
MULTI-YEAR
ACTIVITIES
PLAN

2017-2019
AND BUDGET
2017

ANACOM



AUTORIDADE
NACIONAL
DE COMUNICAÇÕES

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1. Executive summary

The Multi-Year Activities Plan for Autoridade Nacional de Comunicações (Autoridade Nacional de Comunicações (ANACOM) incorporates the strategic priorities, lines of action and specific actions to be undertaken over the 2017-2019 three-year period; the Plan also includes activities carried out on a regular and ongoing basis that are essential to the proper performance of ANACOM's functions and which take up a significant portion of the regulator's human and financial resources.

This year, for the first time, ANACOM decided to submit the list of actions set out in the 2017-2019 Multi-Annual Activities Plan and the timetable for their implementation to public consultation, receiving contributions between 29 July and 29 August 2016. Before this consultation, ANACOM had received input from various stakeholders on the Plan's strategic guidelines, following a public consultation held between 6 May and 6 June 2016. These public consultations, held with the aim of enhancing transparency in the market, increasing regulatory predictability and promoting greater involvement by all stakeholders in the preparation of ANACOM's Activities Plan, were conducted in fulfilment of article 47, paragraph 1, of ANACOM's Statutes (approved by Decree-Law no. 39/2015 of 16 March). As a result of these procedures, ANACOM received a number of important contributions, many of which have been incorporated into the Plan, as can be seen in the approved reports available on ANACOM's website. For example, new lines of action were incorporated such as "Improving the technical processes of provider switching" and "Ensuring the population's access to free television after 2020 (freeing up of 700 MHz band)". Some lines of action have been reformulated, including the line of action "Analyse trends in the use of the digital dividend in anticipation of evolutionary scenarios", reformulated as "Implement a plan of action for the 700 MHz band with a view to making it available". The line of action "Evaluate, on a prospective basis, the development of various radiocommunications services and applications and spectrum needs associated with the provision of new electronic communication services" also resulted from a reformulation.

Following the consultations, new actions were incorporated into ANACOM's Multi-Annual Plan, in particular the action "Complete review of the Portability Regulation" and the action "Motivate operators to establish codes of conduct". In other cases, proposed actions were not detailed in the plan because there were already other actions providing for pursuit of the same goal, and there were also cases of actions that have been given no express provision,

but which ANACOM will nonetheless take into account in the development of its activity, as detailed in the public consultation report on the 2017-2019 Activities Plan.

Some actions set out by ANACOM have been amended in line with the proposals advanced under the consultation. This is the case, for example, of the action "Assign the 700 MHz band (and other relevant bands) considering the national interest and the European and national regulatory framework", which replaced two initially planned actions; or for example, the action "Monitor provider practices", whose sub-actions have been reformulated, making them broader in scope.

Changes were made to the timings of a number of actions as a result of contributions received in this consultation.

As such, this document includes the strategic priorities, lines of action and actions that ANACOM considers most fitting to ensure the existence of a stable and predictable regulatory framework to promote competition, investment and innovation as key factors supporting the generation of better offers for consumers.

In a sector as dynamic as the communications sector, the regulator's proactivity and ability to anticipate future developments are crucial to the adoption of appropriate regulatory measures; these measures must be accomplished with the utmost transparency and with minimum intrusion.

Over the coming years, at the core of its work, ANACOM will be focused on strengthening competition in the sector by creating conditions conducive to the emergence of more and better offers, guaranteeing provision of the universal service in electronic communications and postal services, improving and strengthening the information made available to consumers, increasing responsiveness to complaints, assessing the needs of spectrum usage and establishing new rules on the allocation, use and management of numbering.

To accomplish all its objectives, it is crucial that ANACOM retains highly qualified, committed and motivated staff who contribute to making ANACOM increasingly efficient.

The investment plan for the 2017-2019 period will remain guided by a drive to rationalise expenses and by a careful evaluation of all expenditure, without causing harm to ANACOM's capacity to act in terms of its regulatory and supervisory activity. The most significant investments in this three-year period result from the upgrade and modernisation

of equipment supporting spectrum management, and the technological adaptation of information systems (hardware and software).

Notwithstanding the necessity of these important assets, the investment forecast for 2017 is 4.6 percent lower than the investment envisaged in the 2016 budget, with further reductions due in 2018 (-17%) and 2019 (-0.2%).

With regard to the financial plan, in 2017, the main source of income remains the application of specific fees to cover the costs of ANACOM's regulatory activity in the context of both electronic communications and postal services. These fees are paid by sector operators and are determined based on a criterion of allocation according to the relevant revenues reported by each operator, weighted as a proportion of total sector revenues. ANACOM also charges special fees that are incurred by operators in return for the use of scarce public resources (such as the radio spectrum and numbering).

It is estimated that, in 2017, ANACOM's income will be 90.778 million euros, exceeding income budgeted for 2016 (+7.5 percent). In the following years, 2018 and 2019, a decline in income is forecast to the order of 0.3% per year.

In terms of expenditure, the 2017 budget provides for total expenditure of around 56.070 million euros, representing an increase of 5.4 percent versus the 2016 budget. This increase is essentially due to increased provisions for ongoing legal cases and to full restoration of staff salaries in accordance with the law.

In the 2017-2019 period, ANACOM will continue to take measures supporting a reduction in expenditure and a streamlined cost structure, which will make it possible to accommodate certain spending increases associated with the accomplishment of new legal obligations.

Forecast net profits for the periods covered by the Plan are: 34.7 million euros in 2017, 36.3 million euros in 2018 and 38.4 million euros in 2019.

2. Background - regulatory commitment

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.

ANACOM has as its mission the regulation of the electronic and postal communications sector, and, without prejudice to its nature, the provision of assistance to the Government in this area under the terms of its present Statutes and under the law. In the accomplishment of its mission, ANACOM has sought to promote conditions which are favourable to the further openness of markets, in terms of stronger competition and expanding the range of choice available to end-users.

The aim of regulation is to promote the proper functioning of markets, providing adequate fulfilment of consumer needs, in terms of diversity of offers and products, pricing and quality of service.

In pursuit of its activity, and in accordance with the law, it is incumbent upon ANACOM to control the exercise of positions of market dominance and monopolies, to promote competition and safeguard the rights and interests of consumers and other end-users. Consumer protection has been an area of growing intervention, with demands for increasing regulator involvement, not only in terms of ensuring the dissemination of information to consumers, but also in terms of complaints received in the sector and promoting alternative mechanisms for the mediation and resolution of consumer disputes.

The management of the radio spectrum is a fundamental task of the State in electronic communications markets, both in the exercise of regulatory functions and in terms of the management of public assets. In this sense, spectrum management remains a critical area of ANACOM's work; it must be undertaken while taking into account the significant change in the way spectrum is being used, with the continuous development of new networks and services and increased choice for users. ANACOM's consistent activity in the context of the spectrum is designed to achieve efficient use of the spectrum, contributing to increased competition in markets - ensuring the flexibility which network operators and electronic communications service providers require if they are to adapt quickly to the technological change which characterises the sector and so that they can adopt new business models which fit the needs of their users - while, in parallel, contributing to an increase in sustained investment.

Also in the context of managing scarce public resources, ANACOM continues to promote the establishment of conducive conditions in its management of the use of numbering, providing for the update of the main elements of the PNN - Plano Nacional de Numeração (National Numbering Plan).

The prevailing EU regulatory framework has given national regulatory authorities responsibilities with regard to the reliability and security of networks; as such ANACOM has been working extensively with a view to the adoption of appropriate measures to safeguard the security of electronic communication networks and services. This work is to be continued and consolidated with a process of security auditing and the activity of the notification reporting centre.

ANACOM also exercises important work in terms of market supervision and surveillance. ANACOM is responsible for enforcing compliance with laws and regulations, its own decisions, technical requirements and activity qualifying titles, as well as the obligations which are binding upon universal service providers. ANACOM also compiles and processes statistics which it disseminates on the electronic communications and postal sectors.

ANACOM's functions also include representation of the Portuguese State at various international bodies and organisations, and technical representation at various forums and groupings of communications regulators, in pursuit of knowledge-sharing and experience exchange.

In this context, it is important to highlight the active role that ANACOM seeks to play, as part of its active participation in the Body of European Regulators for Electronic Communications (BEREC), in negotiating the new regulatory framework for the electronic communications sector, as a crucial factor in the sector's future.

Finally, note should be made of ANACOM's work in consultation with the *Assembleia da República* (Assembly of the Republic) and advising the Government. Under the terms of its Statutes, ANACOM advises and assists the Government, upon its own initiative or upon the request of the Executive, through the provision of technical support, the formulation of opinions, information and legislative drafts.

To carry out its mission successfully, 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, so that the regulatory process is faster and is capable of keeping up with the rapid evolution of regulated markets - these are challenges that ANACOM faces on a daily basis.

ANACOM considers it essential to ensure a stable regulatory framework and predictability in decision-making, so that operators and service providers are able to develop and pursue

their businesses and investments without fear of unwarranted regulatory disruption, in an environment conducive to innovation.

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

Considering the impact that its decisions have on the sector's various participants and stakeholders - consumers and businesses - ANACOM always seeks to announce its draft decisions as early as possible and always seeks input from stakeholders, by submitting all decisions that have external impact to public consultation procedures. This procedure is used to accomplish the principle of transparency, a fundamental pillar of ANACOM's regulation and one of the values which governs ANACOM's work. Independence, excellence and team culture are other values which govern the behavioural standards followed by ANACOM staff in the performance of different tasks and in pursuit of the ultimate goals set out in this plan.

3. Current framework of the communications sector

The Portuguese communications market remains highly dynamic, largely due to high levels of coverage by fixed and mobile high-speed networks. In combination, these networks (allowing download speeds of 30 Mbps or more) cover 90.9% of households – this ranks Portugal in 8th position among the 28 countries of the European Union. In terms of mobile broadband, LTE networks (Long Term Evolution) provide 94.3% coverage, which is one of the highest levels in the EU28. The same applies to the coverage of next generation networks in rural areas (36.9% in 2015), which compares with an average of 9.4% in the EU28.

Consequently, and because of strong levels of competition in the sector, penetration of broadband Internet continued to rise (fixed 30.3% and mobile 53.2%), while data traffic also increased (30.1% in the case of fixed broadband and 38.2% in the case of mobile broadband). The increased consumption of mobile data was also driven by increased penetration of smartphones, which reached 66.7%, with 5.5 million users of this type of device in Portugal as at the end of 2015.

Changes occurring in the market's structure in recent years have created conditions to accelerate convergence, particularly between mobile and fixed infrastructure; this has led to the strengthening of convergent offers, enabling the appearance of quadruple-play and quintuple-play bundles. In 2015, 80% of Portuguese households had a bundle of services and 35% acquired bundles of converged services. The increase in the use of fixed and mobile broadband and other services, such as cable television, and even voice services, has been taking place in large part due to the growth reported in the sales of bundles of services.

The availability of high-speed and very high-speed networks also enabled the emergence of new businesses such as cloud computing and big data, representing a business opportunity for telecom companies.

In the postal sector the situation is different. Due to the increasing use of electronic communication over traditional postal items, postal traffic continued to decline, falling by 3.3% in 2015. In contrast, areas of activity associated with e-commerce, such as parcel traffic are growing, but are not yet sufficient in size to compensate for the reduction in the traditional business.

