlink Portugal Unipessoal, Lda.		
Truphone Limited		
T-Systems ITC Iberia, S.A. (Sociedade Unipersonal) - Sucursal em Portugal		
Verizon Portugal - Sociedade Unipessoal, Lda.		
Viasat, Inc.		
Vivanet - Distribuição de Produtos Electrónicos, Lda.		
Voip-It, Unipessoal, Lda.		
Voipunify Telecom, Lda.		
Voxbone, S.A.		[ECI]
TOTAL	19 160 983. 36	

Source: ANACOM based on statements from companies.

Values in Euro.

2.3. Eligible turnover of companies that failed to convey information for the purpose of the Fund Law

Of the companies to which ANACOM sent a communication recalling the obligation to submit a statement, 8 companies failed to submit any information for the purpose of the Fund Law.

ANACOM sought to obtain the ET value for companies that failed to submit information through alternative sources, using information provided by companies themselves in prior procedures for entry of contributions to the USCF or declared for the purpose of the entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL.

ANACOM believes that the relevant income declared for the purpose of the entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL is a good proxy for the ET value for Fund Law purposes, as values under consideration are similar, and in the case of some companies, exactly the same, thus the use of such values for calculating the sector's overall ET is deemed to be appropriate.

As such, ANACOM considered for 6 companies that their ET value corresponds to the value reported for the 2019 financial year for the purpose of the procedure for entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL. As 1 company is concerned, which also failed to submit information for the purpose of the procedure for entry and settlement of the annual fee referred to above, ANACOM considered that the ET value corresponds to the value reported in previous USCF procedures. No information is available for one company, which was found to have opened insolvency proceedings.

The table below shows detailed information on each of the companies that failed to submit ET data, the ET value considered for each of them, as well as information, where appropriate, on the operation of companies (in 2019), a total ET of EUR 1 523 587.50 having been achieved for these companies.

Table No. 5 – Eligible turnover of companies that failed to convey information for the purpose of the Fund Law

Company	Values	Observations
Ask4 Portugal Limited.	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]
Equinix (Portugal) Data Centers, S.A.	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]
Evomedia Mobile, Unipessoal, Lda.	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]
IPTV Telecom - Telecomunicações, S.A.	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]
Lazer Telecomunicações, S.A.	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]
Panasonic Avionics Corporation	[BCI]	The company is likely to have operated in 2019. [BCI] [ECI]

Company	Values	Observations
Pinkhairezonanet, Unipessoal, Lda.		The company is likely to have operated in 2019. [BCI] [ECI]
Sousa Pinheiro Telecomunicações, Lda.	[ECI]	The company is likely to have operated in 2019. [BCI] [ECI]
Total	1 523 587.50	

Values in Euro.

2.4. Determination of the sector's eligible turnover

In the light of the above, namely that the ET value of audited companies is EUR 4 137 685 311.53, the ET value of non-audited companies that submitted information on this matter is EUR 19 160 983.36 and that it is considered that the ET value of companies that failed to submit any information on this subject is EUR 1 523 587.50, ANACOM concludes that the sector's ET for 2019, calculated in accordance with article 8 of the Fund Law, amounts to EUR 4 158 369 882.39.

It should be noted that the use of information from alternative sources rather than the exclusive use of information transmitted for the purpose of the Fund Law is intended to enable the calculation of a value for the sector's overall ET as accurate possible, thus covering all companies that provided, in 2019, in the national territory, public communications networks and/or publicly available electronic communications services.

It is stressed that the exclusive use of data conveyed by companies for the purpose of the Fund Law, or in alternative the use of such information complemented with the use of data conveyed by companies for the purpose of the entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL, where information is not available for the purpose of the Fund Law, has no impact whatsoever on the determination of companies required to contribute to the compensation fund, nor on the value of such contribution. This is because the difference between the two values is completely negligible, given that the ET value of companies that submitted information for the purpose of the Fund Law represents over 99.96% of the total ET value established for the sector and referred above.

Under the conditions described, in order to calculate the amount of the sector's ET, ANACOM used data conveyed for the purpose of the Fund Law (having been audited companies whose ET exceed 99% of the sector's ET), supplemented, where such information failed to be

transmitted, by data submitted by companies on ET for previous years or by data conveyed for the purpose of the entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL.

Under these conditions, the ET value for the sector in 2019 amounts to EUR 4 158 369 882.39.

