
MULTI-ANNUAL
ACTIVITIES PLAN
2018-2020
AND BUDGET
2018

ANACOM



AUTORIDADE
NACIONAL
DE COMUNICAÇÕES

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EXECUTIVE SUMMARY



1. Executive summary

The Multi-Annual Activities Plan of Autoridade Nacional de Comunicações (ANACOM) sets out the strategic priorities, lines of action and specific actions to be undertaken over the 2018-2020 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 ANACOM's human and financial resources.

This year, ANACOM again submitted the strategic guidelines and lines of action set out in the Multi-Annual Activities Plan to public consultation, along with the list of actions and implementation timetable. The aim of this procedure is to enhance transparency in the market, increasing regulatory predictability and promoting greater involvement by all stakeholders in the preparation of ANACOM's Multi-Annual Activities Plan. The consultation was launched in accordance with the provisions of article 47, paragraph 1, of ANACOM's Statutes (approved by Decree-Law no. 39/2015 of 16 March).

The public consultation took place between 18 July and 13 September 2017, and four contributions were received, as follows¹:

- MEO – Serviços de Comunicações e Multimédia, S.A. (MEO)
- NOS Comunicações, S.A., NOS Açores, S.A. and NOS Madeira, S.A. (NOS)
- NOWO – Communications S.A. and OniTelecom - Infocomunicações, S.A. (NOWO/ONI)
- SIC – Sociedade Independente de Comunicação, S.A. (SIC)

In the most part, the present Multi-Annual Activities Plan for 2018-2020 reflects contributions received, as can be seen in the approved consultation report made available on ANACOM's website.

As such, this document includes the strategic priorities, lines of action and specific actions that ANACOM considers most fitting to ensure the existence of a stable and predictable

¹ A fifth contribution was received from DECO - Associação Portuguesa para a Defesa do Consumidor (Portuguese Association for Consumer Protection), but subsequent to the prescribed deadline.

regulatory framework to promote competition, investment and innovation as key factors supporting the generation of better offers for consumers. Nevertheless, some of the actions proposed by ANACOM and included in the Plan do not depend entirely on ANACOM; in such cases, ANACOM does not have absolute control over their execution.

Furthermore, every year, ANACOM is called on to implement a wide range of actions that were not foreseeable during preparation of the Multi-Annual Activities Plan; such unforeseen actions may have an impact on the execution of planned actions. For example, it is now foreseeable, albeit not yet clear when the public consultation was launched, that ANACOM will carry out several actions subsequent to the identification of measures to improve the protection and resilience of telecommunications infrastructure and services in the event of forest fire. However, it is not yet possible to identify in detail what these actions will entail, since the working group that was set up for this purpose will have a key role to play in defining them.

In a highly dynamic sector such as communications, the proactive nature of the regulator and its ability to anticipate future developments is decisive to ensure the adoption of appropriate and timely regulatory measures, which must be executed with maximum transparency and with proportionality.

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, establishing new rules on the allocation, use and management of numbering, and on supporting the security and integrity of networks and services. This work is aimed at the defence of the public interest and must be undertaken swiftly, without delay.

To accomplish all of its objectives, it is crucial that ANACOM retains highly qualified staff, who are committed and motivated staff and who contribute to making ANACOM increasingly efficient. As such, it is essential to have mechanisms which recognise the merits of their performance and to have the capacity to attract and retain good professionals, in particular.

The investment plan for the 2018-2020 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 the performance of its regulatory and supervisory activity. However, action is required with regard to the infrastructure and facilities owned by ANACOM, given the restraint on investment in this area over recent years. Alterations that have taken place have been limited - accommodated and carried out with existing resources - and a new impetus must now be given to this important asset, to be executed with investments, particularly the modernisation of spectrum monitoring and control centres and the improvement of working conditions. The most significant investments over this three-year period will be the upgrade and modernisation of spectrum equipment and facilities, as well as the renovation and technological upgrading of information systems (hardware and software).

For the reasons given above, the forecast for investment in 2018, is 19% higher than the investment specified in the 2017 budget, while for 2019 and 2020, increases of 24% and 10% are expected, respectively, compared to the sums budgeted for 2017. The increase forecast for 2018 is essentially due to the renovation and consolidation of the servers and applications which make up ANACOM's information systems and which have already exceeded their normal useful life, and due to the updating of the infrastructure supporting the operation of spectrum monitoring and control centres.

As regards the financial plan, the main source of income in 2018 will continue to be collection of specific fees, intended to cover the costs of ANACOM's regulatory activity, both in the area of electronic communications and postal services. These fees are paid by sector operators under a system of allocation based on the relevant revenues of each operator in proportion to total sector revenues. ANACOM also charges other fees that are payable by operators for the use of scarce public resources (such as the radio spectrum and numbering).

ANACOM's revenues in 2018 are estimated at 91.8 million euros, higher than budgeted for 2017 (+1 percent). In the following years, 2019 and 2020, income is expected in line with 2018.

In terms of expenditure, the budget for 2018 provides for a total of 58.4 million euros, representing 4,2% in relation to the level of expenditure budgeted for 2017. The additional expenditure is mainly due to the expected increase in provisions for ongoing legal proceedings and the unfreezing of career salary promotions, under the legal terms.

In the 2018-2020 period, measures will continue to be taken to reduce costs and to adjust ANACOM's cost structure, making it possible to accommodate some of the expenses which result from compliance with new legal obligations.

Net profits for the period covered by the Plan are forecast at 33.3 million euros in 2018, 34.1 million euros in 2019 and 33.9 million euros in 2020.



BACKGROUND -
REGULATORY
COMMITMENT

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, in terms of offers, pricing and quality of service.

Since consumer protection is one of the areas demanding increasing regulatory intervention, ANACOM has been strongly committed to disseminating information to the consumer, analysing and responding to complaints arising in the sector and also seeking solutions for mediation and alternative mechanisms for consumer dispute settlement.