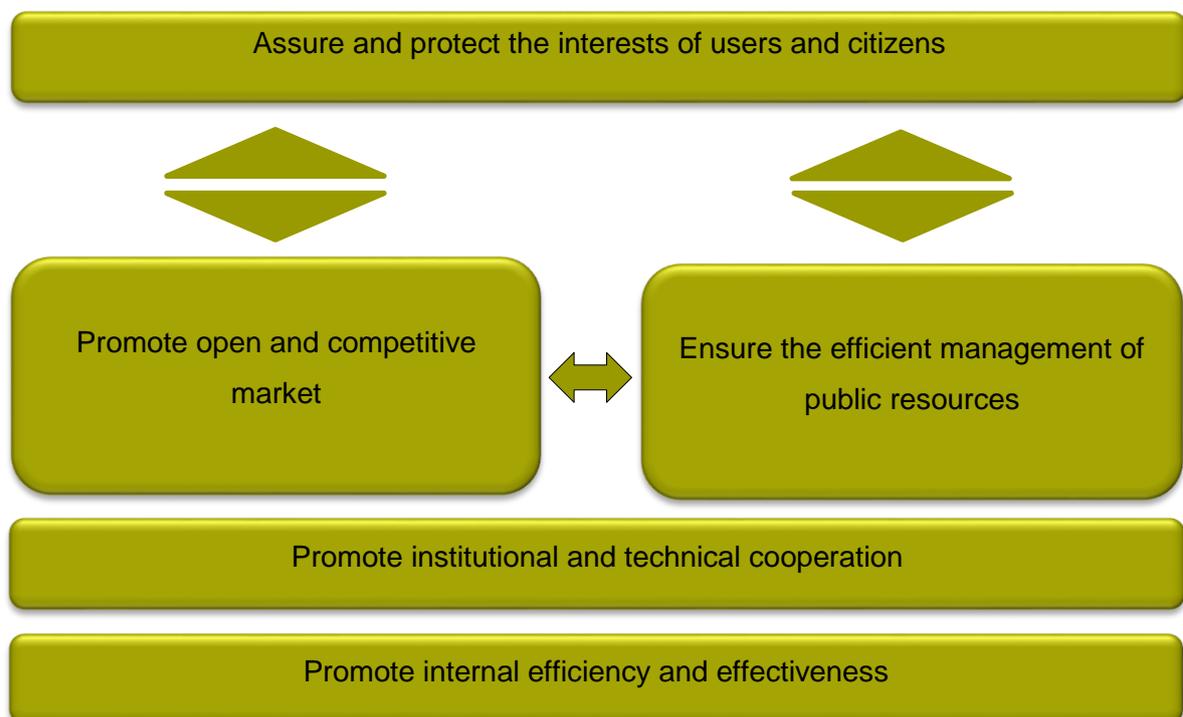
These constraints have led postal operators to seek new areas of activity and new opportunities that allow them to achieve the growth that the internal market does not currently offer, specifically the internationalisation and promotion of e-commerce.

In this context, ANACOM will continue to work to ensure an appropriate regulatory environment for the development of the communications sector. This Plan is intended as an instrument in accomplishing this environment.

4. Strategic priorities and lines of action to be pursued in 2017-2019

The present Multi-Annual Activities Plan sets out the strategic priorities and lines of action to be pursued over the 2017-2019 three-year period, as well as the actions which will contribute to accomplishing these priorities.

ANACOM's strategic priorities for 2017-2019



The Plan also covers other regular activities which are essential for the proper performance of ANACOM's functions, involving the allocation of significant human and financial resources.

As with the strategic guidelines for the 2015-2017 Plan and the 2016-2018 Plan, ANACOM again submitted its proposed strategic guidelines for the 2017-2019 Multi-Annual Activities Plan to public consultation and, for the first time, the list of actions with respective timetabling was also submitted to the consultation procedure.

By following this procedure, ANACOM is enhancing transparency and regulatory predictability; by providing all stakeholders with an opportunity to express their views on the strategic guidelines which ANACOM proposes to pursue over the coming years and opportunity to

suggest new priorities and lines of action; as such, ANACOM is ensuring that its Plan provides a response that is line with market needs.

From the proposals received, the majority were accepted and incorporated into the 2017-2019 Activities Plan, as detailed in the consultation report, which has been approved and is published on ANACOM's website.

The principal lines of action to be pursued by ANACOM in the 2017-2019 three-year 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 and review application of the conditions governing universal service provision (electronic communications and postal services).
- 1.2 Assess the appropriateness of quality of service levels provided.
- 1.3 Monitor and report on the evolution of retail pricing.
- 1.4 Define and implement actions in the field of security and integrity of electronic communications networks and services.
- 1.5 Contribute to the definition and updating of emergency civil planning policies in the communications sector
- 1.6 Ensure the proper provision of information to users.
- 1.7 Review sector's complaint management procedures.
- 1.8 Promote out-of-court dispute resolution in cooperation with relevant authorities.
- 1.9 Ensure the population's access to free television after 2020 (freeing up 700 MHz band).
- 1.10 Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform.
- 1.11 Ensure proper implementation of the TSM Regulation (roaming and net neutrality) in the light of BEREC guidelines.
- 1.12 Ensure legal compliance and transparency of business practices (including contract terms) and organise a review of procedures.
- 1.13 Improve the technical processes of operator switching.

1.1 Oversee and review application of the conditions governing universal service provision (electronic communications and postal services)

This line of action involves a large number of tasks, including a review of the conditions applicable to provision of the universal service as regards its current and potential future components, and provision of advice to the Government in the context of launching public tender procedures for the universal service of public pay-telephones, the fixed telephone service and telephone directories and directory enquiry services. This work also involves an evaluation of levels of compliance with the quality of service parameters and indicators imposed on the providers of the various component provisions of the universal service in electronic communications, as well as analysis of the conformity of the price-cap established for providers of the universal service of electronic communications and of the postal sector. The action also entails auditing of the quality indicators for 2016-2020 as well as definition of these parameters for the period 2018-2020.

In 2017, ANACOM will also define the rules governing the pricing applicable to the universal postal service in 2018-2020, and will monitor accomplishment of postal network density targets and minimum offers of service, as imposed on universal postal service provider, defining the targets to apply to the universal service provider from October 2017.

ANACOM's plan for 2017 includes auditing of the inventory of the concession assets of CTT reported for the period between 2014 and 2019, as part of its work to contribute to the Government's re-evaluation of the conditions governing provision of the universal postal service.

1.2 Assess the appropriateness of quality of service levels provided

This line of action also entails work on the development of tools for gauging the quality of fixed and mobile Internet access services, notably through the NET.mede and NET.mede Pro tools, and particularly as regards the development of solutions for data processing and reporting. Provision is also made for the disclosure of information on the quality of service of mobile networks.

1.3 Monitor and report on the evolution of retail pricing

Provision is also made, in the period of the Plan, for the monthly disclosure of trends in the Consumer Price Index (CPI/HICP) and in the telecommunications prices, based on data from INE - Instituto Nacional de Estatística (Statistics Portugal). ANACOM will also

monitor a series of studies from other organisations (EU, OECD, Teligen, etc.), conducting analyses of the trends reported in the pricing of communications.

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

As regards the security and integrity of networks, in 2017, ANACOM intends to carry out an extraordinary audit on network security, conducted by an external auditor which will be selected by means of a tender procedure. This is preceded by a regulatory procedure which took place in 2016, where the stakeholders had opportunity to give input.

1.5 Contribute to the definition and updating of emergency civil planning policies in the communications sector

Taking into account the new responsibilities assigned to ANACOM upon inheriting the assignments and powers conferred on CPEC - Comissão de Planeamento de Emergência das Comunicações (Emergency Communications Planning Committee), it is now a responsibility of ANACOM to contribute to the definition and continual updating of emergency civil planning policies in the communications sector. In this context, in 2017, ANACOM will implement and put into practice the key recommendations resulting from the sector's readiness study, held in 2016. This means ANACOM will carry out the actions of coordination and promotion which are identified, including the development of ANACOM's capacity in term of systems, equipment and other specific resources supporting its new assigned responsibilities.

1.6 Ensure the proper provision of information to users

Recognising the importance of information for consumers, who can make better choices when they are better informed, ANACOM discloses a wide range of information, which it makes available on its institutional and Consumers' websites, both the object of a major revamp in 2016 to facilitate ANACOM's relationship with consumers. ANACOM will continue with its ongoing evaluation of the informative content which it provides on the Consumers' Website, adapting this content in line with the development of perceived needs. With the same purpose, it is envisaged that COM.escolha, ANACOM's tariff comparison tool, will see further adaptation with the inclusion of the *Ficha de Informação Simplificada* (Simplified Information Sheet) and other improvements.

A wide range of information is released by ANACOM on the Internet, covering goods and services, tariffs, sector legislation, ANACOM determinations, statistics on services, trends in complaints, etc.

1.7 Review sector's complaint management procedures

This line of action provides for the regulation of the procedures employed by communications service providers to process complaints. This is a measure of great importance, given the high level of complaints and the amount of litigation that exists between consumers and operators as a result of the market's competitive situation and certain aggressive commercial practices. Internally, to improve its own capacity to manage complaints, ANACOM will adopt a new information system to support this process.

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

Under its statutes, it is ANACOM's responsibility to develop steps to promote solutions and mechanisms enabling the out-of-court settlement of consumer disputes. In 2017 and in subsequent years, ANACOM will implement and monitor the solution adopted to promote extrajudicial resolution of conflicts in the communications sector.

1.9 Ensure the population's access to free television after 2020 (freeing up of 700 MHz band)

ANACOM intends to plan and implement decisions which will be adopted on the television access platform as a result of the release of spectrum in the 700 MHz band for electronic communications services.

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

In its plan for 2017, ANACOM will monitor development of the DTT network, with possible adaptation of the probe network. Based on the information provided by the probes, a study will be developed in late 2017 on the quality of the DTT service.

To conduct verification of DTT coverage obligations at a national level, in each year of this plan, ANACOM will check whether the information provided by the platform operator on two identified municipalities corresponds to conditions on the ground. To this end, measurements will be carried out in order to validate the theoretical information.

1.11 Ensure proper implementation of the TSM Regulation (*roaming* and net neutrality) in the light of BEREC guidelines

ANACOM carries out an important set of oversight activities. For the duration of this Plan, special attention will be given to the verification of market practices under the rules of the TSM Regulation¹.

1.12 Ensure legal compliance and transparency of business practices (including contract terms) and organise a review of procedures

This line of action provides for the monitoring of practices engaged in by operators. With this objective, a market survey of zero rating offers will be performed and the transparency of these and other operator offers will be monitored. The Plan also includes a sub-action to monitor implementation and execution of the regulation on contractual and pre-contractual information.

1.13 Improve the technical processes of operator switching

The establishment of codes of conduct by operators could contribute to the improvement of the technical processes of provider switching. In this context, ANACOM is available to carry out initiatives which motivate operators with a view to this objective.

¹ Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25 November 2015 laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union.

Strategic Priority 2: Promote open and competitive markets

Lines of action:

- 2.1** Oversee and analyse/review relevant electronic communications markets.
- 2.2** Review, in line with requirements, 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, when relevant.
- 2.4** Undertake actions associated with the provision of the universal service with market impact.
- 2.5** Oversee and monitor the development of next generation access networks (NGA).
- 2.6** Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May.
- 2.7** Monitor and supervise the activities pursued by various sector agents, enforcing compliance with prevailing rules.
- 2.8** Contribute to the review/negotiation of the new regulatory framework.
- 2.9** Prepare and submit pre-draft legislation to the Government for transposing the regulatory framework for electronic communications.
- 2.10** Review and consolidate procedures for the management of company registrations.

2.1 Oversee and analyse/review relevant electronic communications markets

Analysis of the various relevant markets defined by the European Commission is vital in order to make a diagnosis of the competitive situation in the electronic communications sector. These analyses entail the review and update of previous analyses, taking into account evolution occurring 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 fully 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 2017-2019 three-year period include analysis of market 1, market 2 and former market 2 (origination). Analyses of markets 3a and 3b are scheduled for completion in 2016 (analysis of market 4 was completed in September); these will be re-analysed during the period of the plan.

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

The conclusions which result from market analyses may determine a review 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 retail markets. This activity seeks to ensure transparency in technical and commercial information, and to achieve non-discrimination and price control.

ANACOM undertakes reviews of reference offers in the light of updated data, particularly in terms of costing and quality of service, of experience gained and of contributions received from the market. In 2017, reviews will be conducted focusing on the reference offers of access to ducts (RDAO) and posts (RPAO), with further reviews focusing on the Reference Unbundling Offer (RUO), the Leased Lines Reference Offer (LLRO) and the Ethernet Leased Lines Reference Offer (RELLO). During the 2017-2019 three-year period, ANACOM will also consider

changes to the Wholesale Line Rental Offer (WLRO) and the Reference Interconnection Offer (RIO).

2.3 Develop and improve regulatory costing systems and audit their results, when relevant

During this Plan, a series of audits will be carried out focusing on the SCA - Sistema de Contabilidade Analítica (Analytical Accounting System) used by MEO - Serviços de Comunicações e Multimédia, S.A. (MEO) (2015/2016, 2017, 2018) and by CTT (2015, 2016/2018).

Provision is also made for determination of the cost of capital of MEO and CTT for the 2017/2019 period and for approval of the review of the SCA used by CTT.

Other considered actions include updating the mobile and fixed termination model and development of a costing model for next generation networks.

2.4 Undertake actions associated with the provision of the universal service with market impact

During the period of the plan, ANACOM will carry out auditing in the context of the universal service provision of telephone directories and directory enquiry services, with audits of reported figures on retirees and pensioners in the period subsequent to designation of the universal service provider by public tender and of the turnover data used in respect of the electronic communications universal service compensation fund.