3. Bodies required to contribute to the compensation fund

The Fund Law lays down in paragraph 1 of article 7 that “*companies providing public communications networks and/or publicly available electronic communications services in the national territory that, in the calendar year to which the net costs relate, registered an eligible turnover in the electronic communications sector which gives them a weight equal to or higher than 1% of the sector’s overall eligible turnover, shall be liable to contribute to the compensation fund.*” Paragraph 2 of this article determines that this group of companies include the company, or companies, responsible for the provision of the US.

Paragraph 3 of article 7 of the Fund Law clarifies that the group of companies that, though legally separate, constitute, by 31 December of the calendar year to which the net costs relate, an economic unit or which maintain interdependent relationships between them, arising namely from (i) a majority shareholding; (ii) holding more than half the voting rights attaching to shares; (iii) power to appoint more than half the members of the administrative board or of the supervisory board; (iv) power to manage the respective business, shall be deemed to be a single company.

Article 9 of the Fund Law specifies the calculation to be made to obtain the weight of companies in the electronic communications sector, so as to identify companies required to make a contribution to the USCF⁶.

It is also stressed that paragraph 2 of article 9 provides that in the case of companies including more than one body, the ET of each of the integrating bodies must be added up for the purpose of the calculation of the respective weight in the sector’s ET. Accordingly, ANACOM examined

⁶ According to that article, the weight of companies in the electronic communications sector is calculated according to the following formula: $P_i = \frac{V_i}{\sum V_i}$, where P_i represents the weight of the company in the electronic communications sector; V_i , the eligible turnover in the electronic communications sector in the national territory for company i in the calendar year concerned; and $\sum V_i$, the eligible turnover in the electronic communications sector in the national territory for all companies providing public communications networks and/or publicly available electronic communications services in the calendar year concerned.

the shareholder structure of several bodies, so as to determine those which constitute a single company under the Fund Law.

In this framework, bearing in mind the concept of company laid down in the Fund Law, it was concluded that the following companies, including ten bodies whose shareholder structure (Level 1 and 2) is explained below, present an ET equal to or exceeding 1% of the sector's ET.

- **Nowo/ONITELECOM Group**

NOWO Communications, S.A.

Table No. 6 – Composition of NOWO's share capital on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
Cabonitel, S.A.	100%	[BCI]	[ECI]

Source: 2019 Reports and Accounts of NOWO Communications, S.A.; Annual Electronic Communications Questionnaire – 2020.

ONITELECOM - Infocomunicações, S.A.

Table No. 7 – Composition of ONITELECOM's share capital on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
Oni, SGPS S.A.	100%	Winreason S.A. (*)	100%

Source: 2019 Reports and Accounts of ONITELECOM - Infocomunicações, S.A.; Annual Electronic Communications Questionnaire – 2020

* Winreason S.A. is owned by NOWO Communications, S.A.

- **NOS Group**

NOS Açores Comunicações, S.A.

Table No. 8 – Composition of the share capital of NOS Açores Comunicações on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
NOS Comunicações S.A.	83.82%	NOS, SGPS, S.A.	100%
Banco Comercial Português, S.A.	7.89%	FOSUN Group Sonangol Group BlackRock, Inc. EDP-Gestão da Produção de Energia, S.A. Others	
		Autonomous Region of the Azores	50.1%

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
EDA – Eletricidade dos Açores, S.A.	6.18%	ESA-Energia e Serviços dos Açores, SGPS, S.A. EDP-Gestão da Produção de Energia, S.A. Small shareholders and emigrants	39.7% 10.0% 0.2%
Seguradoras Unidas, S.A.	2.11%	Calm Eagle Holdings, S.à.r.l.	100%

Source: 2019 Simplified Business Information (IES) of NOS Açores Comunicações; 2019 Reports and Accounts of Banco Comercial Português, S.A.; 2019 Reports and Accounts of EDA - Electricidade dos Açores; 2019 Reports and Accounts of Seguradoras Unidas, S.A..

NOS Comunicações, S.A.

Table No. 9 – Composition of the share capital of NOS Comunicações on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
NOS, SGPS, S.A.	100%	ZOPT, SGPS, S.A. MFS Investment Management Norges Bank Others	52.15% 2.14% 2.11% 43.60%

Source: 2019 Simplified Business Information (IES) of NOS Comunicações; 2019 Consolidated Reports and Accounts of NOS SGPS, S.A.