Spectrum management is another critical area of ANACOM's work, and it must be performed 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 work in this area is intended to ensure efficient use of the spectrum, contributing to increased competition in markets and, in parallel, to increasing sustained investment. To this purpose, ANACOM has provided the flexibility which network operators and electronic communications service providers require if they are to adapt quickly to the technological changes which characterise the sector and so that they can adopt new business models which fit the needs of their users.

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 network reliability and security; as such ANACOM has been working extensively to formulate and adopt appropriate measures which safeguard the security and resilience of electronic communication networks and services. This work is to

be continued and consolidated with a process of security auditing and surveys focused on infrastructure suitable for carrying electronic communications and with 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, processes and disseminates statistics on the electronic communications and postal sectors.

ANACOM's functions also include providing technical representation at various international bodies and organisations, aimed at advancing positions most conducive to national circumstances and interests, and in pursuit of knowledge-sharing and the exchange of experience.

ANACOM represents the Portuguese State at a number of intergovernmental organisations of the communications sector and assists the Government at different forums of the European Union. In this context, ANACOM plays an active role in negotiating the new European regulatory framework for electronic communications, which will be decisive for the sector's future.

ANACOM also advises the Government, upon its own initiative or at the request of the executive, in defining general policy for the communications sector and principal strategies, as well as in preparing legislative measures related to the sector.

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 - these are challenges that ANACOM faces on a daily basis, for a regulatory process that is faster and timely and that is capable of keeping up with the rapid evolution of regulated markets. Accomplishing these challenges provides a stable regulatory framework and predictability in decision-making, so that operators and service providers can 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 failure

and distortion to healthy competition, or when necessary to safeguard end-user interests, the integrity and security of electronic communications networks and services and access to emergency communications.

On the other hand, 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 far in advance as possible and always seeks input from stakeholders, submitting all decisions with external impact to public consultation procedures. ANACOM has also developed cooperation with the operators, through workshops and the exchange of information on matters relevant to the sector, including legislative proposals that are under discussion at European Union level. This approach accomplishes the principle of transparency, a fundamental pillar of ANACOM's regulation. Independence, excellence and team culture are other values which govern the behavioural standards which ANACOM staff adhere to in the performance of different tasks and in pursuit of the goals set out in this plan.



CURRENT FRAMEWORK
OF THE
COMMUNICATIONS
SECTOR

3. Current framework of the communications sector

In general terms, ANACOM's activity over the 2018-2020 period will remain governed by and subject to the following factors:

- technological developments in terms of networks, services and terminal equipment, and ongoing developments in terms of market structure and commercial offers;
- the European Commission's strategy for the creation of the Digital Single Market (DSM)², which includes negotiation and subsequent adoption of the new Electronic Communications Code at European Union level. This may introduce significant changes in matters such as the analysis of relevant markets and their regulation, the scope of the universal service and the management of scarce resources and user rights;
- the release of the 700 MHz band and its availability according to the timetable already established for the provision of electronic communications services, in particular for the development of 5th generation (5G) mobile, as well as the implications that this will have in terms of the population's access to free television;
- the "5G" action plan (part of the connectivity package), and specifically the identification of frequency bands and harmonised technical parameters to accommodate 5G networks and systems, taking into account developments at the level of the European Union and International Telecommunication Union (ITU), in particular the work done in preparation for the 2019 World Radiocommunications Conference (WRC-19);
- increased focus on issues of consumer protection, particularly those associated with implementation of the Open Internet Regulation and those related to new applications and data bundles offered by Internet Service Providers and Over The Top (OTT) operators - assessment of zero-rating and traffic management practices, Internet quality of service, e-commerce and complaint handling;

² Communication from the Commission on the Strategy for the Digital Single Market in Europe, COM (2015)192 final of 06 May 2015, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0192&from=PT>

- the Regulation on cross-border parcel delivery services, which aims to enhance price transparency and improve regulatory oversight, and which may be adopted in 2017;
- the entry into force of the Data Protection Regulation and negotiations on the revision of the e-Privacy Directive, given their important impact on the electronic communications sector.

In terms of technological developments and strong market dynamics, it is expected that the sector will continue to invest in the expansion of high-speed optical fibre networks in 2018-2020, strengthen 4G coverage and, where appropriate, proceed with the introduction of 5G technology and new standards for next generation fixed networks (Docsis 3.1, XG-PON/NG-PON2, etc.). The sector will likewise see the mass roll out of high-capacity IP services (video-streaming, in the case of consumers, and cloud services in the case of companies). It is also expected that smartphones will be developed with increased processing capacity and memory, supporting increasingly sophisticated and more resource-intensive applications.

Meanwhile, with the convergence of networks and services, and the increasing use of IP networks to route electronic communications, using E.164-based addresses based on ENUM-type solutions, and in light of its powers and responsibilities, ANACOM will need to reassess the conditions of implementation and operation associated with the User-ENUM pilot experiment.

Strong growth is therefore predicted in services and applications supported by data transport, to the detriment of traditional forms of communications, as well as in services and applications related to the Internet of Things (IoT)/Machine-to-machine (M2M) technology. And there are further technological developments that will affect all sectors generally, including communications, such as Big Data Analytics, Virtual Reality, Blockchain, etc.

As regards market structure, OTT operators will continue to play an important, and perhaps increasing, role, especially in the development of new products and services, some complementary to traditional ones, or even substituting them, and others even involving the production of audiovisual content – in this respect, a response by electronic communications operators would be expected.

As regards levels of usage of networks and services, there is a high level of penetration in some services and offers, and in other cases there are structural barriers to the expansion

of traditional services. Nevertheless, in recent years, the growth reported in the penetration of various services and offers and the growth in electronic communications traffic has not led to an increase in revenues, a trend which has also been observed in other countries.

It is expected that the acquisition of convergent services in bundles will continue to grow. Currently, about 8.9 out of 10 households already receive services as part of a bundle, rising from 80% at the end of 2015, while 39% acquired bundles of converged services - rising from 35% in 2015. The increased sales of bundles of services has driven the use of mobile and fixed broadband, and the higher consumption of the subscription television service and voice services.