Provision is also made in the plan to promote the procedures providing for the compensation of net costs incurred by MEO in the period prior to the designation of the universal service provider by public tender and the reimbursement of costs incurred by the universal service provider designated by public tender (payments to MEO and NOS Comunicações, S.A. (NOS).

ANACOM also plans a series of actions related to the assessment and reimbursement of the postal NCUS, should they apply.

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

Since there are other undertakings besides MEO in possession of ducts and posts which may be used by telecom operators in the pursuit of their activities, ANACOM intends to make an

assessment of the extent to which the ducts and posts held by these undertakings are used, to ascertain whether there are other offers of ducts and posts in the market and whether these offers are being used.

2.6 Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May

Definition of the methodology to be used for setting levels of compensation for access to and use of infrastructure suitable for carrying electronic communications networks is expected to be completed in 1st quarter 2017.

2.7 Monitor and supervise the activities pursued by various sector 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 ANACOM.

During the period of this Plan, a special focus will be given to the verification of matters related to consumer rights under sector legislation, in line with the work done in 2016. One of the actions to be undertaken is focused on verification of the conformity of electronic communications equipment under the new Radio Equipment Directive (RED) and Electromagnetic Compatibility (EMC), to determine whether they comply with the essential requirements of efficient and effective use.

2.8 Contribute to the review/negotiation of the new regulatory framework

Over the coming years, ANACOM will be intensely engaged in reviewing the new electronic communications regulatory framework. As part of its advisory responsibilities, and in work to define the Portuguese national position, ANACOM will promote contacts and hold workshops so that it can receive input from different stakeholders; ANACOM will also be responsible for conducting the negotiation process.

2.9 Prepare and submit pre-draft legislation to the Government for transposing the regulatory framework for electronic communications

This line of action includes the preparation and submission to the Government of pre-draft legislation with a view to transposing the regulatory framework applicable to the electronic communications sector, as currently under review at European level.

2.10 Review and consolidate procedures for the management of company registrations

In 2017, ANACOM plans to review and consolidate its procedures for the registration of companies which offer electronic communications networks and services and postal services. This action provides an improvement to conditions of market access by operators. By improving information and making procedures to commence commercial activities more transparent, market access conditions will be improved, with favourable impact on the sector's competitive situation. This action also involves the dematerialisation of processes, by providing electronic forms; this involves implementing software solutions to support the registration of companies and opening a reserved area on ANACOM's website.

Strategic priority 3: Ensure the efficient management of scarce resources

Lines of action:

- 3.1** Implement a plan of action for the 700 MHz band with a view to making it available
- 3.2** Evaluate, on a prospective basis, the development of various radiocommunications services and applications and spectrum needs associated with the provision of new electronic communication services.
- 3.3** Manage the PNN - Plano Nacional de Numeração (National Numbering Plan) establishing appropriate conditions in the context of the allocation of use of numbering resources.

3.1 Implement a plan of action for the 700 MHz band with a view to making it available

Under this line of action, it is ANACOM's intention to assign the 700 MHz band (and other relevant bands) considering the national interest, the European and national regulatory framework, the development of services, networks and technologies, as well as perceived evolution of the UHF band.

3.2 Evaluate, on a prospective basis, the development of various radiocommunications services and applications and spectrum needs associated with the provision of new electronic communication services

In 2017, ANACOM intends to begin the process of assigning and making spectrum available for electronic communications services, taking into account the objectives of regulation established by law, in particular the Radio Spectrum Policy Programme adopted at Community level, the 2019 World Radiocommunication Conference (WRC-19) and national interests in spectrum use. This work includes preparations for WRC-19, involving the creation of a national

working group with external organisations, and making bands available for 5th generation mobile, M2M communications and IoT (Internet of Things).

Given the sector's constant evolution and dynamism, over the period of this plan, ANACOM will seek to identify emerging technologies and new models of spectrum management, as well as alternative techniques for sharing the radio medium and evolutionary scenarios resulting from new trends in spectrum management.

3.3 Manage the PNN, establishing appropriate conditions in the context of the allocation of use of numbering resources

Under the 2017-2019 Plan, provision is made for a range of actions related to the PNN and definition, from the outset, of a numbering range for M2M (if necessary including eCall) and preparation of a numbering regulation to update the principal elements of the PNN, which includes conditions governing the use of numbers. Provision is also made for the preparation of rules and the definition of conditions governing the use of calling line identification.

Under this line of action, provision is also made to conclude the review of the Regulamento da Portabilidade (Portability Regulation), began in 2016. This objective is expected for 2nd quarter 2017.

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** Maintain active participation in groups of European electronic and postal communications regulators.
- 4.3** Promote the sector at a national and international level and promote cooperation with other regulators.
- 4.4** Participate in the platforms of collaboration between Portuguese-speaking countries.
- 4.5** Promote the dissemination of legal and regulatory regimes applicable to the sector.
- 4.6** Promote cooperation with national and international organisations and ensure coordination of activities in relevant areas.
- 4.7** Increase communication with society and market participants (seminars, workshops and hearings).

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

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 the advancement of Portuguese interests and positions.

A range of actions are planned for 2017 in this context: presentation of a proposal to the Government that ANACOM cease providing representation of the Portuguese state at UPAEP - União Postal das Américas, Espanha e Portugal (Postal Union of the Americas, Spain and Portugal); promotion of Portugal's application to the secretariat of the European Telecommunications Satellite Organization EUTELSAT IGO; assessment of an application to the Council of the International Telecommunication Union (ITU) at the 2018 Plenipotentiary Conference (PP-18) and, if applicable, promotion of this application. ANACOM will also advance ways of improving its participation in the ITU, the Universal Postal Union (UPU) and the European Conference of Postal and Telecommunications Administrations (CEPT), in terms of efficiency and available resources. At the CEPT, the activities taking place in 2017 at the Conference Preparation Group (CPG) will be particularly important given the WRC-19. ANACOM also provides representation of Portuguese State at the bodies with most focus on the implementation of EU policy and on regulation of markets and of the radio spectrum, with particular focus on the Radio Spectrum Committee (RSC) and the advisory group of the Radio Spectrum Policy Group (RSPG).

4.2 Maintain active participation in groups of European electronic and postal communications regulators

In 2017, ANACOM will develop extensive efforts towards the negotiation/review of the new regulatory framework, which will be decisive for the sector over the coming years, ensuring internal coordination of the national position and the pursuit of negotiations at European level in the review of the legislation.

ANACOM will maintain its involvement with the expert and ad-hoc groups of the BEREC and is due to take over as chair of one of the Expert Working Groups (EWG).

ANACOM also intends to maintain efforts in its participation in the European Regulators Group for Postal Services (ERGP).

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

It is ANACOM's goal to foster the transfer of knowledge and experience with other organisations.

During the period covered by this plan, ANACOM will continue to work towards this objective, while maintaining efforts in its participation in groups which bring regulators together, both in Europe and beyond, such as the European Mediterranean Regulators Group (EMERG) and Regulatel - Fórum Latino-americano de Autoridades Reguladoras das Telecomunicações (Latin American Forum of Telecommunications Regulators). In addition to its participation in the work of these groups, ANACOM is planning to organise a workshop.

4.4 Participate in the platforms of collaboration between Portuguese-speaking countries

As regards 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 - Community of Portuguese Speaking Countries), ANACOM will provide the secretariat of this organisation until 2019 and maintain active participation in its working groups. ANACOM also plans to assist in the organisation of workshops and seminars of the ARCTEL training centre and contribute to the completion of studies. At the same time, ANACOM will remain engaged in an important set of activities aimed at bilateral cooperation with CPLP countries, which includes making a priority of ongoing and future bilateral activities, and the strategic redefinition and implementation of bilateral cooperation protocols.

4.5 Promote the dissemination of legal and regulatory regimes applicable to the sector

ANACOM plans to undertake a range of dissemination actions as a result of regulatory changes, in particular as regards the dissemination of the ITED/ITUR regimes. Various seminars and workshops.

4.6 Promote cooperation with national and international bodies and ensure coordination of activities in relevant areas

The present amendment of Decree-Law no. 123/2009 of 21 May calls for intense activity by ANACOM, including coordination of the entities involved in the planning, construction and maintenance of infrastructure. From the outset, legislative changes will require modification of the Centralized Information System (CIS) in terms of infrastructure covered; this may lead to changes to the software which supports the platform and which compiles information on infrastructure suitable for carrying electronic communications networks. As such, further determinations will be needed, preceded by the relevant public consultation procedures.

4.7 Increase communication with society and market participants (seminars, workshops and hearings)

In pursuit of this line of action, which is aimed at strengthening ANACOM's relationship with society/market agents, ANACOM will hold seminars, workshops and other initiatives enabling the exchange of knowledge, experience and compilation of input on various relevant topics, in a context of greater market involvement.

In 2017, ANACOM plans to hold two workshops on the review of the new regulatory framework for electronic communications, and more in the following years.

Strategic Priority 5: Promote internal efficiency and effectiveness

Lines of action:

- 5.1 Implement measures to rationalise expenditure, guaranteeing efficiency
- 5.2 Improve/dematerialise/simplify internal processes and expand the provision of services online.
- 5.3 Implement a structured model of training and development aimed at excellence in human resources
- 5.4 Consolidate an organisational culture more open to change.
- 5.5 Promote, to the extent permitted given legal constraints, a policy of incentives and development of professional careers, based on the recognition of staff performance.
- 5.6 Ensure better governance, management and operation of information security at ANACOM.

5.1 Implement measures to rationalize expenditure, guaranteeing efficiency

Cost reduction will remain a goal to be pursued by ANACOM. This objective can be achieved in several ways, including: the renegotiation of contracts, reduction in consumption, behaviour change, review and de-materialisation of processes.

The 2017-2019 period will be marked by the implementation of the strategic plan for information systems, which will improve the capacity of ANACOM's existing information systems, increasing their efficiency and significantly reducing associated costs.

ANACOM will also develop an integrated system of performance indicators, given the need for a review of indicators in the light of ANACOM's statutes. While ANACOM already has a system

to monitor its activities, which enables it to oversee the evolution of its performance, taking into account objectives of continuous improvement, the goal is to improve this system.

5.2 Improve/dematerialise/simplify internal processes and expand the provision of services online

ANACOM seeks continuous improvement in its efficiency; as such, it will continue to launch projects which enable processes and procedures to be streamlined and which reduce the administrative burden associated with certain work practices. This may result in the release of funds to more added-value functions, while at the same time improving ANACOM's ability to respond to external requests – achieving an improvement in quality and response times. In some cases, dematerialisation also has an external impact, particularly in relation to cases involving services whose provision is brought online, simplifying ANACOM's relationship with its customers. The plan for 2017 includes the development of new features in software applications supporting spectrum management, the availability of spectrum management indicators and the launch of an amateur exam simulator.

5.3 Implement a structured model of training and development aimed at excellence in human resources

Excellence in human resources is a priority for ANACOM. For this purpose, a structured training and development plan has been put in place to provide staff with greater knowledge and new skills, so that ANACOM can face the future with increased optimism. With a current average staff age of 49 years, ANACOM will advance with a talent management programme, carrying out a diagnosis of potential with a view to the establishment of a management succession plan.

5.4 Consolidate an organisational culture more open to change

ANACOM will continue to promote a culture of dialogue at all levels of the organisation, as a way to consolidate the promotion of change.

Meanwhile, ANACOM will continue actions aimed at consolidating an "ANACOM culture" which is more open to society; these actions include social responsibility initiatives, such as actions in support of social solidarity institutions, engaged in individually by ANACOM staff and the development of an internship programme, facilitating the entry of young graduates with high potential into the labour market.

5.5 Promote, to the extent permitted given legal constraints, a policy of incentives and development of professional careers, based on the recognition of staff performance

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 personnel. Accordingly, while taking into account the restrictive conditions to which staff have been subject in recent years, such as salary cuts, frozen career progression, lack of promotion, etc., ANACOM intends to identify specific incentive measures, taking into account persisting restrictions.

5.6 Ensure better governance, management and operation of information security at ANACOM.

This programme includes a set of actions focusing on organisation, processes, people and technology, enabling an improvement in ANACOM's management of information system risks and enhanced information protection. The detail of the actions to be developed stems from an ongoing initiative, which will be completed towards the end of 2016 - one result is the specification of concrete actions to be taken in the 2017-2019 three-year period.