NOS International Carrier Services, S.A.

Table No. 10 – Composition of the share capital of NOS International Carrier Services on 31.12.2019

Composição do Capital Social da

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
NOS, SGPS, S.A.	100%	ZOPT, SGPS, S.A. MFS Investment Management Norges Bank Others	52.15% 2.14% 2.11% 43.60%

Source: 2019 Simplified Business Information (IES) of NOS International Carrier Services, S.A.; 2019 Consolidated Reports and Accounts of NOS SGPS, S.A.

NOS Madeira Comunicações, S.A.

Table No. 11 – Composition of the share capital of NOS Madeira Comunicações on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
NOS Comunicações S.A.	77.95%	NOS, SGPS, S.A.	100%
Banco Comercial Português, S.A.	10.78%	FOSUN Group Sonangol Group BlackRock, Inc. EDP Pension Fund Others	27.25% 19.49% 3.39% 2.06% 47.81%

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
E - Tempus S.G.P.S. - Sociedade Gestora de Participações Sociais, S.A.	5.86%	[BCI]	[ECI]
Seguradoras Unidas, S.A.	2.89%	Calm Eagle Holdings S.à r.l	100%
Real Vida Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	2.52%	[BCI]	[ECI]

Source: 2019 Simplified Business Information (IES) of NOS Madeira Comunicações; 2019 Reports and Accounts of Banco Comercial Português, S.A.; 2019 Reports and Accounts of Seguradoras Unidas, S.A.; Annual Electronic Communications Questionnaire – 2020.

NOS Wholesale, S.A.

Table No. 12 – Composition of the share capital of NOS Wholesale on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
NOS, SGPS, S.A.	100%	ZOPT, SGPS, S.A. MFS Investment Management Norges Bank Others	52.15% 2.14% 2.11% 43.60%

Source: 2019 Simplified Business Information (IES) of NOS Wholesale, S.A.; 2019 Consolidated Reports and Accounts of NOS SGPS, S.A.

- **VODAFONE Group**

Vodafone Portugal - Comunicações Pessoais, S.A.

Table No. 13 – Composition of the share capital of Vodafone Portugal on 31.12.2019⁽¹⁾

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
Vodafone Europe B.V.	61.37%	[BCI]	[ECI]

Source: Annual Electronic Communications Questionnaire – 2020.

(1) Vodafone Group Plc owns directly or indirectly 100% of Vodafone Portugal's share capital.

Vodafone Enterprise Spain, S.L. - Portugal branch

Table No. 14 – Composition of the share capital of Vodafone Enterprise Spain on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
Vodafone Enterprise Spain, S.L. (*)	100%	[BCI]	

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
			[ECI]

Source: Annual Electronic Communications Questionnaire – 2020 of Vodafone Enterprise Spain, S.L. (Portugal branch)

(2) * Vodafone Group Plc owns directly or indirectly 100% of Vodafone Enterprise Spain's share capital.

- **MEO – Serviços de Comunicações e Multimédia, S.A.**

Table No. 15 – Composition of the share capital of MEO on 31.12.2019

Company's Shareholders/Direct partners (Level 1)	%	Shareholders/Indirect partners (Level 2)	%
PT Portugal SGPS, S.A.	100%	Altice Portugal, S.A.	100%

Source: 2019 Reports and Accounts of MEO - Serviços de Comunicações e Multimédia, S.A.; Annual Electronic Communications Questionnaire – 2020.

Taking into account shareholder structures that existed by 31.12.2019, it was found that there are 4 companies required to make contributions to the USCF, which on that date integrated ten bodies, in the light of the concept of company provided for in the Fund Law.

The table below lists these companies and bodies required to make contributions to the USCF for the purpose of the financing of 2019 USNC incurred by tender-designated USP, as well as the weight of each company's ET in the sector's overall ET.

Table No. 16 – Companies required to contribute to the USCF and the respective weight in the electronic communications sector's ET

Companies	Weight in the sector
NOWO/Onitelecom Group	[BCI]
NOWO – Communications, S.A. ONITELECOM - Infocomunicações, S.A.	
NOS Group	
NOS Açores Comunicações, S.A. NOS Comunicações, S.A. NOS International Carrier Services, S.A. NOS Madeira Comunicações, S.A. NOS Wholesale, S.A.	
VODAFONE Group	
VODAFONE PORTUGAL - Comunicações Pessoais, S.A. VODAFONE Enterprise Spain , SL - Portugal branch	

Companies	Weight in the sector
MEO – Serviços de Comunicações e Multimédia, S.A.	[ECI]
Total	96.77%

Source: ANACOM calculations based on the ET of companies and the sector.