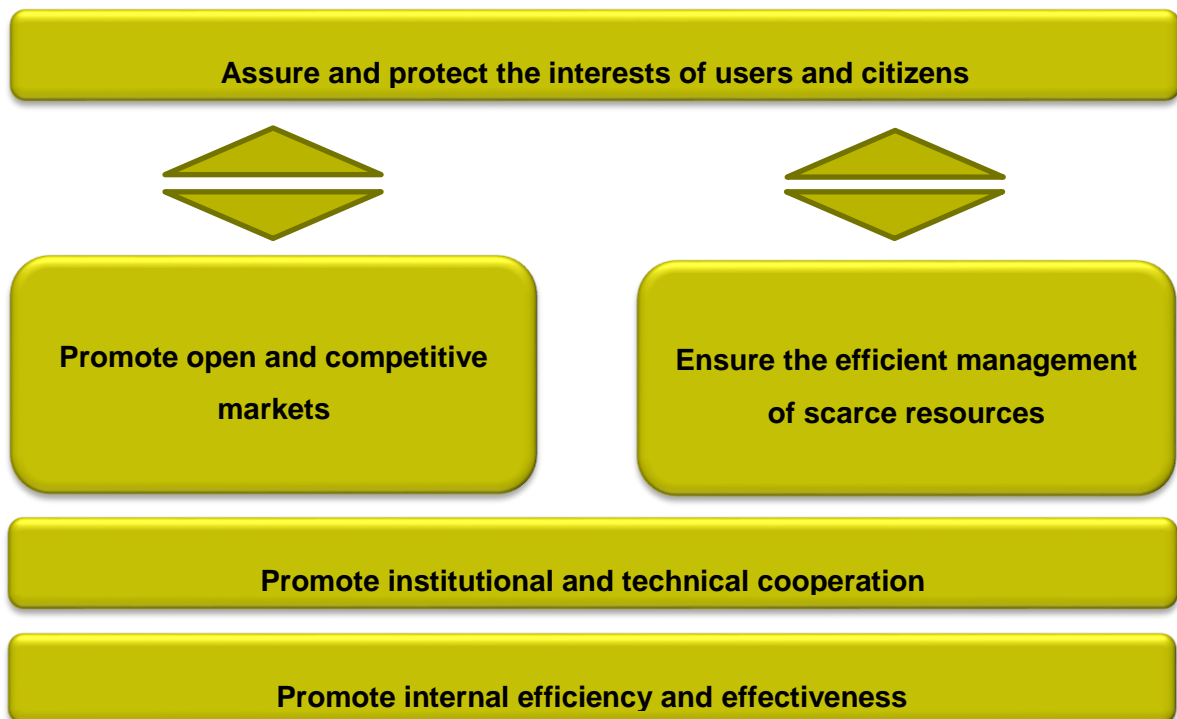
STRATEGIC PRIORITIES AND LINES OF ACTION IN 2018-2020



4. Strategic priorities and lines of action in 2018-2020

The present Multi-Annual Activities Plan sets out the strategic priorities and lines of action to be pursued over the 2018-2020 three-year period, as well as the specific actions which will contribute to accomplishing these priorities.

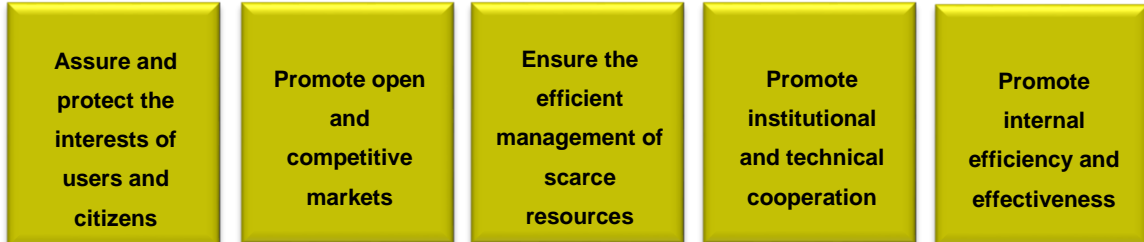
ANACOM's strategic priorities for 2018-2020



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.

This year, for the first time, ANACOM simultaneously submitted the strategic guidelines, the lines of action and the constituent specific actions (with their timetable) to public consultation. The aim of this procedure is to enhance 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, ANACOM is ensuring that it is providing a response that is line with market needs.

The principal lines of action to be pursued by ANACOM over the 2018-2020 period, with the specific work tasks that will be undertaken to accomplish them, are detailed below, 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:

- E.1.1** Oversee and consider reviewing application of the conditions governing universal service provision (electronic communications and postal services).
- E.1.2** Assess the appropriateness of quality of service levels provided.
- E.1.3** Monitor and report on the evolution of retail pricing.
- E.1.4** Define and implement actions in the field of security and integrity of electronic communications networks and services.
- E.1.5** Contribute to the definition and updating of emergency civil planning policies in the communications sector.
- E.1.6** Ensure the proper provision of information to users.
- E.1.7** Review sector's complaint management procedures.
- E.1.8** Promote out-of-court dispute resolution in cooperation with relevant authorities.
- E.1.9** Ensure the population's access to free television after 2020 (release of 700 MHz band).
- E.1.10** Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform.
- E.1.11** Ensure proper implementation of the TSM Regulation (roaming and net neutrality) in the light of BEREC guidelines.
- E.1.12** Ensure legal compliance in business practices.
- E.1.13** Monitor the coverage of mobile networks.

E.1.1 Supervise and consider the timely review of the application of the conditions governing universal service provision (electronic communications and postal services)

In 2018, depending on the decisions that will be taken on the universal service, ANACOM will advise the Government on this matter.

ANACOM will also prepare a report on the parameters and indicators of quality of service imposed on providers of the universal service of electronic communications - public pay-telephones, fixed telephone service, and telephone directories and directory enquiry services.