5. Ongoing activities

Full accomplishment of ANACOM's mission entails a wide range of activities, carried out on a regular basis and requiring a major allocation of human and financial resources; this warrants their inclusion in the detail of the Plan.

These activities are detailed below, grouped according to the different strategic priorities defined for the 2017-2019 three-year period.

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

- **Respond to complaints and enquiries from consumers**

ANACOM provides information to each consumer as requested, specifically through responses to complaints and requests for information addressed to it. In 2015, ANACOM recorded a total of 66,657 complaints about communications services (14.9% fewer than in 2014); all were analysed, classified and answered. In this regard, the objective in 2017 is to answer 95% of the requests received within the same year.

Upon receiving a complaint, ANACOM analyses the problem described and, if it has complete contact information, it seeks to inform the person making the complaint as to their rights and about the mechanisms they can use to obtain resolution.

In addition to analysing and responding to the complaints it receives, ANACOM makes regular reports on these complaints, with information about trends and about the sectors, services and operators most cited in complaints. These reports are then published, providing consumers with information that is essential when selecting services.

Whenever analysis of complaints gives indication that an offence has been committed, processes are referred to litigation.

Analysis of complaints may also result in regulatory measures being drawn up where there is a considered need to put an end to inappropriate practices.

- **Monitor information disclosed by service providers**

The information which providers disclose to consumers is monitored on a regular basis to ascertain whether it complies with sector legislation and with ANACOM's determinations.

ANACOM also periodically reviews provider contracts to check that their clauses comply with the legal requirements and obligations of disclosure and transparency.

- **Conduct studies on the sector**

ANACOM regularly conducts studies on the electronic communications and postal sectors. As a rule, in addition to focusing on the national situation, these studies also analyse the situations in other countries, which gives the regulator a broader perspective on the regulatory situation. The studies serve as an important tool in support of ANACOM's regulatory activity and decision-making process.

Strategic Priority 2: Promote open and competitive markets

- **Grant and revoke licences for the exercise of activity, allocate numbering and frequencies**

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

Where pursuit of an activity involves the use of numbering resources, these are allocated by ANACOM, which is also responsible for the allocation of rights of use of frequencies, when applicable.

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

- **Verify compliance with obligations and instigate breach proceedings**

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

When it detects prohibited practices, processes are referred to litigation in order that the offender may be sanctioned and the behaviour in question remedied.

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

Over the course of the year, ANACOM compiles and analyses a wide range of statistical information on the sector, thereby obtaining a 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 the regulator's approach to the market.

The information collected is used by ANACOM in an annual report, which provides a very detailed snapshot of the situation in the markets for electronic communications and postal services. This report is then published on ANACOM's website. ANACOM also produces and releases quarterly reports detailing the trends and dynamics of the various services.

Strategic Priority 3: Ensure the efficient management of scarce resources

- **Management and allocation of numbering resources**

ANACOM is responsible for managing the PNN, including its guidelines and general principles, and for providing efficient management of numbering and addressing resources, including the allocation of resources and the definition of allocation conditions.

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, ANACOM may recover allocated numbering in the event that the respective conditions are not respected.

- **Licensing of telecommunications networks and stations**

ANACOM issues station and network licences for the different radiocommunications services, which, in practical terms, is equivalent to authorising operation of the networks and stations in question. ANACOM is responsible for examining and processing the respective licensing procedures, including the assignment of frequencies.

- **Monitoring and control of the spectrum**

ANACOM is regularly engaged in an important set of activities to monitor the radio spectrum. This activity includes two types of actions: reactive, in response to requests put to it; and preventive actions which ANACOM undertakes on its own initiative, on a scheduled basis. In 2015, five thousand spectrum monitoring actions were undertaken: 3,417 preventive actions scheduled by ANACOM, and 1,572 carried out in response to complaints.

- **Laboratory activities**

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

In 2015, the LEC performed radioelectric tests on 297 devices, conducted electromagnetic compatibility tests on 244 other devices and calibrated 194 devices.

Strategic Priority 4: Promote institutional and technical cooperation

- **Cooperate with national entities**

In fulfilment of its remit, ANACOM engages in cooperation 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, ANACOM is called on to give such opinions.

ANACOM also works in cooperation with ERSE - Entidade Reguladora dos Serviços Energéticos (Electricity Services Regulatory Entity), which works with ANACOM to reduce incidents resulting from failures in the supply of electrical power.

ANACOM cooperates with the *Assembleia da República* (Assembly of the Republic), offering information and providing explanations upon request.

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/emergency services.

- **Cooperate with international entities**

ANACOM carries on important work of international cooperation of a strategic nature focusing on EU countries and Portuguese-speaking African countries (PALOP). ANACOM also focuses on maintaining relations with regulators and regulator associations in other geographical areas. The aim of this cooperation is to exchange knowledge and experience 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

- **Expand the provision of services provided online and improve procedures**

In order to improve its performance, ANACOM continually seeks to become more efficient, more agile and faster in providing responses to requests put to it. In this sense, ANACOM uses the simplification of procedures to reduce the bureaucratic burden associated with

many tasks and dematerialise processes. In its relations with third parties, consumers and providers, ANACOM seeks, wherever possible, to facilitate interaction, making services available online whenever deemed appropriate.

- **Promote excellence in human resources**

ANACOM has a policy designed to add value to its human resources, based on the development of competencies. With this objective, ANACOM executes an annual training plan and engages in a range of different human resource management processes, including performance evaluation and internal mobility.

6. Global indicators

Under article 40, paragraph 1 of ANACOM's Statutes, it is incumbent upon ANACOM to adopt and use a system of performance indicators that reflects the activities carried out and results obtained. This system includes global indicators, which extend across the entire organisation, and specific indicators to monitor performance in each individual area.

The indicators used by ANACOM, which it monitors on a regular basis, allow ANACOM to assess its capacity to fulfil the targets established for the majority of activities, particularly through its Activities Plan, as well as with regard to its performance in responding to requests addressed to it - specifically as regards its timely response to customers and external organisations, including in the context of ANACOM's work providing assistance to the Government and consultation before the Assembleia da República (Assembly of the Republic).

However, in 2016, ANACOM undertook a re-evaluation of its system of indicators, including analysis of best practices (benchmarks) at national and international level; completion of this review is expected in 2017. This project, centred on the provisions of ANACOM's Statutes and also on the Framework Law of Regulatory Bodies (Law no. 67/2013 of 28 August), could lead to a reformulation of the current system and the adoption of new indicators.

In this context, in the present Plan and as a basic commitment for the period of the plan, ANACOM will employ two global indicators that have been reported on over the years (as shown below): the implementation rate of actions in the 2017-2019 Plan and the percentage of reports on prior hearings and final determinations released within the respective time limit.

Global indicators for the 2017-2019 three-year period

Indicator name	2017		2018		2019	
	Target	Actual	Target	Actual	Target	Actual
Implementation rate - actions specified in 2017-2019 Plan (Percentage of actions executed within approved schedule)	95%		95%		95%	
Percentage of prior hearing reports and final determinations released within a maximum period of $n+15$ (where n is the number of working days given to the prior hearing of interested parties))	90%		90%		90%	

7. Human resources plan

The complex and rapid changes which are envisaged to take place in the communications sector for the 2017-2019 period pose major challenges to ANACOM in terms of the strategic management of people. It is essential that ANACOM's personnel keep up and work with this change, a commitment that is achieved through the application of good management practices and talent leadership and through the consolidation of a culture of excellence, open to the sustained creation of value. To this end, the development of skills, sharing critical knowledge and motivation of human resources take centre stage.

To this end, ANACOM aims to continue and consolidate the initiatives launched in previous years in terms of the strategic management of human resources and, at the same time, leverage other priority activities for its present and future sustainability.

In this context, a critical factor for the successful strategic management of ANACOM's personnel will be the adoption of mechanisms and tools which enable the organisation to anticipate and plan for its needs, in terms of talent, knowledge and expertise.

In the framework of the communications sector's development, ANACOM's performance will be based on the following priorities:

- consolidate the talent management programme to ensure the continuity of critical ANACOM functions through the implementation of diagnostic tools that enable the development and retention of potential successors, as well as instil knowledge and prepare the structure for the future;
- implement action plans for improvement and motivation supported by the internal system compiling staff ideas with a view to better management of ANACOM commitments and people expectations, enhancing internal satisfaction and affiliation of human resources;
- implement training and development programmes to develop new capabilities and upgrade functional, behavioural and management skills through learning and knowledge-sharing between areas of the organisation, in alignment with values and with the organisation's strategic performance objectives;
- strengthen and consolidate the strategic alignment of personnel with organisational values and culture, by creating internal communication channels and interaction

initiatives at all organisational levels, enabling access to information and to the sharing of ideas and knowledge, as well as individual and team participation;

- continue the collaborative efforts between the regulator and the academic community (with ANACOM's interaction based on conducting annual programmes of professional and curricular internships), and enable allocation of research grants for the development and enhancement of skills among young people in transition to their working lives.

ANACOM also intends to maintain its participation in citizen initiatives with a social and environmental focus.

Diversity management and the creation of a model to reconcile professional, family and personal life are also areas which ANACOM will seek to develop over the next three years.

The personnel plan for the 2017-2019 three-year period will be constrained to the forecast complement of 418 employees. The need to ensure ongoing rejuvenation and ensure that ANACOM's resources are more closely aligned with its present and future needs is one of the main critical factors which govern ANACOM's human resources management.

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

As regards personnel costs, it is expected that full restoration will be made of all salary reductions imposed previously pursuant to the Lei do Orçamento do Estado (State Budget Law).

8. Financial Plan

In the present Financial Plan, ANACOM continues to focus on the improvement of efficiency in its activities and the rationalisation of spending and investment as a strategic priority, seeking progressive reductions in the regulatory fees applied to the sector. This must be accomplished while maintaining the means necessary to take effective action as an independent regulator in a scenario of increasingly demanding and complex regulation, and given the increased powers and responsibilities conferred upon ANACOM's as a result of European directives and national legislation.

Under ANACOM's new Statutes, approved by Decree-Law no. 39/2015 of 16 March, it is set out that ANACOM is financially independent, endowed with resources as are necessary and appropriate for the accomplishment of its functions and with autonomy as regards the management of its finances and assets.

ANACOM is not subject to the public accounting rules or to the regime of autonomous funds and services, except in respect of net income resulting from the use of assets of the public domain (for example, the radio spectrum), which income shall revert to the Portuguese State under terms defined by Administrative Rule of the Government.

The new Statutes also make ANACOM subject to the State Treasury regime, whereby ANACOM employs the services of IGCP - Agência de Gestão da Tesouraria e da Dívida Pública (Portuguese Treasury and Government Debt Agency).

Meanwhile, in 2016, by Administrative Rule no. 21/2016 of 9 February, net income was distributed in respect of 2014, amounting to 40.463 million euros, accomplishing the stipulations of ANACOM's Statutes. Distribution of net income from 2015 remains pending.

In accordance with its statutes, ANACOM's accounting is organised in accordance with the SNC - Sistema de Normalização Contabilística (National Accounting System). The 2017 Budget and the 2017-2019 Financial Plan have been prepared in accordance with the rules of the SNC and reflect the financial quantification as is appropriate and necessary for the execution of activities set out in the Multi-Annual Plan, as presented above.

8.1. 2017 Budget

Investment

The 2017 investment budget (Annex III - Table 5) is focused on the continued modernisation and re-equipping of ANACOM's monitoring and inspection activities and on the necessity of bringing ANACOM's information systems up-to-date. This is essential to ensure ANACOM retains the ability to keep pace with the transformations of the communications industry and is able to fulfil its assigned functions and responsibilities.

Total investment planned for 2017 is 3.055 million euros, representing a reduction of 5 percent compared to the 2016 budget. The most important projects/investments planned in 2017 include:

- Upgrade and modernisation of spectrum monitoring equipment, specifically: equipment supporting the network of SINCRER - Sistema Nacional de Controlo Remoto das Emissões Radioelétrica (National System for Remote Control of Radioelectric Emissions) stations, and upgrade of existing spectrum monitoring and control infrastructure;
- Renewal and upgrade of the computer system, both in terms of hardware (servers), and in terms of software/applications supporting ANACOM's activities, as defined in the Strategic Plan for Information Systems (PESI 2015/2017).