Companies required to contribute to the USCF thus make up around 97% of the sector's overall ET.

4. Value of contributions concerning USNC for 2019 incurred by tender-designated USP

Pursuant to paragraph 2 of article 10 of the Fund Law, the following values are to be deducted from the amount of USNC to be distributed:

- a) The annual remuneration paid to the State as consideration for the provision of the universal service or of any of its components, under the respective contract, where appropriate;
- b) Proceeds of contractual fines or penalties applied to the universal service provider or providers, under the contract for provision of the universal service, that are available in the compensation fund at the time the contribution entry procedure starts;
- c) Income from the administration of the compensation fund, namely income from deposit accounts where the fund's liquid assets are held, that are available in the compensation fund at the time the contribution entry procedure starts;
- d) Interest referred to in paragraph 7 of article 11 and in paragraph 1 of article 13 that are available in the compensation fund at the time the contribution entry procedure starts;
- e) Other revenues assigned to the compensation fund by law that are available in the compensation fund at the time the contribution entry procedure starts.

Under these conditions, and according to point d) above, the amount of EUR 299.93, received by the USCF in 2020 following the payment of default interest determined under paragraph 1 of article 13 of the Fund Law⁷, must be deducted from the value of USNC incurred in 2019.

With regard to the other points mentioned above, there is no value to be taken into account at the time the contribution entry procedure starts.

Accordingly, EUR 299.93 must be deducted from the amount of USNC, this deduction being distributed among USNC of the various US components, according to the proportion of the value of USNC of each US component in the total value of USNC. As such, the amount of USNC incurred by MEO in the provision of public payphones is reduced by EUR 136.37, and the value of USNC incurred by NOS for the provision of the FTS is reduced by EUR 163.56.

Under the conditions described, and as illustrated by the table below, it follows that the final value to be considered for the purpose of establishing the value of contributions corresponds to the overall value of USNC incurred by USP in 2019 less the default interest paid under article 13 of the Fund Law.

Table No. 17 – Final value of the contribution to be financed by companies and bodies required to contribute to the USCF concerning USNC for 2019 incurred by tender-designated USP

	NOS (Provision of FTS)	MEO (Provision of PPP)
Value of USNC incurred by tender-designated USP in 2019	€ 794 301.39	€ 662 265.21
Revenues available in the USCF – points a) to e) of paragraph 2 of article 20 of the Fund Law	€163.56	€136.37
Overall value to be considered for the purpose of the determination of values of contributions	€ 794 137.83	€ 662 128.84

Source: ANACOM.

As such, in compliance with article 11 of the Fund Law, the following table presents the values of contributions required from each company/body (identified under article 7 of the Fund Law), determined in proportion to the respective ET achieved in 2019.

⁷ The default interest received concerns payments made in 2020 by NOS Açores Comunicações, S.A., NOWO Communications, S.A. and ONITELECOM - Infocomunicações, S.A. regarding late payments of invoices issued by the USCF.

Table No. 18 – Value of contributions of companies and bodies required to contribute to the compensation fund concerning USNC for 2019 incurred by USP under contracts concluded

Companies	NOS (Provision of FTS) ⁽¹⁾	MEO (Provision of PPP) ⁽²⁾
NOWO/ONITELECOM Group	18 501.70	15 426.17
NOWO Communications, S.A.	12 173.37	10 149.80
ONITELECOM - Infocomunicações, S.A.	6 328.33	5 276.37
NOS Group	263 369.69	219 589.93
NOS Açores Comunicações. S.A.	2 860.62	2385.10
NOS Comunicações. S.A.	240 918.07	200 870.42
NOS International Carrier Services. S.A.	13 878.78	11 571.72
NOS Madeira Comunicações. S.A.	4 833.73	4 030.22
NOS Wholesale. S.A.	878.49	732.47
VODAFONE Group	199 771.07	166 563.26
VODAFONE PORTUGAL - Comunicações Pessoais. S.A.	199 771.07	166 563.26
VODAFONE Entreprise Spain. SL - Portugal branch	0	0
MEO – Serviços de Comunicações e Multimédia. S.A.	312 495.37	260 549.48
Total	794 137.83	662 128.84

Values in Euro.