This line of action includes analysis of the conformity of the price cap set for the provider(s) of the universal electronic communications service in the event that there are price variations which justify it, as well as the performance of audits of the quality indicators of the universal postal service for the period from 2016 to 2020, with audits referring to 2016 and 2017 only completed in 2018.

In 2018, ANACOM will also assess the universal postal service prices charged by the universal service provider and their compliance with the established rules, and will monitor compliance with the targets of postal network density and minimum offers of service imposed on the provider of the universal postal service.

ANACOM's 2018-2020 Multi-Annual Activities Plan also includes audits of the inventory of assets attached to the CTT - Correios de Portugal, S.A. concession. (CTT) for the period between 2016 and 2019.

E.1.2 Assess the appropriateness of quality of service levels provided

In order to achieve this goal, ANACOM intends to develop the NET.mede platform as well as to process, analyse and disseminate the data extracted by this tool. Provision is also made for the preparation of tests of quality of service of the mobile networks, to be performed on the ground, with publication of the report/assessment of the results obtained.

E.1.3 Monitor and report on the evolution of retail pricing

This line of action covers the compilation, processing, analysis and dissemination of Consumer Price Index (CPI/HICP) sub-indices, based on data from INE - Instituto Nacional de Estatística (Statistics Portugal). ANACOM will also examine a series of studies from other entities (EU, OECD, ITU, etc.), analysing trends in communications pricing, and will participate, whenever possible, in the development of such studies.

The Plan also includes monitoring provider offers and their evolution, the development of a database of offers and the dissemination of information collected on a regular basis. The annual report on electronic communications retail pricing will be prepared (including indicators on unit revenue, average bills, trends in monthly subscription charges, ARPU released by providers, etc.).

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

In the context of implementing the Regulation on the security and integrity of electronic communications networks and services, regulation will be finalised and an extraordinary audit of network security prepared and implemented, along with the commencement of training for the security audit team.

Also within the scope of this activity, and following the work carried out by ANACOM to investigate the impact of forest fires on electronic communications infrastructure, involving creation of a working group led by ANACOM, action will be taken with a view to implementing the initiatives put forward.

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

In this area, and over the course of the year, ANACOM intends to elaborate and put into operation its internal and external communication procedures in emergency situations.

Given that, by law, ANACOM is called on contribute to the definition and updating of emergency policies, as a responsibility which falls within the broader scope of emergency civil planning and emergency civil protection planning, ANACOM will work with ANPC - Autoridade Nacional de Proteção Civil (National Authority for Civil Protection) in the definition and updating of these policies.

E.1.6 Ensure the proper provision of information to users

In 2018, continuing ANACOM's efforts to improve communication with consumers, a new area will be created on ANACOM's consumers' website (<http://www.anacom-consumidor.com/>) dedicated to citizens with special needs. Throughout the year, ANACOM will carry out a continuous assessment of the information content that it makes available on this website, to improve it and so to help ensure that consumers have more information, enabling them to make better choices.

E.1.7 Review sector's complaint management procedures

This line of action includes implementation of ANACOM's new internal system for the management of complaints from end-users of communications services, as well as the new internal procedure for the oversight of complaints.

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

In accordance with its statutes, ANACOM is called on to take steps which promote solutions and mechanisms providing for the out-of-court settlement of consumer disputes. In this context, work has been developed to identify an effective and efficient solution to promote the out-of-court settlement of disputes arising in the communications sector. Once this solution is found, ANACOM will work to implement and monitor it. Currently, the solution that is being considered involves cooperation with existing arbitration centres, through the conclusion of a protocol defining the form and terms/conditions of cooperation.

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

In view of the future release of the 700 MHz band where DTT currently operates, it is important to ensure the population's continued access to free television. In this context, ANACOM intends to plan and implement the decisions that will be adopted with regard to the platform providing access to television, including the publication of the national roadmap.

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

This line of action includes a re-evaluation of DTT pricing, as well as the monitoring of the quality of the digital television signal using the network of probes installed across the Portuguese territory, drawing up a report based on the data collected. If this study indicates a need to adapt the probe network, ANACOM will draw up an opinion accordingly. ANACOM will also continue to check compliance with DTT coverage obligations.

E.1.11 Ensure proper implementation of the TSM Regulation in the light of BEREC guidelines

As part of its supervisory work, especially as regards this line of action, ANACOM will oversee application of the Regulation and will prepare an annual report in accordance with paragraph 1 of article 5 of the Telecom Single Market (TSM) Regulation on net neutrality.

E.1.12 Ensure legal compliance in business practices

To ensure that commercial practices comply with the law, in 2018, ANACOM will give special attention to the implementation of the simplified information sheet by operators. Oversight will be carried out, in particular, through consultation of the operators' websites.

E.1.13 Monitor the coverage of mobile networks

This activity will entail the mapping of mobile network coverage based on the information provided by the operators. Included in the SIMPLEX programme, which seeks legislative and administrative simplification and the modernisation of public services, the action is aimed at the availability of coverage estimates for the three mobile operators on ANACOM's website, so that users of the service can be informed. This action involves coordination with the mobile operators.

Strategic Priority 2: Promote open and competitive markets

Lines of action:

- E.2.1** Oversee and analyse/review relevant electronic communications markets.
- E.2.2** Review of wholesale offers arising from obligations imposed on undertakings with significant market power (SMP) in the various relevant markets.
- E.2.3** Develop and improve regulatory costing systems and audit their results.
- E.2.4** Undertake actions associated with the provision of the universal service with market impact.
- E.2.5** Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May.
- E.2.6** Monitor and supervise the activities pursued by various sector agents, enforcing compliance with prevailing rules.
- E.2.7** Contribute to the review/negotiation of the new regulatory framework.
- E.2.8** Prepare and submit pre-draft legislation to the Government for transposing the revision of the regulatory framework for electronic communications.
- E.2.9** Review and consolidate procedures for the management of company registrations.
- E.2.10** Prepare the introduction of 5th generation mobile (5G).