Income

The 2017 income budget (Annex III - Table 6) results from the application of fees pursuant to prevailing legislation. The final figures also took into account each nature of service; the income budget comprises the following situations:

(1) Administrative regulation fees associated with electronic communications; these are based on the principle of cost orientation, and to this extent vary depending on the level of costs incurred by ANACOM in regulating electronic communications activities (these fees represent around 33 percent of total income);

(2) Fees associated with the use of spectrum frequencies (representing 61.7 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 on a "user pays" basis;

(3) Administrative regulation fees associated with the regulation of postal services; these are based on the principle of cost orientation, and to this extent vary depending on the level of costs incurred by ANACOM in regulating postal services (these fees represent 2.3 percent of total income);

(4) Fees associated with the use of numbering (representing 1.9 percent of total income);

(5) All other fees and revenues, including interest earned from financial applications in IGCP, which make up a residual proportion of income (1.1 percent of total income).

The legal framework governing the fees provided for in the 2017 Budget is as follows:

- *Fees arising from the law of electronic communications - 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 and as subsequently amended), which 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, which establishes the regime applicable to the licensing of radiocommunications networks and stations, supervision of the installation of said stations and use of the radio spectrum, together with the sharing of radiocommunications infrastructure;
 - Legislation supporting the new fee model, with basis in article 105 of the LCE: 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, and instruction of the Secretary of State for Infrastructure, issued pursuant to the Lei do Orçamento de Estado (State Budget Law) for 2017, determining an increase in the fees governing the use of frequencies for terrestrial electronic communications services and fixed service – point-point and point-multipoint connections in frequency bands equal to or exceeding 1GHz (except (FWA),

The fees governed by these texts are as follows:

- The issue of declarations supporting rights issued by ANACOM with regard to 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 services operator* - the regulations which govern this activity are as follows:
 - Law no. 17/2012 of 26 April, establishing the regime governing access to and exercise 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;
 - Remaining provisions of service - due to their importance, reference is made to the following rules:
 - Fees payable for use of the amateur radio service - Decree-Law no. 53/2009 of 2 March lays down the rules that apply to use of the amateur radiocommunications service, and Administrative Rule no. 1473-B/2008 of 17 December (as amended by Administrative Rule no. 296-A/2013 of 2 October) establishes the fees which are applicable in respect of this service.
 - 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 ANACOM in the context of the tasks assigned to it and result from the application of a specific tariff, as determined by its Board of Directors;
- Enforcement actions - this heading comprises revenues resulting from enforcement actions, including applied fines and inspections, as determined by the Board of Directors.
- *Interest and other similar income* - sums recorded under this heading essentially result from income obtained from interest expected on financial applications in CEDIC - Certificados Especiais de Dívida de Curto Prazo (Special Certificates of Public Debt) over the course of the year.
- *Other income and gains* - this item includes the following income and gains:
 - Subsidies obtained from the European Union - these amounts relate to expenses incurred in travel to meetings and conferences within the EU, in accordance with the tasks assigned to ANACOM, in cases where travel expenses are reimbursed by the EU;
 - Other income - this heading covers income and gains of low value or of an occasional nature, including as arising from the sale of tender specifications, scrap, sale of goods, etc, as well as extraordinary items and accounting adjustments.

In the 2017 budget, income is expected to total 90.778 million euros, an amount which exceeds expected income in the 2016 budget (by 6.4 million euros). This increase in income stems from the following effects:

- Increase in administrative electronic communications regulation fees, caused by an increase in litigation provisions. The sum of these provisions forecast for 2017 is based on their actual value as at the end of 2015 and exceeds the sum forecast for 2016, generating an increase of 2.2 million euros in administrative fees;

- Increase in the fees governing the use of frequencies in accordance with the instruction of the Secretary of State for Infrastructure, issued pursuant to the Lei do Orçamento de Estado (State Budget Law) for 2017, determining an Increase in the fees governing the use of frequencies for terrestrial electronic communications services and fixed service – point-point and point-multipoint connections in frequency bands equal to or exceeding 1GHz (except FWA), entailing an additional income of 5 million euros.
- Gradual growth in postal services regulation fees, due to the progressive adjustment mechanism (transition period of five years), as laid down in Administrative Rule no. 1473-B/2008 (amended by Administrative Rule no. 296- A/2013 of 2 October), with a positive impact of 0.2 million euros;
- Reduction in fees related to use of frequencies, due to licence cancellations, among other things, resulting in a reduction of about 1 million euros.

Expenses

In 2017, ANACOM will continue to pursue measures of internal efficiency and expenditure rationalisation. Since such measures have already been implemented over recent years, the reduction potential is now naturally smaller with a focus on specific actions, especially: (i) renegotiation of insurance contracts, particularly vehicle insurance; (ii) renegotiation in respect of servers, with their replacement by more efficient mechanisms and lower costs; (iii) renegotiation of software contracts by reducing the number of licences and the respective amounts, and also a reduction in the amounts paid for the maintenance of applications; (iv) Extranet extended to complaints and covering statistical reporting, with estimated savings in terms of employee-hours spent on these functions; (v) reduction in fuel consumption; and (vi) reduction in spending on specialised works.

On the other hand, the trend in expenditure still reflects the impact of a number of exogenous factors, which are beyond the scope of ANACOM's management, such as changes in the value of provisions, restoration of salaries or the level of contributions defined by law (for example, to AdC).

Finally, expenditure in 2017 also reflects the decisions of the Board of Directors to strengthen staff in critical areas, to enhance the performance of the regulator. The expenditure budget is presented in Annex III - Table 7.

In 2017, external supplies and services are seen at 10.995 million euros, which represents a reduction (-471 thousand euros, -4 percent) compared to the budgeted amount in 2016 (Annex III - Table 7). This item is one that generally most reflects the savings derived from the cost-cutting measures that ANACOM has been implementing. As such, a reduction is expected in most lines of expenditure, particularly specialized work (less resources to consultants and other external service providers) and Maintenance and Repair (renegotiation of IT contracts).

As regards personnel costs, the amount forecast in the 2017 budget (Annex III -Table 7) reflects staffing levels approved by the Board of Directors, which, in 2017 exceeds 2016 levels by 15 staff members (418 personnel in 2017 versus 403 in 2016) and also reflects the full restoration of salary cuts over the year, whereas the scenario for 2016 still comprised salary reductions. The main resource of a regulatory authority such as ANACOM is its people - it is therefore natural that personnel costs constitute the largest part of its cost structure. The major components of these costs are as follows:

- Remuneration of ANACOM's permanent staff and additional remunerations - for 2017, a complete reversal is forecast in this budget, from 01 January 2017, of the temporary salary reduction, whereas the 2016 budget provided for a reversal of 60% (20% in 2015 and an additional reversal of 40% in 2016);
- Charges on remunerations paid by ANACOM reflect Social Security Contributions made by application of the TSU - Taxa Social Única (Single Social Tax);
- Post-employment benefits include ANACOM's contribution to a Pension Fund, covering the payment of retirement pensions to a group of employees from CTT - Correios de Portugal, S.A. (CTT) and also health care liabilities as regards retired ANACOM staff who came from CTT;
- Work accident insurance (extended to cover all employees);
- Social action expenditure results from the agreement concluded with CTT, S.A. and Portugal Telecom, S.A., with regard to sickness prevention, hygiene and safety at work, as well as all costs provided for under the ARCT collective employment negotiation;

- The sums required to cover the various types of training activities as deemed essential for the development of staff competencies and to achieve stipulated levels of qualification among ANACOM staff operating in a sector that is increasingly complex and demanding.

In 2017, personnel costs are seen at 24.878 million euros, an increase of 1.040 million euros compared to the 2016 budget. This increase reflects the sums budgeted for the increase in staff from 403 to 418 and the full restoration of salary reductions in 2017, versus a budgeted restoration of only 60% in 2016.

In the 2016 budget, depreciation and amortization costs are seen at 993 thousand euros, reflecting the depreciation and amortisation of equipment held by ANACOM, calculated based on specific rates as laid down in legally approved rules.

A further 50 thousand euros is included under impairment losses, in respect of net changes relating to impairments that affect receivables, primarily to cover possible difficulties in collecting sums due with regard to issued invoices.

In the 2017 budget, ANACOM maintains the criterion introduced in the previous plan as regards estimated provisions for ongoing legal proceedings; this approach is considered to be more adjusted to reality for the purpose of budget forecasting and results in an increase in provisions of 2.700 million euros, rising from 7.200 million euros (2016 budget) to 9.900 million euros (2017 budget). The criterion is based on the actual values as at the end of 2015 (ongoing cases) to which current accounting policies are applied.

Finally, other expenses and losses in the 2017 budget, are seen at 7.253 million euros, falling 268 thousand euros from the sum budgeted in 2016 (Annex III - Table 7). This reduction reflects the partial decreases in most of the items, especially the legal obligation which applies a limit to ANACOM's contributions to the Foundations, which results in a reduction in the amount of the allocation granted to FPC - Fundação Portuguesa das Comunicações (Portuguese Communications Foundation) of 400 thousand euros. Meanwhile, the legal obligation to contribute 6.25% of total fees to finance AdC results in an increase of 100 thousand euros compared to the 2016 budget, due to the reported increase in income, as described above.

This item includes sums allocated for the payment of contributions to international telecommunications and postal organisations, as well as expenses incurred in respect of

cooperation activities with Portuguese-speaking African Countries (PALOP) and other cooperation activities.

The total expenditure forecast for 2017 amounts to 56.070 million euros. This level of total spending represents an overall increase over the 2016 budget (+5%). However, excluding provisions for ongoing litigation, the variation in expenditure in 2017, as compared to the 2016 budget, would be cancelled out. Also excluding other exogenous factors (as explained above and which are beyond the scope of ANACOM's management) - salary restoration in 2017, increased contribution to AdC - expenditure would fall below 2016 budget levels (-1.2%).

Profits

Based on the above estimates, Net Profit in the 2017 budget is forecast at 34.709 million euros (+11.1 percent versus the 2016 budget), as set out in Annex III - Table 8.

8.2. Financial plan 2017-2019

The components of ANACOM's financial plan for the 2017-2019 period are listed in Annex IV and are as follows:

- Investment plan (for projects)
- Income plan;
- Expenditure plan;
- Income statement by nature;
- Cash budgets;
- Balance statement;
- Cash flow statement.

The overall investment plan for 2018 and 2019 is reduced compared to 2017, with a decrease in investments associated with technical and IT equipment as a result of measures set out in the Strategic Plan for Information Systems (PESI). A slight reduction in investment is planned in spectrum monitoring equipment over the 2017-2019 horizon,

maintaining the level of investment in laboratory equipment.

It is anticipated that the Income Plan will remain based on proceeds from the settlement and collection of all fees payable to 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 97 percent of total income. It also comprises regulatory fees in respect of postal services and other revenues, which account for the remaining 3 percent.

In the period covered by the 2017-2019 Plan, overall income levels are expected to stabilise, with a tendency towards a slight reduction to the order of 0.3 percent in 2018 and 2019, due to an expected decrease in regulation fees applied to electronic communication operators given the estimated reduction in regulation costs.

Over the period of the Plan (between 2017 and 2019) a gradual reduction is expected in overall levels of expenditure in nominal terms. Implementation of internal efficiency measures will continue (review of internal processes, various renegotiations). In terms of personnel costs, ANACOM expects to maintain staff numbers over the period, maintaining personnel cost levels in 2019.