Note: Values were calculated in compliance with the Fund Law, at cent level. The aggregated contributions of each group are determined as the result of the sum of individual contributions of each of the bodies involved, which are the amounts to be taken into consideration for the purpose of payment to the USCF.

(1) The sum of individual contributions of each of the bodies in the NOS Group results in a value of 1 cent greater than the value of the contribution from that Group. To match both values, one cent was removed from the contribution of NOS Wholesale. S.A., which together with another body presents the smallest value at the third decimal place and between the two the smallest value at the fourth decimal place. As such, the value of its contribution is EUR 878.49 instead of EUR 878.50.

(2) The sum of individual contributions of each of the bodies in the NOS Group results in a value of 1 cent less than the value of the contribution from that Group. To match both values, one cent is added to the contribution of NOS Wholesale S.A. which has the highest value in the third decimal place. This entity contributes EUR 732.47 instead of EUR 732.46.

Source: Company information, ANACOM audit reports and calculations.

5. Conclusion and determination

Whereas:

- a) The Fund Law establishes the universal electronic communications service compensation fund provided for in ECL, intended to finance USNC.
- b) The referred Law, as it stands, provides that companies providing public communications networks and/or publicly available electronic communications

services in the national territory are required to make contributions intended to finance USCF determined in the scope of USP designation tenders.

- c) As regards such contributions to the USCF, ANACOM established that values that resulted from tenders concerning FTS and the provision of public payphones would be deemed to be an unfair burden.
- d) It was established in the respective contracts concluded in 2014 between USP and the Portuguese State that the value specified in winning tenders constitutes USNC to be compensated, under paragraph 1 b) of article 95 of ECL.
- e) In compliance with article 97, paragraph 1 of ECL, net costs resulting from all tenders were and are deemed by ANACOM to be an unfair burden and, as such, must be financed, under the terms and conditions laid down in the respective tender instruments, as well as in the law that establishes the USCF.
- f) USP designated by tender for the US provision of FTS and public payphones began providing the US under the respective contracts in 2014. Under the Fund Law, such providers must be compensated for costs incurred in 2019 by the end of March 2021.
- g) In 2019, the overall value of USNC incurred by USP under contracts was EUR 1 456 566.60, respectively EUR 794 301.39 concerning the FTS US provided by NOS Comunicações, S.A. and EUR 662 265.21 concerning the public payphones US provided by MEO – Serviços de Comunicações e Multimédia, S.A..
- h) The final overall value to be considered for the purpose of the determination of contributions amounts to EUR 1 456 266.67, which corresponds to the overall value of USNC incurred by USP, in 2019, under contracts concluded, deducted of amounts paid to the fund, following the determination of default interest under paragraph 1 of article 13 of the Fund Law.
- i) Under the Fund Law, it is incumbent on ANACOM to perform all actions required for a proper administration of the compensation fund, and pursuant to article 11, it is also responsible for identifying every year the bodies required to contribute to the compensation fund, intended to finance net costs to be compensated to tender-designated USP, and for setting the precise value of the respective contributions.

- j) In 2019, 103 companies registered as network operators and/or publicly available electronic communications services were in operation, 95 companies having submitted information on ET to ANACOM (for one of these companies, the value concerned was only obtained in the course of the audit).
- k) Of the 8 companies that failed to submit any information:
 - a. As 7 companies are concerned, it was assumed that the ET amount corresponded to the amount reported for the 2019 financial year within the scope of the procedure for entry and settlement of the annual fee referred to in article 105, paragraph 1b) of ECL, where it existed, or in its absence, the value declared for the purpose of the Fund Law in a previous procedure. The value concerned is not likely to give expression to any of the companies so that they would be required to contribute to the Fund nor has it any impact at the level of the identification of companies required to contribute to the compensation fund;
 - b. For 1 of the companies, no information is available.
- l) An audit was carried out to ET values reported by 23 companies providing electronic communications networks and/or services in the scope of the Fund Law, including in particular companies with the highest ET values, those that showed the highest ET reductions compared to the preceding year, as well as some randomly selected companies.
- m) As a result of the audit and of the analysis carried out by ANACOM of other network operators and/or providers of electronic communications services, as explained in chapter 2, it was found that the sector's ET in 2019 amounts to EUR 4 158 369 882.39.
- n) On the basis of the ET determined and in the light of the concept of company laid down in the Fund Law, 4 companies (integrating 10 bodies) were identified as being required to make contributions intended to finance USNC for 2019 incurred by USP under contracts concluded, excluding all those that in the year concerned registered an ET in the electronic communications sector of less than 1% of the sector's overall ET.
- o) Under articles 121 and 122 of the Administrative Procedure Code, a prior hearing was held, interested parties having been notified to submit comments on the draft final decision, if they so wished, within 10 working days. Contributions received were