E.2.1 Oversee and analyse/review relevant electronic communications markets

The periodic review of relevant markets defined by the European Commission is crucial for the diagnosis of the competitive situation in the electronic communications sector and for ANACOM to be able to act accordingly. 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 (SMP) 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 2018-2020 three-year period include analysis of the market of wholesale local access provided at a fixed location (market 3a) and the market of wholesale central access provided at a fixed location for mass-market products (market 3b). as well as the market of high-quality electronic communications markets at a fixed location (market 4) The reviews of market 1 (fixed terminations) and market 2 (mobile terminations) should also be completed in 2018.

There is also an audit planned of how Equivalence of Input measures will be implemented in reference offers of access to ducts (RDAO) and posts (RPAO), although this action may be dispensed with if the RDAO and the RPAO incorporate procedures that may be considered effective substitutes for an EDI obligation.

E.2.2 Review of wholesale offers arising from obligations imposed on undertakings with significant market power (SMP) in the 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 current data, particularly in terms of costing and quality of service, of experience gained and of contributions received from the

market. For 2018 revision of the reference offers governing access to ducts and posts (RDAO and RPAO) is due for completion, with notification to the European Commission, and revision will commence of the Wholesale Line Rental Offer (WLRO) and the Reference Interconnection Offer (RIO). The Ethernet connectivity offer will also be reviewed with the annual revaluation of CAM and inter-island circuit pricing.

E.2.3 Develop and improve regulatory costing systems and audit their results

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 and CTT (in both cases 2016 to 2019).

ANACOM also plans to define the cost of capital of MEO and of CTT for the period 2018/2020, and may undertake a review of the SCA used by CTT, depending on the initiative of this company.

In 2018, ANACOM also plans to complete the update of the mobile and fixed termination models.

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

This line of action also provides for auditing of turnover data used in respect of the electronic communications universal service compensation fund, with reference to 2017, 2018 and 2019.

Provision is also made for the reimbursement of the Net Costs of Universal Service (NCUS) incurred in the period prior to designation of the universal service provider by public tender and in the period subsequent to that designation.

An evaluation of the NCUS is also planned (if applicable) where presented by the provider of the universal postal service for the previous calendar year and its reimbursement (if any).

E.2.5 Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May

ANACOM plans to update the Suitable Infrastructure Information System (SIIS), formerly known as the Centralised Information System (CIIS); this process involves the preparation and launch of a new tender to select the undertaking which will proceed with the update.

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 2018.

E.2.6 Monitor and supervise the activities pursued by various sector agents, enforcing compliance with prevailing rules

As part of its supervision activities, ANACOM conducts a series of market enforcement and spectrum monitoring actions each year, checking compliance with prevailing legislation 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 or other reports received by ANACOM.

During the period covered by this Plan, a special focus will be given to verifying the technical compliance of electronic communications equipment following transposition of the new RED Directive (Directive no. 2014/53/EU) - radio equipment - and CEM Directive (Directive no. 2014/30/EU) - electromagnetic compatibility tests.

ANACOM will also conduct monitoring of the rural high-speed networks, in particular as regards the proposed reduction in Fibroglobal's offer prices and to determine possible over-financing under the contracts relating to these networks.

E.2.7 Contribute to the review/negotiation of the new regulatory framework

Regarding the new regulatory framework for electronic communications, in 2018, ANACOM will continue the intense level of activity focused on this process, which also involves coordination of the positions of the various interested entities, with a view to formulating a national position to be safeguarded in the process of reviewing the regulatory framework.

E.2.8 Prepare and submit pre-draft legislation to the Government for transposing the review of the regulatory framework for electronic communications

To accomplish this line of action, ANACOM will take the necessary actions to prepare and submit legislative proposals to the Government that transpose the regulatory framework applicable to the electronic communications sector into the domestic legal order, as a result of the review process that took place at European level.

E.2.9 Review and consolidate procedures for the management of company registrations

In 2018, 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 will facilitate the conditions of market access for operators; by improving information and making procedures to commence activity more transparent, market access conditions will be improved, with a favourable impact on the sector's competitive situation.

E.2.10 Prepare for the introduction of the 5th generation mobile (5G)

Under this line of action, ANACOM seeks to identify relevant aspects of the introduction of 5G, from the point of view of regulation, and especially from a technological, policy and spectrum management perspective. In this context, the European Commission's "5G action plan" will also be followed up.

Strategic Priority 3: Ensure the efficient management of scarce resources

Lines of action:

E.3.1 Evaluate the impact of 5G on spectrum management.

E.3.2 Prepare national position at 2019 World Radiocommunication Conference (WRC-19).

E.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.

E.3.1 Evaluate the impact of 5G on spectrum management

With a view to the future introduction of 5th mobile generation (5G), ANACOM intends to plan the spectrum and to address other issues that have an impact on its management, especially to identify bands and harmonised technical parameters suitable for providing electronic communications services within the scope of 5G considering, in particular the 3.4-3.8 GHz, 24.5-27.5 GHz bands and "L-band", and to provide bands for M2M/IoT communications. ANACOM will also participate in the studies of the World Radiocommunication Conference (WRC-19) in the context of 5G.

In this context, the issue of the 700 MHz band's allocation will be addressed (as other relevant bands), taking into account the national interest and the European and national regulatory framework.

E.3.2 Prepare national position at 2019 World Radiocommunication Conference (WRC-19)

In 2018, ANACOM intends to conduct preparation of the national presence and defence of its position in the context of participation in WRC-19. With this objective, work will have to be developed with external entities, which may involve the creation of a working group, as

happened for previous editions of the WRC. The WRC-19 agenda covers topics such as spectrum for mobile/IMT, GMDSS/GADSS, ITS, HAPS and WAS/RLAN.

E.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

In ANACOM's 2018-2020 Multi-Annual Activities Plan, various actions are envisaged related to the PNN, including definition of the terms and conditions governing the transfer of rights of use of numbering, through the approval of the respective regulation.

Under this line of action, ANACOM plans to redefine the conditions governing the use of geographical (and mobile) numbers in nomadism and commence the procedure for drawing up the numbering regulation.