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

Annex I – List of actions

No	Actions 2016	TIMETABLE											
		2017				2018				2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assure and protect the interests of users and citizens													
Line of action - Oversee and review application of the conditions governing universal service provision (electronic communications and postal services)													
1.1	Review conditions of service provision in universal service of electronic communications in relation to current components and any future components												
	Prepare and launch a public consultation on the universal service	X Start	X End										
	Approve draft decision on the specifications governing provision of the universal service (these specifications will constitute the specifications of future tendering procedures)		X Start	X End									
1.2	Advise the Government with respect to the launch of the electronic communications universal service tender procedures			X Start/end									
	Tender for public pay-telephones (1 month completion of Tender Specifications, plus 8 for tender, plus 2.5 award and Court of Auditors, plus 9 months commence activity - will terminate in April 2019)			X Start							X End		
	Tender for fixed telephone service (1 month completion of Tender Specifications, plus 8 for tender, plus 2.5 award and Court of Auditors, plus 6 months commence activity - will terminate in January 2019)			X Start						X End			

	Tender for directories and directory enquiry services (1 month completion of Tender Specifications, plus 8 for tender, plus 2.5 award and Court of Auditors, plus 1 month commence activity - will terminate in August 2018)			X Start				X End				
1.3	Prepare report on compliance with the quality of service parameters and indicators imposed on the universal service providers of electronic communications											
	Prepare report on fixed telephone service				X Start/end			X Start/end				X Start/end
	Prepare report on public pay-telephones				X Start/end			X Start/end				X Start/end
	Prepare report on directories and directory enquiry services				X Start/end			X Start/end				X Start/end
1.4	Prepare analysis of conformity of price-cap established for the universal service provider											
	Conduct conformity analysis regarding fixed telephone service				X Start/end			X Start/end				X Start/end
	Conduct conformity analysis regarding public pay-telephones				X Start/end			X Start/end				X Start/end
	Conduct conformity analysis regarding directories and directory enquiry services				X Start/end			X Start/end				X Start/end
1.5	Oversee MEO information campaign (2017) regarding telephone directories				X Start/end							
1.6	Audit the values of the universal postal quality of service indicators (years 2016 and 2017)											
	Carry our audit of 2016				X Start/end							
	Draft decision on 2016 audit findings and subsequent actions.				X Start/end							
	Final decision on 2016 audit findings and subsequent actions.											X Start/end

	Carry our audit of 2017				X Start	X End							
	Draft decision on 2017 audit findings and subsequent actions.					X Start/end							
	Final decision on 2017 audit findings and subsequent actions.						X Start/end						
1.7	Audit the values of the universal postal quality of service indicators (years 2018 - 2020)												
	Definition of technical specifications and definition of type of procedure to be used in formulation of the provision of services contract						X Start/end						
	Selection of auditor							X Start/end					
	Carry our audit of 2018								X Start	X End			
	Draft decision on 2018 audit findings and subsequent actions.										X Start/end		
	Final decision on 2018 audit findings and subsequent actions.										X Start/end		
	Carry our audit of 2019											X Start	
1.8	Set parameters and quality levels of the universal postal service, to be imposed on universal service provider in 2018-2020												
	Draft decision			X Start/end									
	Final decision				X Start/end								
1.9	Prepare analysis of conformity of price-caps of the universal postal service practised by universal service provider and draft determinations												

	Analysis of special prices in light of most recent SCA data			X Start/e nd				X Start/en d				X Start/e nd	
	Analysis of price proposals presented by universal service providers				X Start/e nd				X Start/en d				X Start/e nd
1.10	Define rule governing pricing of universal postal service to apply in 2018-2020												
	Draft decision			X Start/e nd									
	Final decision				X Start/en d								
1.11	Monitor accomplishment of postal network density objectives and minimum offers of service, as imposed on universal postal service provider	X Start/e nd	X Start/en d	X Start/e nd	X Start/e nd	X Start/en d	X Start/e nd						
	Renegotiation of software contract to calculate distances /routes	X Start/e nd	X Start/en d										
1.12	Define postal network density objectives and minimum offers of service, to be imposed on universal service provider from 01 Oct. 2017												
	Analysis of communication (proposal) from universal service provider and draft decision	X Start/e nd											
	Final decision		X Start/en d										
1.13	Audit inventory of assets attached to CTT concession (2014 and 2015)												
	Final decision on 2014 audit findings and subsequent actions.	X Start/e nd											
	Perform 2015 auditing	X Start/e nd											
	Draft decision on 2015 audit findings and subsequent actions.	X Start/e nd											

	Final decision on 2015 audit findings and subsequent actions		X Start/end										
1.14	Audit inventory of assets attached to CTT concession (2016 and 2017)												
	Definition of technical specifications and definition of type of procedure to be used in formulation of the provision of services contract		X Start/end										
	Selection of auditor				X Start/end								
	Presentation of 2016 inventory by universal service provider			X Start/end									
	Perform 2016 auditing				X Start	X End							
	Draft decision on 2016 audit findings and subsequent actions.					X Start/end							
	Final decision on 2016 audit findings and subsequent actions						X Start/end						
	Presentation of 2017 inventory by universal service provider							X Start/end					
	Perform 2017 auditing								X Start	X End			
	Draft decision on 2017 audit findings and subsequent actions.									X Start/end			
	Final decision on 2017 audit findings and subsequent actions										X Start/end		
1.15	Audit inventory of assets attached to CTT concession (2018 and 2019)												

	Definition of technical specifications and definition of type of procedure to be used in formulation of the provision of services contract										X Start/end		
	Selection of auditor												X Start/end
	Presentation of 2018 inventory by universal service provider										X Start/end		
	Perform 2018 auditing												X Start
1.16	Contribute to Government re-evaluation of the conditions governing provision of the universal postal service		X Start/end										
Line of action - Assess the appropriateness of quality of service levels provided													
1.17	Guarantee the technical component of NET.mede NET.medePro platforms												
	Dynamic response as to developing and corrective requirements of NET.mede and NET.medePro. platforms. Development of solutions for data processing and reporting	X Start			X End	X Start			X End	X Start			X End
1.18	Ensure dissemination of quality of service data on mobile networks												
	Assess quality of service of mobile networks. Provide information to users	X Start			X End	X Start			X End	X Start			X End
Line of action - Monitor and report on the evolution of retail pricing													
1.19	Release information on CPI/HICP	X Start/end											
1.20	Monitor studies prepared by other organisations	X Start/end											

Line of action - Define and implement actions in the field of security and integrity of electronic communications networks and services													
1.21	Conduct exceptional security audit	X Start			X End								
Line of action - Contribute to the definition and updating of emergency civil planning policies in the communications sector													
1.22	Implement priority recommendations of sector readiness study	X Start			X End								
Line of action – Ensure the proper provision of information to users													
1.23	Carry out continuous evaluation of content provided on ANACOM's Consumers' Website and make improvements	»» 2016	X Start/e nd	X Start/e nd	X Start/e nd								
1.24	Adapt COM.escolha (include FIS and other necessary adaptations)					X Start/e nd	X Start/e nd	X Start/e nd	X Start/e nd				
Line of action – Review sector's complaint management procedures													
1.25	Regulate the procedures used by providers of communications service for complaint processing				X Start/e nd								
1.26	Review the handling of enquiries/complaints from end-users of communications services												
	Implement new Complaints Management System	»» 2016			X Start/e nd								
Line of action - Promote out-of-court dispute resolution in cooperation with relevant authorities													
1.27	Implement and monitor solution to be adopted for promotion of out-of-court conflict resolution in communications sector	X Start/e nd											

Line of action – Ensure the population's access to free television after 2020 (freeing up 700 MHz band)

1.28	Plan and execute decisions taken on access platform				X Start/e nd					X Start/e nd				X Start/ end
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Line of action – Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform

1.29	Oversee the evolution of the DTT network and adaptation of probe network													
	Develop annual study on DTT QoS	X Start			X End	X Start			X End	X Start				X End
	Formulate opinion on the possible need to adapt the probe network, in light of the results of the DTT QoS study				X Start/e nd				X Start/e nd					X Start/ end
1.30	Verify DTT coverage obligations [check the information provided by the platform operator on two identified municipalities through theoretical coverage calculation. Subsequent to this identification, measurements will be performed to validate the theoretical information. Individual reports must be drawn up (for each municipality) and a final report with conclusions.	X Start			X End	X Start			X End	X Start				X End

Line of action – Ensure proper implementation of the TSM Regulation (roaming and net neutrality) in the light of BEREC guidelines

1.31	Monitor compliance of market practices under TSM Regulation	X Start			X End	X Start			X End					
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Line of action – Ensure legal compliance and transparency of business practices (including contract terms) and organise a review of procedures

1.32	Monitor provider practices													
	Carry out survey of <i>Zero rating offers</i>		X Start/e nd					X Start/e nd				X Start/e nd		
	Monitor transparency of offers (<i>Zero rating</i> and others) made available by providers		X Start											X End
	Monitor manner of implementation and execution of Regulation on contractual and pre-contractual information.	X Start												X End

Line of action - Improve the technical processes of operator switching

1.33	Motivate operators to establish codes of conduct	X Start			X End								
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Promote open and competitive markets

Line of action – Oversee and analyse/review relevant electronic communications markets

2.1	Approve specifications of IP interconnection												
	Adopt draft and final decision following presentation of proposal by MEO.		X Start		X End								
2.2	Review market 1 (fixed terminations)				X Start			X End					
2.3	Review market 2 (mobile terminations)		X Start				X End						
2.4	Review ex-market 2 (origination)				X End								
2.5	Analyse market 3a and 3b				X Start						X End		
	Request(s) for information					X Start/e nd							
	Pre-notification meeting						X Start/e nd						
	New request for updated information						X Start/e nd						
	Public consultation and prior hearing							X Start/e nd					
	Notification to the European Commission and final decision										X Start/e nd		
2.6	Analyse market 4				X Start						X End		
	Request(s) for information				X Start/e nd								
	Pre-notification meeting					X Start/e nd							
	New request for updated information					X Start/e nd							
	Public consultation and prior hearing							X Start/e nd					
	Notification to the European Commission and final decision										X Start/e nd		

Line of action – Review, in line with requirements, wholesale offers arising from obligations imposed on undertakings with significant market power in the various relevant markets

2.7	Amend WLRO							X Start			X End		
2.8	Amend RIO					X Start			X End				
2.9	Review RDAO and RPAO (notification to the European Commission and final decision)		X Start/e nd										
2.10	Review RUO		X Start		X End								
	Public consultation and prior hearing		X Start/e nd										
	Notification to the European Commission and final decision				X Start/e nd								
2.11	Review LLRO and RELLO	X Start		X End									
	Public consultation and prior hearing	X Start/e nd											
	Notification to the European Commission and final decision			X Start/e nd									
2.12	Annual review of CAM and inter-island circuits												
	Adopt draft decision				X Start/e nd				X Start/e nd				X Start/e nd
	Approve final decision		X Start/e nd				X Start/e nd				X Start/e nd		
2.13	Supervise implementation of equivalence of access to MEO's infrastructure (RDAO and RPAO)	X Start		X End									
Line of action - Develop and improve regulatory costing systems and audit their results, when relevant													
2.14	Audit SCA used by MEO - 2015/2016												
	2015 Decision	»»	X Start/e nd										
	2016 Decision						X Start/e nd						
2.15	Audit SCA used by MEO - 2017												
	Hire consultant						X Start	X End					
	Decision										X Start/e nd		

	Decision			X Start/ end									
Line of action - Undertake actions associated with the provision of the universal service with market impact													
2.24	Arrange audits in respect of the universal service provision of directories and directory enquiry services												
	Select the auditor and monitor the development of the auditing; prepare draft and final decision (determine no. of directories 2017)	X Start					X End						
	Select the auditor and monitor the development of the auditing; prepare draft and final decision (determine no. of directories 2018)						X Start			X End			
2.25	Arrange audits of values related to Retirees and Pensioners in the period following designation of the universal service provider by public tender												
	As regards 2016	X Start	X End										
	As regards 2017					X Start	X End						
	As regards 2018									X Start	X End		
2.26	Arrange audits of turnover values used in context of universal service compensation fund (electronic communications)												
	Audit the figures provided by operators on 30 June 2017 (as regards 2016)			X Start	X End								
	Audit the figures provided by operators on 30 June 2018 (as regards 2017)							X Start	X End				

	Audit the figures provided by operators on 30 June 2019 (as regards 2018)											X Start	X End
2.27	Develop processes for reimbursement of NCUS to MEO (period preceding designation of the universal service provider by public tender)												
	Reimbursement of NCUS as regards 2012 - 2013	X End											
	Reimbursement of NCUS as regards 2014			X Start		X End							
2.28	Undertake NCUS compensation process for the period subsequent to the designation of the universal service provider by public tender – payments to MEO and NOS (universal service of electronic communications)												
	2015 NCUS	X End											
	2016 NCUS			X Start		X End							
	2017 NCUS							X Start		X End			
	2018 NCUS										X Start		
2.29	Evaluate the NCUS (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		X Start/end				X Start/end				X Start/end		
	Presentation of NCUS by universal service provider (by end of Q2 of year n)		X Start/end				X Start/end				X Start/end		
	Auditor selection procedure		X Start	X End			X Start	X End			X Start	X End	

	Perform NCUS audit			X Start	X End			X Start	X End			X Start	X End
	Draft decision on NCUS				X Start/end				X Start/end				X Start/end
	Final decision (up to 120 working days following universal service provider's submission of NCUS)				X Start	X End			X Start	X End			X Start
2.30	Undertake postal NCUS compensation process (if applicable)												
	2016 NCUS					X Start		X End					
	2017 NCUS									X Start	X End		
2.31	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 2016							X Start		X End			
	Audit the values presented by operators with respect to 2017										X Start		X End
Line of action - Oversee and monitor the development of next generation access networks (NGA)													
2.32	Assess usage of ducts and posts managed by undertakings other than MEO												
	Information request					X Start/end							
	Evaluation report					X Start/end							
Line of action - Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May													
2.33	Define the methodology to be used in determining the remuneration applicable for access to and use of infrastructure	X Start/end											