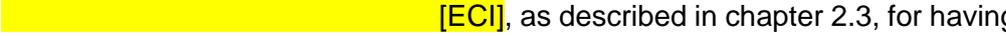
analysed in the terms set out in the prior hearing report, which substantiates and integrates this decision.

- p) Arguments put forward by some of the interested parties, as set out in the prior hearing report, did not lead to any change in these bodies' ET value compared to the value considered in the scope of the DD.
- q) In the scope of comments received, MEO – Serviços de Comunicações e Multimédia, S.A., requested to be exempted from submitting its contribution, under paragraph 2 of article 12 of Law No. 35/2012, given that it is entitled to compensation in excess of that contribution.

ANACOM's Board of Directors, under paragraphs 1, 2, 3, 4 and 6 of article 97 of ECL, and pursuant to paragraphs 1, 2, 3 and 4 of article 11 of the Fund Law, and in the exercise of powers conferred under paragraph 1 q) of article 26 of its Statutes, approved by Decree-Law No. 39/2015, of 16 March, hereby determines:

1. To determine, for the purpose of the determination of the electronic communications sector's overall ET for 2019:
 - a. The review/setting of the ET value for the following companies: [BCI] 
 [ECI],
further to audits carried out, as described in chapter 2.1.
 - b. The review of the ET value for the following companies: [BCI] 

 [ECI],
as a result of corrections/changes introduced, as described in chapter 2.2.
 - c. The setting of the ET value for the following companies: [BCI] 

 [ECI], as described in chapter 2.3, for having failed to provide information for the purpose of the Fund Law.

2. To determine, on the basis of information provided by network operators and providers of electronic communications services, and bearing in mind point 1, that the sector's overall ET for 2019 amounts to EUR 4 158 369 882.39.
3. To approve the list of bodies that, in accordance with the ET established, and in compliance with article 11 *et seq* of the Fund Law, are required to make a contribution to the USCF intended to finance USNC incurred by NOS Comunicações, S.A, in 2019, under contracts concluded with the Portuguese State for the provision of the US of connection to a public communications network at a fixed location and of publicly available telephone services, as well as the value of each body's contribution, according to the table below.

Table No. 19 – Value of contributions of bodies required to contribute to the compensation fund concerning USNC incurred by NOS Comunicações, S.A in 2019, under contracts concluded for the provision of the US of connection to a public communications network at a fixed location and of publicly available telephone services

Companies	Eligible Turnover	Contribution % ⁽¹⁾	NOS (Provision of FTS) ⁽²⁾
NOWO/ONITELECOM Group	[BCI]		18 501.70
NOWO Communications. S.A.			12 173.37
ONITELECOM - Infocomunicações. S.A.			6 328.33
NOS Group			263 369.69
NOS Açores Comunicações. S.A.			2 860.62
NOS Comunicações. S.A.			240 918.07
NOS International Carrier Services. S.A. ⁽³⁾			13 878.78
NOS Madeira Comunicações. S.A.			4 833.73
NOS Wholesale. S.A.			878.49
VODAFONE Group			199 771.07
VODAFONE PORTUGAL - Comunicações Pessoais. S.A.			199 771.07
VODAFONE Entreprise Spain . SL - Portugal Branch			0.00
MEO – Serviços de Comunicações e Multimédia. S.A.		[ECI]	312 495.37
Total	4 024 325 232.90	100%	794 137.83

Note: Values in Euro.

Values were calculated in compliance with the Fund Law, at cent level. The aggregated contributions of each group are determined as the result of the sum of individual contributions of each of the bodies involved, which are the amounts to be taken into consideration for the purpose of payment to the USCF.

(1) Differences in the sum result from rounding.