Strategic Priority 4: Promote institutional and technical cooperation

Lines of action:

- E.4.1 Ensure active participation at international forum with relevance to the sector (electronic communications and postal services).
- E.4.2 Maintain active participation in groups of European electronic and postal communications regulators.
- E.4.3 Promote the sector at a national and international level and promote cooperation with other regulators.
- E.4.4 Participate in the platforms of collaboration between Portuguese-speaking countries.
- E.4.5 Promote cooperation with national and international bodies and ensure coordination of activities in relevant areas.

E.4.1 Undertake 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 committees and working groups, where it is charged with advancing Portuguese interests and positions, as well as its own representation at organisations with other regulators.

A number of actions are planned in 2018 under this line, including promotion of the process of candidacy to the ITU Council at the 2018 Plenipotentiary Conference (PP-18). In addition, as part of ANACOM's participation in the ITU, the Universal Postal Union (UPU) and the European Conference of Postal and Telecommunications Administrations (CEPT),

contributions will be made to introduce improvements to the efficiency and management of resources at these organisations. In this context the leadership functions which ANACOM provides have particular relevance, especially at the CEPT (with impact on the ITU and UPU), where it currently occupies various presidency/vice-presidency positions, including one of the co-presidencies of the organisation.

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

At a European level, ANACOM will continue its involvement in the Body of European Regulators for Electronic Communications (BEREC), participating actively in the relevant expert working groups (EWGs) and ad hoc groups. It will also maintain efforts to participate in the Working Groups of the European Regulators Group for Postal Services (ERGP); ANACOM was nominated for the presidency of the ERGP in 2019 (implying vice-presidency in 2018 and 2020).

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

During the period covered by this Plan, at a national level, efforts to promote the sector will be maintained through cooperation with other national regulators and links with universities and other bodies. At an international level, ANACOM will continue to participate in groups that bring together regulatory bodies from both Europe and further afield, notably Latin America and the Mediterranean.

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

ANACOM will continue to give priority to cooperation with Portuguese-speaking countries, both bilaterally and multilaterally, in particular with ARCTEL-CPLP - Associação de Reguladores de Comunicações e Telecomunicações da Comunidade dos Países de Língua Portuguesa (Association of Communications and Telecommunications Regulators of the Community of Portuguese Language Countries).

The activity of bilateral cooperation with CPLP countries will include giving priority to existing bilateral cooperation actions, the creation and strategic redefinition of bilateral cooperation protocols and putting these into operation.

This line of action also includes cooperation in preparing the ministerial meeting of the CPLP, within the scope of the action dedicated to the development of the CPLP Digital Agenda.

E.4.5 Promote cooperation with national and international bodies and ensure coordination of activities in relevant areas

In accordance with its statutes, ANACOM undertakes a function of support to the Government in which it promotes and encourages public policies. In this context, ANACOM intends to encourage discussion with interested parties regarding the importance of ensuring Portuguese participation in a future system of submarine cables to guarantee connection between the mainland and the autonomous regions of the Azores and Madeira and between the two autonomous regions. In this respect, ANACOM will take steps to encourage the involvement of national entities in the international projects designed, not only for their relevance in the development of the electronic communications sector, but above all for their relevance to national cohesion.

Likewise, given the modernisation opportunity for Portugal provided by the European WIFI4EU programme, which aims to promote the installation of free Wi-Fi access points in public spaces throughout the EU, such as parks, squares, libraries and hospitals, and since public bodies with open spaces - local authorities, libraries, hospitals etc. can apply to take part in this programme, ANACOM will contribute to promoting the involvement of national organisations in this European project, in articulation with the Government.

This line of action will also include activities of participation in the International Union of Radio Science (URSI), particularly with the presidency of the Portuguese Committee of URSI and with the preparation and organisation of the Congress of the Portuguese Committee of URSI.

ANACOM's cooperation with FCT - Fundação para a Ciência e a Tecnologia (Foundation for Science and Technology) and other national organisations in matters related to Internet governance is also of note.

Strategic Priority 5: Promote internal efficiency and effectiveness

Lines of action:

E.5.1 Implement measures to rationalise expenditure, modernise and to guarantee better working conditions and efficiency gains.

E.5.2 Improve/de-materialise/simplify internal processes and expand the provision of online services.

E.5.3 Retain, motivate and recognise the merit of employees.

E.5.1 Implement measures to rationalise expenditure, modernise and to guarantee better working conditions and efficiency gains

As in previous years, reducing costs will remain an objective of ANACOM, which will continue to renegotiate contracts, reduce consumption, alter behaviour, review and dematerialise processes, etc.

In the 2018-2020 three-year period, ANACOM will define and implement a new Strategic Plan for Information Systems which will improve the usage capacity of existing systems, increase their efficiency and significantly reduce associated costs.

ANACOM will undertake a programme to modernise equipment in the four spectrum monitoring and control centres (Barcarena, Porto, Funchal and Ponta Delgada) and the facilities will be refurbished in order to improve working conditions. This follows a period of several years without improvement works.

E.5.2 Improve/de-materialise/simplify internal processes and expand the provision of online services

ANACOM intends to continuously improve its efficiency; as such, it will continue to launch projects which enable streamlining of processes and procedures and which reduce the administrative burden associated with certain work practices. This may result in the release of funds to more functions, while at the same time improving ANACOM's ability to respond to external requests – the result will be an improvement in quality and response times. ANACOM retains a strong commitment to the "Zero Paper" objective in the coming years.

In some cases, dematerialisation also has an external impact, particularly in relation to cases involving the provision of services which are brought online, simplifying ANACOM's customer relationships.

By 2018, the integrated spectrum management platform will be readjusted to allow for new functionalities in areas such as electronic licensing, the frequency website (eQNAF) and provision of spectrum management indicators to the public.