Line of action - Monitor and supervise the activities pursued by various sector agents, enforcing compliance with prevailing rules

2.34	Check conformity of electronic communications equipment under new RED and EMC Directives	X Start			X End	X Start			X End	X Start			X End
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Line of action – Contribute to the review/negotiation of the new regulatory framework

2.35	Ensure internal coordination	X Start			X End	X Start			X End				
2.36	Conduct negotiation process	X Start			X End	X Start			X End				

Line of action – Prepare and submit pre-draft legislation to the Government for transposing the regulatory framework for electronic communications

2.37	Prepare and submit pre-draft legislation to the Government for transposing the regulatory framework for electronic communications					X Start			X End				
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Line of action – Review and consolidate procedures for the management of company registrations

2.38	Regulate registration of companies which offer electronic communications networks and services		X Start/end										
2.39	Regulate registration of companies which offer postal services		X Start/end										
2.40	Consolidate applicational solutions to support company registrations	»»			X Start/end								

Ensure the efficient management of scarce resources

Line of action - Implement a plan of action for the 700 MHz band with a view to making it available

3.1	Allocate 700 MHz band (and other relevant bands) considering national interest and national/European regulatory framework				X Start/end				X Start/end				
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Line of action - Evaluate, on a prospective basis, the development of various radiocommunications services and applications and spectrum needs associated with the provision of new electronic communication services

3.2	Assign and make spectrum available for electronic communications services, taking into account the objectives of regulation established by law, in particular the Radio Spectrum Policy Programme adopted at Community level, the 2019 World Radiocommunication Conference (WRC-19) and national interests in spectrum use												
	Prepare WRC - 2019				X Start				X End				
	Make bands available for "5G", communications (M2M) / Internet of Things (IoT)				X Start				X End				
3.3	Identify emerging technologies and new models of spectrum management, as well as alternative techniques for sharing the radio medium and future paradigms of spectrum management				X End								

Line of action – Manage the PNN, establishing appropriate conditions in the context of the allocation of use of numbering resources

3.4	Define numbering range for M2M including (if necessary) eCall												
	Prepare analysis, and, if necessary, launch public consultation	X Start/e nd											
	Decision		X Start/e nd										
3.5	Formulate rules and conditions governing use of calling line identification (CLI)												
	Consultation/Draft decision	X Start/e nd											
	Final decision		X Start/e nd										

3.6	Prepare numbering regulation updating principal elements of PNN with conditions governing use of numbering												
	Consultation/Draft decision			X Start	X End								
	Final decision					X Start/end							
3.7	Conclude review of Regulamento da Portabilidade (Portability Regulation)	»» 2016	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)

4.1	Participate in international organizations/agencies												
	Present proposal to Government that ANACOM cease providing representation of the Portuguese State at UPAEP	X Start/end											
	Promote application of Portugal to SE of EUTELSAT IGO	X Start/end											
	Assess possible application to ITU Council at PP18	X Start/end											
	Promote application to ITU Council at PP18		X Start					X End					
	Promote improvements at ITU, UPU and CEPT in terms of efficiency and resource management	X Start			X End	X Start			X End	X Start			X End

Line of action - Maintain active participation in groups of European electronic and postal communications regulators

4.2	Participate in BEREC												
	Active participation in all Expert Working Groups (EWG) and ad hoc groups	X Start			X End	X Start			X End	X Start			X End
	Participation of drafter in 3 EWGs	X Start			X End	X Start			X End	X Start			X End
	Chair one EWG	X Start			X End	X Start			X End	X Start			X End
4.3	Participate in ERGP												

	Maintenance of participation effort in working groups	X Start			X End	X Start			X End	X Start			X End
	Chair one EWG	X Start			X End	X Start			X End	X End			X End
Line of action - Promote the sector at a national and international level and promote cooperation with other regulators													
4.4	Participate in EMERG and REGULATTEL												
	Participate in and organise workshop			X Start/end				X Start/end			X Start/end		
Line of action - Participate in the platforms of collaboration between Portuguese-speaking countries													
4.5	Participate in ARCTEL												
	Provide Secretariat	X Start			X End	X Start			X End	X Start			X End
	Maintain participation in Working Groups	X Start			X End	X Start			X End	X Start			X End
4.6	Support to the realization of CFA workshops/seminars	X Start			X End	X Start			X End	X Start			X End
	Active contribution to the performance of studies	X Start			X End	X Start			X End	X Start			X End
4.7	Develop bilateral cooperation programmes												
	Prioritization of actions of existing and future bilateral cooperation	X Start/end				X Start/end				X Start/end			
	Strategic redefinition of bilateral cooperation protocols	X Start/end				X Start/end				X Start/end			
	Entry of bilateral cooperation protocols into operation effect	X Start			X End	X Start			X End	X Start			X End
Line of action - Promote the dissemination of legal and regulatory regimes applicable to the sector													
4.8	Disseminate the ITED and ITUR regimes												
	Undertake initiatives to promote and disseminate the legal framework and applicable technical standard (seminars, workshops, leaflets, etc.).	X Start			X End	X Start			X End	X Start			X End

Line of action – Promote cooperation with national and international bodies and ensure coordination of activities in relevant areas

4.9	Make modifications to CIS due to revised legislation													
	Approve determinations on SIIA/SIC	X Start		X End										
	Development of SIIA/SIC		X Start		X End									

Line of action – Increase communication with society and market participants (seminars, workshops and hearings)

4.10	Hold workshops on the review of the new regulatory framework		X End		X End									
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Promote internal efficiency and effectiveness

Line of action - Implement measures to rationalize expenditure, guaranteeing efficiency

5.1	Implementation of the strategic plan for information systems	X Start/end												
5.2	Develop integrated system of performance indicators	X Start			X End									

Line of action - Improve/dematerialise/simplify internal processes and expand the provision of services online

5.3	Develop new features to be implemented in computer applications supporting spectrum management													
	Electronic licensing – implement identified new features and monitor their development	X Start			X End									
	Review e-QNAF Frequencies Website	X Start			X End									
5.4	Launch amateur exam simulator	X Start			X End									
5.5	Make available external spectrum management indicators (DIE-IGE)	X Start			X End									

Line of action – Implement a structured model of training and development aimed at excellence in human resources

5.6	Talent management programme													
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	Organizational diagnosis of potential	»» 2016			X End								
	Management Succession plan						X Start		X End				
Line of action – Consolidate an organisational culture more open to change													
5.7	Consolidate ANACOM culture	X Start			X End	X Start			X End	X Start			X End
Line of action – Promote, to the extent permitted given legal constraints, a policy of incentives and development of professional careers, based on the recognition of staff performance													
5.8	Identify specific incentive measures	X Start			X End								
Line of action – Ensure better governance, management and operation of information security at ANACOM													
5.9	Implement programme to improve information security at ANACOM	X Start											X End

Annex II – Strategic People Plan (tables)

Table 1 - Evolution in ANACOM human resources

Category	2017	2018	2019
1 – Managerial staff	269	269	269
2 – Non-managerial staff	149	149	149
Total permanent staff (1+2)	418	418	418

Unit: number of staff.

Table 2 - Evolution in types of complementary work

2017/2019 Plan			
Category	2017	2018	2019
Supplementary work	4 013	3 813	3 623
Total	4 013	3 813	3 623

Unit: hours.

Table 3 - Evolution in personnel costs

2017/2019 Plan			
Category	2017	2018	2019
Wages and expenses	22 469 600	22 469 600	22 469 600
Other Personnel Costs	2 408 100	2 408 100	2 408 100
Total	24 877 700	24 877 700	24 877 700

Unit: Euros.

Table 4 - Personnel costs plan

Category	2017	2018	2019
1. Permanent contracts (year-end)	418	418	418
2. Permanent staff potential (1800 hours/year)	752 400	752 400	752 400
3 Supplementary work (hours)	4 013	3 813	3 623
4. Potential work (2 to 4)	756 413	756 213	756 023
5. Management Remuneration	1 043 944	1 043 944	1 043 944
6. Staff remuneration	14 734 539	14 734 539	14 734 539
7. Additional remuneration	3 042 977	3 042 977	3 042 977
8. Post-employment benefits	786 501	786 501	786 501
9. Salary expenses	3 648 140	3 648 140	3 648 140
10. Work accident insurance	86 503	86 503	86 503
11. Social action costs	747 876	747 876	747 876
12. Other personnel costs	787 220	787 220	787 220
13. Total (5 to 12)	24 877 700	24 877 700	24 877 700

Unit: Euros.

Annex III – 2017 Budget

Table 5 – Investment budget

Category	2016 Budget	2017 Budget	2017/2016 Variation	
			Value	%
Land and Buildings	45 000	75 000	30 000	-71,9%
Basic radio Equipment	1 025 900	736 000	-289 900	-28,3%
Transport Equipment	24 000	24 000	0	0,0%
Administrative Equipment				
* IT Equipment (Hardware)	1 035 000	845 000	-190 000	-18,4%
* Miscellaneous Equipment	26 000	36 000	10 000	38,5%
Computer programmes (Software)	985 500	1 309 000	323 500	32,8%
Work to premises	60 000	30 000	-30 000	-50,0%
Total	3 201 400	3 055 000	-146 400	-4,6%

Unit: Euros.

Table 6 - Income Budget

Category	2016 Budget	2017 Budget	2017/2016 Variation	
			Value	%
Electronic communications	81 593 100	87 736 100	1 143 000	1,4%
* Statements of rights	14 000	15 000	1 000	7,1%
* Exercise of electronic communications activity	27 831 000	30 000 000	2 169 000	7,8%
* Use of frequencies - TECS	40 393 200	44 183 400	-492 000	-1,2%
* Use of frequencies - other	11 644 900	11 818 400	-544 300	-4,7%
* Use of numbering	1 710 000	1 719 300	9 300	0,5%
Exercise of postal services activity	1 911 600	2 102 700	191 100	10,0%
ITED/ITUR	3 900	0	-3 900	
Remaining provisions of service	364 600	347 000	-17 600	-4,8%
Interest and other similar income	399 000	466 500	67 500	-16,9%
Other income and gains	163 800	125 700	-38 100	-23,3%
Total	84 436 000	90 778 000	1 342 000	7.5%

Unit: Euros.

Table 7 - Expenditure budget

Category	2016 Budget	2017 Budget	2017/2016 Variation	
			Value	%
External Supplies and Services	11 466 300	10 955 400	-470 900	4,1%
* Specialized work	3 649 200	3 464 200	-185 000	-5,1%
* Advertising and promotion	77 500	136 800	59 300	76,5%
* Surveillance and Security	441 000	453 900	12 900	2,9%
* Maintenance and repairs	2 755 500	2 465 800	-289 700	-10,5%
* Books and technical documents	250 000	275 000	25 000	10,0%
* Energy and liquids	530 400	504 900	-25 500	-4,8%
* Travel, accommodation and transport	602 700	594 900	-7 800	-1,3%
* Rents and leasing	1 719 200	1 662 500	-56 700	-3,3%
* Communication	381 000	361 200	-19 800	-5,2%
* Insurance	123 800	99 900	-23 900	-19,3%
* Cleanliness, hygiene and comfort	290 000	289 800	-200	-0,1%
* Other supplies and services	646 000	686 500	40 500	6,3%
Personnel costs	23 695 800	24 877 700	1 181 900	5,0%
* Wages and wage expenses	21 323 500	22 469 600	1 146 100	5,4%
* Other personnel expenses	2 372 300	2 408 100	35 800	1,5%
Depreciation and amortisation	3 260 700	2 933 400	-267 300	-8,2%
Impairment losses	60 000	50 100	-9 900	-16,5%
Provisions for period	7 200 000	9 900 000	2 700 000	37,5%
Other expenses and losses	7 520 500	7 252 900	-267 600	-3,6%
* Contributions	954 600	907 600	-47 000	-4,9%
* Meetings and conferences	236 600	220 900	-15 700	-6,6%
* Sponsorships	154 100	122 500	-31 600	-20,5%
* Payments/Transfers	5 898 300	5 753 100	-145 200	-2,5%
* Cooperation	173 800	173 800	0	0,0%
* Other expenses and losses	103 100	75 000	-28 100	-27,3%
Total	53 203 300	56 069 500	2 866 200	5,4%

Unit: Euros.