(2) The sum of individual contributions of each of the bodies in the NOS Group results in a value of 1 cent greater than the value of the contribution from that Group. To match both values, one cent was removed from the contribution of NOS Wholesale. S.A., which together with another body presents the smallest value at the third decimal place and between the two the smallest value at the fourth decimal place. As such, the value of its contribution is EUR 878.49 instead of EUR 878.50.

(3) This company changed its name, on 20.07.2020, to IBASIS NICS, S.A., as it was named in the DD, and was extinguished on 22.12.2020 as a result of the registration in the commercial register of the merger by incorporation into IBASIS Portugal, S.A., transmitting to this company its rights and obligations.

Source: Company information, ANACOM audit reports and calculations.

4. To approve the list of bodies that, in accordance with the ET established, and in compliance with article 11 *et seq* of the Fund Law, are required to make a contribution to the USCF intended to finance USNC incurred by MEO Comunicações e Multimédia, S.A., in 2019, under the contract concluded with the Portuguese State for the US provision of public payphones, as well as the value of each body's contribution, according to the table below.

Table No. 20 – Value of contributions of bodies required to contribute to the compensation fund concerning USNC incurred by MEO – Serviços de Comunicações e Multimédia, S.A. in 2019 under contracts concluded for the US provision of public payphones

Companies	Eligible Turnover	Contribution % ⁽¹⁾	MEO (Provision of PPP) ⁽²⁾
NOWO/ONITELECOM Group	[BCI]		15 426.17
NOWO Communications. S.A.			10 149.80
ONITELECOM - Infocomunicações. S.A.			5 276.37
NOS Group			219 589.93
NOS Açores Comunicações. S.A.			2 385.10
NOS Comunicações. S.A.			200 870.42
NOS International Carrier Services. S.A. ⁽³⁾			11 571.72
NOS Madeira Comunicações. S.A.			4 030.22
NOS Wholesale. S.A.			732.47
VODAFONE Group			166 563.26
VODAFONE PORTUGAL - Comunicações Pessoais. S.A.			166 563.26
VODAFONE Entreprise Spain . SL - Portugal Branch			0.00
MEO – Serviços de Comunicações e Multimédia. S.A.		[ECI]	260 549.48
Total	4 024 325 232.90	100%	662 128.84

Note: Values in Euro.

Values were calculated in compliance with the Fund Law, at cent level. The aggregated contributions of each group are determined as the result of the sum of individual contributions of each of the bodies involved, which are the amounts to be taken into consideration for the purpose of payment to the USCF.

(1) Differences in the sum result from rounding.

(2) The sum of individual contributions of each of the bodies in the NOS Group results in a value of 1 cent less than the value of the contribution from that Group. To match both values, one cent is added to the contribution of NOS Wholesale S.A. which has the highest value in the third decimal place. This entity contributes EUR 732.47 instead of EUR 732.46.

(3) This company changed its name, on 20.07.2020, to IBASIS NICS, S.A., as it was named in the DD, and was extinguished on 22.12.2020 as a result of the registration in the commercial register of the merger by incorporation into IBASIS Portugal, S.A., transmitting to this company its rights and obligations.

Source: Company information, ANACOM audit reports and calculations.

5. To order the issue of the respective Invoices/Settlement Notices of contributions identified in points 3 and 4, which shall refer to this decision and respective grounds, and indicate the USCF as active party and respective Tax Identification Number, as well as defence measures and means of payment. Contributions shall be paid within 20 days, in compliance with paragraph 1 of article 12 of the Fund Law.
6. To authorize MEO – Comunicações e Multimédia, S.A., on the basis of its request, and pursuant to paragraph 2 of article 12 of the Fund Law, not to transfer the value of its due contribution concerning USNC for 2019, as the amount of compensation to which it is entitled as public payphones USP exceeds the value of the contribution it is required to pay. As such, the value of its overall contribution in respect of USCF for 2019 shall be deducted from the amount of compensation to which the company is entitled for the provision of the public payphones US.
7. To notify bodies covered by the determination in point 1 of the approval of this decision in the part which specifically concerns them.
8. To notify bodies covered by determinations in points 3 and 4, under paragraph 5 of article 11 of the Fund Law, of the approval of this decision.
9. To make the approval of this decision publicly available at ANACOM's website, in compliance with paragraph 6 of article 11 of the Fund Law.