E.5.3 Retain, motivate and recognise the merit of employees

Recognising how important it is to have staff who are committed to the organisation and its goals, ANACOM will give great focus to the motivation of employees and their performance, and will give priority to the recognition of merit, as well as to the development of skills and rejuvenation of the organisation over the next three years. In this respect, in addition to resuming the career progression system and awarding performance bonuses, ANACOM intends to apply a flexible benefits system that includes, in particular, measures to reconcile professional, family and personal life. Diagnosing the existing potential in the organisation is another of the actions to be carried out within this scope.



ONGOING ACTIVITIES



5. Ongoing activities

Accomplishment of ANACOM's mission entails a wide range of activities, 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 2018-2020 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.

On the basis of the complaints received, ANACOM produces regular reports (a six-monthly and an annual report) with information on trends and on which sectors, services and operators generate the most complaints. These reports are then published, providing consumers with information that is essential when choosing between 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**

ANACOM undertakes monitoring activity on an ongoing basis, focusing on the information that service providers disclose to consumers. The purpose of this activity is to verify that the information disclosed is in accordance with sector legislation and ANACOM determinations. ANACOM also 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 the national situation, these studies also analyse the situation in other countries, giving the regulator a broader perspective on the regulatory situation in comparative terms. The studies also function as an important instrument to support regulatory activity and the decision-making process.

Strategic Priority 2: Promote open and competitive markets

- **Maintain records, issue declarations and activity exercise titles and allocate numbers and frequencies**

ANACOM is responsible for issuing declarations and, as applicable, activity exercise titles, registering service providers and maintaining, updating and disseminating the registration records of entities subject to its regulation.

In cases where the exercise of activity implies the use of numbering resources, ANACOM allocates these resources, just as it allocates rights of use of frequencies.

- **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**

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 (“*O Sector das Comunicações*” - The Communications Sector), which provides a 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 approving the PNN, including its guidelines and general principles, and for providing the efficient management of numbering and addressing resources, including the allocation of resources and the definition of allocation conditions.

The use of numbering is dependent on the allocation of rights of use to undertakings providing electronic communications networks or services and to undertakings using such networks or services.

In the management of numbering resources, ANACOM may recover allocated numbering in the event that the conditions governing its use 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.

- **Radio spectrum monitoring and control**

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.

- **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.

Strategic Priority 4: Promote institutional and technical cooperation

- **Cooperate with national entities**

In fulfilment of its remit, ANACOM engages in cooperation with other national authorities, especially other national regulators, such as AdC - Autoridade da Concorrência (Portuguese Competition Authority), ERC - Entidade Reguladora para a Comunicação Social (Media Regulatory Authority) and ERSE - Entidade Reguladora dos Serviços Energéticos (Energy Services Regulatory Authority). When these authorities work on issues that require the opinion of the sector regulator, ANACOM is called on to give such opinions. ANACOM also cooperates with Assembleia da República (Assembly of the Republic), offering information and providing explanations upon request.

ANACOM's cooperation with FCT - Fundação para a Ciência e a Tecnologia (Foundation for Science and Technology) and other national organisations in matters related to Internet governance is also of note.

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 international cooperation work 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.

Important cooperation also results from ANACOM's international participation in international sector organisations, whether multilateral with other member countries, or with the organisations themselves. ANACOM currently plays a leading role in European ITU coordination, conducted to enhance cooperation with other countries and regions as well as Portugal/ANACOM's international visibility.

Strategic Priority 5: Promote effectiveness and internal efficiency

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

In order to improve its performance, ANACOM seeks to become more efficient, more agile and faster in responding to requests addressed to it. In this sense, ANACOM seeks the simplification of procedures, wherever possible, to reduce the bureaucratic burden associated with many tasks and de-materialise processes. In its relations with third parties, consumers and providers, ANACOM seeks, wherever possible, to facilitate interactions, making services available online whenever deemed appropriate.

- **Promote the development of 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.

The continuous development of leadership capacities at ANACOM is considered a critical factor of success for the future of the organisation. In this context, ANACOM intends to implement a diagnostic and feedback tool. This tool will provide ANACOM with a set of sustained information so that the scope of individual and organisational knowledge can be expanded, serving as support for individual development plans.



GLOBAL INDICATORS



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 to reflect the activities carried out and results obtained, incorporating indicators of efficiency, effectiveness and quality.

In 2016, ANACOM launched a project to re-evaluate its system of indicators, which included analysis of best practices and benchmarks (nationally and internationally). This project was completed in 2017.

The overall indicators identified in this work are set out in Annex V and will be maintained for the duration of the 2018-2020 Plan.



HUMAN RESOURCES PLAN



7. Human resources plan

Over the 2018-2020 three-year period, ANACOM's management of human capital will be based principally on the alignment, development and motivation of its people and on strengthening the organisational culture, as critical determinants for the implementation of a strategy geared towards innovation and change.

The developments in the economic and social scenario foreseen over the next three years, reflecting the dynamism and multiplicity of supply in the labour market, will pose a great challenge to ANACOM's capacity to attract and retain the most qualified employees. In this context, ANACOM's human resources strategy will be based on the availability of resources which promote the suitability of the structure and the development of competencies that will be crucial to its capacity to anticipate and respond to problems, both internal and external, guided by qualities of leadership, effectiveness and efficiency at all levels of ANACOM.

In this context, adding value to human capital becomes a critical factor of success for the accomplishment of ANACOM's objectives, and for this purpose, the adoption of mechanisms and tools which make it possible for ANACOM to adopt policies which not only foster the development of knowledge and expertise, but also promote the recognition knowledge and expertise.

On the one hand, ANACOM intends to continue and consolidate the initiatives launched in previous years in the field of human capital management and, on the other hand, to leverage new pillars of priority action to ensure present and future sustainability, contextualised in a contemporary and digital society.