Table 8 – Budget of personnel costs

Category	2016 Budget	2017 Budget	2017/2016 Variation	
			Value	%
1. Permanent staff (year-end)	403	418	15	3,7%
2. Permanent staff potential (1800 hours/year)	725 400	752 400	27 000	3,7%
3. Supplementary work (hours)	4 966	4 013	-953	-19,2%
4. Potential work (2 to 3)	730 366	756 413	26 047	3,6%
5. Management Remuneration	998 016	1 043 944	45 928	4,6%
6. Staff remuneration	13 893 858	14 734 539	840 681	6,1%
7. Additional remuneration	3 028 339	3 042 977	14 638	0,5%
8. Post-employment benefits	742 177	786 501	44 324	6,0%
9. Salary expenses	3 403 287	3 648 140	244 853	7,2%
10. Work accident insurance	94 132	86 503	-7 629	-8,1%
11. Social action costs	746 772	747 876	1 104	0,1%
12. Other personnel costs	789 219	787 220	-1 999	-0,3%
Total (5 to 12)	23 695 800	24 877 700	1 181 900	5,0%

Unit: Euros.

Table 9 – Income and expenses budget

Category	2016 Budget	2017 Budget	2017/2016 Variation	
			Value	%
INCOME				
* Fees - electronic communications	27 831 000	30 000 000	2 169 000	7,8%
Fees - use of frequencies	52 038 100	56 001 800	-1 036 300	-2,0%
* Fees - use of numbering	1 710 000	1 719 300	9 300	0,5%
* Fees - postal services	1 911 600	2 102 700	191 100	10,0%
* Remaining provisions of service	382 500	362 000	-20 500	-5,4%
* Interest and other similar income	399 000	466 500	67 500	16,9%
* Other income and gains	163 800	125 700	-38 100	-23,3%
Total income	84 436 000	90 778 000	1 342 000	1,6%
EXPENSES				
* External supplies and services	11 466 300	10 995 400	-470 900	-4,1%
* Personnel costs	23 695 800	24 877 700	1 181 900	5,0%
* Depreciation and amortisation	3 260 700	2 993 400	-267 300	-8,2%
* Impairment losses	60 000	50 100	-9 900	-16,5%
* Provisions for period	7 200 000	9 900 000	2 700 000	37,5%
* Other expenses and losses	7 520 500	7 252 900	-267 600	-3,6%
Total expenses	53 203 300	56 069 500	2 866 200	5,4%
Net profit for period	31 232 700	34 708 500	-1 524 200	11,1%

Unit: Euros.

Annex IV – Financial Plan 2017-19 (Tables)

Table 10 – Investment Plan (by project)

Category	Objectives	2017	2018	2019
Modernisation of laboratories	Acquisition of equipment in light of evolution in technology and regulatory framework; and update of software	16 000	50 000	50 000
Technological refurbishment of spectrum monitoring	Upgrade of existing MCE (spectrum monitoring and control) facilities and acquisition of equipment for the new communications systems	500 000	500 000	450 000
Major repairs and software/hardware updates to SINCRER	Updates to National System for Remote Control of Radioelectric Emissions, specifically updates to <i>hardware</i> and <i>software</i> of equipment supporting network	150 000	150 000	150 000
Technological adaptation -architecture and technology platforms	Adaptation of infrastructural technological strongpoints through the acquisition of necessary hardware and software	1 954 000	1 500 000	1 500 000
Acquisition of various basic radioelectric equipment	Acquisition of basic equipment for enforcement actions	70 000	70 000	70 000
Acquisition of various IT equipment	Acquisition of day-to-day hardware and software	200 000	100 000	100 000
Miscellaneous day-to-day acquisitions	Acquisition of administrative equipment and performance of works in building	165 000	165 000	165 000
Total		3 055 000	2 535 000	2 485 000

Unit: Euros.

Table 11 - Income plan

Category	2017	2018	2019
Electronic communications	87 736 100	87 486 100	87 236 100
* Statements of rights	15 000	15 000	15 000
* Exercise of electronic communications activity	30 000 000	29 750 000	29 500 000
* Use of frequencies - TECS	44 183 400	44 183 400	44 183 400
* Use of frequencies - other	11 818 400	11 818 400	11 818 400
* Use of numbering	1 719 300	1 719 300	1 719 300
Exercise of postal activity	2 102 700	2 102 700	2 102 700
Remaining provisions of service	347 000	347 000	347 000
Interest and other similar income	466 500	466 500	466 500
Other income and gains	125 700	125 700	125 700
TOTAL	90 778 000	90 528 000	90 278 000

Unit: Euros.

Table 12 - Expenditure plan

Category	2017	2018	2019
External Supplies and Services	10 955 400	10 849 500	10 733 600
* Specialized work	3 464 200	3 405 800	3 371 400
* Advertising and promotion	136 800	136 800	136 800
* Surveillance and Security	453 900	459 800	465 800
* Maintenance and repairs	2 465 800	2 352 500	2 244 900
* Books and technical documents	275 000	275 000	275 000
* Energy and liquids	504 900	504 900	504 900
* Travel, accommodation and transport	594 900	594 900	594 900
* Rents and leasing	1 662 500	1 678 600	1 694 900
* Communication	361 200	361 200	361 200
* Insurance	99 900	99 900	99 900
* Cleanliness, hygiene and comfort	289 800	293 600	297 400
* Other supplies and services	686 500	686 500	686 500
Personnel costs	24 877 700	24 877 700	24 877 700
* Wages and wage expenses	22 469 600	22 469 600	22 469 600
* Other personnel expenses	2 408 100	2 408 100	2 408 100
Depreciation and amortisation	2 933 400	3 177 200	2 980 300
Impairment losses	50 100	50 100	50 100
Provisions for period	9 900 000	7 900 000	5 900 000
Other expenses and losses	7 252 900	7 342 400	7 342 400
* Contributions	907 600	907 600	917 600
* Meetings and conferences	220 900	220 900	220 900
* Sponsorships	122 500	122 500	122 500
* Payments/Transfers	5 753 100	5 842 600	5 842 600
* Cooperation	173 800	173 800	173 800
* Other expenses and losses	75 000	75 000	75 000
TOTAL	56 069 500	54 196 900	51 884 100

Unit: Euros.

Table 13 - Financial Statements by nature

Category	2017	2018	2019
Income and expenses			
* Fees for exercise of activity of electronic communications	30 000 000	29 750 000	29 500 000
* Fees for use of frequencies	56 001 800	56 001 800	56 001 800
* Fees for use of numbering	1 719 300	1 719 300	1 719 300
* Fees for exercise of activity of postal services	2 102 700	2 102 700	2 102 700
* Remaining provisions of service	362 000	362 000	362 000
* External Supplies and Services	-10 995 400	-10 849 500	-10 733 600
* Personnel costs	-24 877 700	-24 877 700	-24 877 700
* Impairment losses	-50 100	-50 100	-50 100
* Provisions for the period	-9 900 000	-7 900 000	-5 900 000
* Other income and gains	125 700	125 700	125 700
* Other expenses and losses	-7 252 900	-7 342 400	-7 342 400
Profit before depreciation and amortisation	37 235 400	39 041 800	40 907 700
* Expenses/Reversals of depreciation and amortisation	-2 993 400	-3 177 200	-2 980 300
Operating profit	34 242 000	35 864 600	37 927 400
* Interest and similar income earned	466 500	466 500	466 500
NET PROFIT FOR PERIOD	34 708 500	36 331 100	38 393 900

Unit: Euros

Table 14 - Cash budget

Category	2017	2018	2019
Balance brought forward	142 464 000	155 690 000	167 815 700
Receipts			
* Income from operations	90 311 500	90 061 500	89 811 500
* Interest and other similar income	466 500	466 500	466 500
Total receipts	90 778 000	90 528 000	90 278 000
Payments			
* Investment	3 055 000	2 535 000	2 485 000
* Operations	43 126 000	43 069 600	42 953 700
* Transfer to the State	31 371 000	32 797 700	34 258 100
Total payments	77 552 000	78 402 300	79 696 800
Cash available	155 690 000	167 815 700	178 396 900

Unit: Euros.

Table 15 - Balance statement

Category	2017	2018	2019
Assets			
Non-current assets	17 570 600	16 898 400	16 373 100
* Tangible Assets	14 844 500	14 685 900	14 575 800
* Intangible Assets	2 626 100	2 112 500	1 697 300
* Other receivables	100 000	100 000	100 000
Current assets	164 390 000	176 615 700	187 296 900
* 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	155 690 000	167 815 700	178 396 900
Total assets	181 960 600	193 514 100	203 670 000
Equity and liabilities			
Equity	95 034 500	99 135 400	103 838 700
* Other reserves	60 326 000	62 804 300	65 444 800
* Net result for period	34 708 500	36 331 100	38 393 900
Liabilities	86 926 100	94 378 700	99 831 300
* Debts and provisions post-employment benefits	84 432 400	92 382 500	98 332 600
* Other account payables	2 493 700	1 996 200	1 498 700
Total liabilities + equity	181 960 600	193 514 100	203 670 000

Unit: Euros.

Table 16 - Cash Flow Statement

Category	2017	2018	2019
Cash Flows - Operating Activities			
* Receipts from customers	90 185 800	89 935 800	89 685 800
* Payments to suppliers	-11 025 400	-10 879 500	-10 763 600
* Payments to employees	-24 877 700	-24 877 700	-24 877 700
Cash generated from operations	54 282 700	54 178 600	54 044 500
* Other receipts/payments	-38 499 200	-40 015 400	-41 475 800
Cash flows from operating activities	15 783 500	14 163 200	12 568 700
Cash Flows - Investment Activities			
Payments with reference to			
* Tangible Assets	-1 716 000	-1 430 000	1 380 000
* Intangible assets	-1 309 000	-1 075 000	1 075 000
Receipts from			
* Tangible Assets	1 000	1 000	1 000
* Interest and similar income	466 500	466 500	466 500
Cash flows from investment activities	-2 557 500	-2 037 500	-1 987 500
Change in cash and cash equivalents	13 226 000	12 125 700	10 581 200
Cash and cash equivalents at beginning of period	142 464 000	155 690 000	167 815 700
Cash and cash equivalents at end of period	155 690 000	167 815 700	178 396 900

Unit: Euros.

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Annex I

List of acronyms and abbreviations

CIS	Centralised Information System
CLI	Calling Line Identification
DTT	Digital terrestrial television
EMC	Electromagnetic compatibility
FIS	Ficha de informação simplificada (Simplified information sheet)
LCE	Lei das Comunicações Eletrónicas (Electronic Communications Law)
MCE	Monitorização e controlo do espectro (Monitoring and control of the spectrum)
PNN	Plano Nacional de Numeração (National Numbering Plan)
QoS	Quality of service
RIO	Reference interconnection offer
SCA	Sistema de contabilidade analítica (Analytical Accounting System)
SMP	Significant market power
SNC	Sistema de normalização contabilística (Accounting Standardisation System)
WLRO	Wholesale Line Rental Offer

Annex II

List of operators

CTT	CTT – Correios de Portugal, S.A.
MEO	MEO – Serviços de Comunicações e Multimédia, S.A.
NOS	NOS Comunicações, S.A.

Annex III

List of other entities / organizations

ANACOM	Autoridade Nacional de Comunicações
AdC	Autoridade da Concorrência
BEREC	Body of European Regulators of Electronic Communications
CEPT	European Conference of Postal and Telecommunications Administrations
CPEC	Comissão de Planeamento de Emergência das Comunicações (Emergency Communications Planning Committee)
EC	European Commission
EMERG	European Mediterranean Regulators Group -
ERC	Entidade Reguladora para a Comunicação Social (Media Regulatory Authority)
ERGP	European Regulators Group for Postal Services
ERSE	Entidade Reguladora dos Serviços Energéticos (Regulatory Authority for Energy Services)
EU	European Union
FPC	Fundação Portuguesa das Comunicações (Portuguese Communications Foundation)
INE	Instituto Nacional de Estatística (Statistics Portugal)
ITU	International Telecommunication Union
PALOP	Portuguese-speaking African countries
Regulatel	Fórum Latino-americano de Autoridades Reguladoras das Telecomunicações (Latin American Forum of Telecommunications Regulators)
RSC	Radio Spectrum Committee
UPAEP	União Postal das Américas, Espanha e Portugal (Postal Union of the Americas, Spain and Portugal)
UPU	Universal Postal Union