In order to respond to the challenges of the next three years, the main points of intervention are as follows:

- engaging training and development programmes for each member of staff, aimed at the development of new capabilities and updating functional and behavioural competencies and management skills through learning and knowledge-sharing between the different areas of ANACOM in line with their values and the organisation's strategic performance goals;
- provide for the development of human resources in order to ensure the continuity of ANACOM's critical functions, through implementation of diagnostic tools that allow the

development and retention of the most qualified employees, as well as knowledge and preparation of the structure for the future;

- promote an organisational culture geared to the dematerialisation of human resource processes, through the provision of a new HR Website – “Meu Portal”, which will, through timely access to information, streamline and simplify day-to-day management, as well as support decision-making by management;
- engage and consolidate the strategic alignment of staff with an organisational culture that is more open to change, using internal communication channels and interaction initiatives at all organisational levels, especially through the availability of application solutions (Intranet) and the creation of a procedure for listening to staff ideas;
- promote a policy of incentives and professional career development based on recognition of merit in employee performance;
- retain and motivate employees through the implementation of a programme to reconcile professional, family and personal life, promoting the management of diversity and gender equality, by adopting initiatives based on best practices, as advanced by European Union regulation;
- continue 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.

The human resources plan for the 2018-2020 three-year period will be constrained to the forecast complement of 423 employees, an addition of five employees over the number forecast for the end of 2017 (418). Ensuring ongoing rejuvenation and that ANACOM's resources are more closely aligned with its present and future needs is one of the 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 expenses, ANACOM expects the progressive incorporation of values related to salary awards, resulting from the process of unfreezing staff careers, observed for the Public Administration under the State Budget Law.



FINANCIAL PLAN



8. Financial plan

In the present Financial Plan, ANACOM continues to focus on improving efficiency in its activities and on 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 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 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 2017, under Administrative Rule no. 89/2017 of 1 March, net income was distributed in respect of 2015, amounting to 28.794 million euros, accomplishing the stipulations of ANACOM's Statutes. Distribution of net income from 2016 remains pending.

Under its statutes, ANACOM's accounting is organised in accordance with the SNC - Sistema de Normalização Contabilística (National Accounting System). The 2018 Budget and the 2018 -2020 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. 2018 Budget

8.1.1. Investment

The 2018 investment budget (Annex III - Table 5) retains focus on the modernisation and re-equipping of ANACOM's monitoring and inspection activities, both in terms of the technological upgrading of equipment and in terms of improving infrastructure at sites where spectrum monitoring and control centres operate, including the improvement of the working conditions in facilities owned by ANACOM and the necessary updating of the information systems used, specifically in aspects related to the renewal of servers, as part of ANACOM's broader IT consolidation programme in the context of the Strategic Plan for Information Systems (PESI). This work is essential to ensure that ANACOM retains the ability to keep pace with the transformations of the communications industry and to fulfil its assigned functions and responsibilities.

Total investment planned for 2018 is 3.625 million euros, representing an increase of 19 percent compared to the 2017 budget. The most important projects/investments planned in 2018 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);
- renovation of premises/buildings, responding to the needs of infrastructure improvement at sites where spectrum monitoring and control centres operate and improving working conditions at these premises.

8.1.2. Income

The 2018 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 34.1 percent of total income);
- (2) fees associated with the use of spectrum frequencies (representing 60.9 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 percent of total income);
- (4) fees associated with the use of numbering (representing 1.9 percent of total income);
- (5) 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 2018 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;

- Administrative Rule no. 1473-B/2008 of 17 December (as amended by Administrative Rule no. 96-A/2013 of 2 October, by Administrative Rule no. 378-D/2013 of 31 December and by Administrative Rule no. 157/2017 of 10 May).

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;

- 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 forecast interest 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 European Union;
 - 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 2018 budget, income is expected to total 91.772 million euros, an amount which exceeds expected income in the 2017 budget (by 1 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 2018 is based on their actual value as at the end of 2016 and exceeds the sum forecast for 2017, generating an increase of 1.3 million euros in administrative fees;

- decline in postal services regulation fees, due to the progressive reduction in average expenditure over last three years, with an impact that exceeds the progressive adjustment mechanism of 20% (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), resulting in a reduction of 0.3 million euros.

8.1.3. Expenditure

In 2018, ANACOM will continue to pursue measures which improve internal efficiency and rationalise expenditure. Since such measures have been pursued already over a number of 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) 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 or the level of contributions defined by law (for example, contributions to AdC).

In 2018, external supplies and services are seen at 10.097 million euros, which represents a reduction (-899 thousand euros, -8.2 percent) compared to the budgeted amount in 2017 (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 specialised work (less use of consultants and other external service providers) and Maintenance and Repair (renegotiation of IT contracts).

As regards personnel costs, the amount forecast in the 2018 budget (Annex III -Table 7) reflects staffing levels approved by the Board of Directors, which, in 2018 exceeds 2017 levels by 5 staff members (423 personnel) and also reflects the restoration of career progressions, giving an increase of 6.4%. 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 2018, reflecting the restoration of career progressions, frozen under *Lei do Orçamento de Estado* (State Budget Law) for 2017;
- 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 2018, personnel costs are seen at 26.994 million euros, an increase of 2.117 million euros compared to the 2017 budget.

In the 2018 budget, depreciation and amortisation costs are seen at 2.800 million 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 2018 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 in line with reality for the purpose of budget forecasting. This criterion results in an

increase in provisions of 1.150 million euros, rising from 9.900 million euros (2017 budget) to 11.050 million euros (2018 budget). The criterion is based on the actual values as at the end of 2016 (ongoing cases), forecasting any new cases instigated during 2017 and 2018, to which current accounting policies are applied.

Finally, other expenses and losses in the 2018 budget, are seen at 7.420 million euros, increasing 167 thousand euros from the sum budgeted in 2017 (Annex III - Table 7). This rise reflects the increased contribution to the financing of AdC - Autoridade da Concorrência (Portuguese Competition Authority), due to the legal obligation to contribute 6.25% of income as under article 35 of Decree-Law no. 125/2014 of 18 August (Statutes of the AdC), entailing an increase of 361 thousand euros over the 2017 budget. This increase exceeds the reduction reported in most of the remaining items of this type of expenditure.

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 2018 amounts to 58.411 million euros. This level of total expenditure represents an overall increase over the 2017 budget (+4.2%). However, considering only expenses over which ANACOM has some power of intervention (External supplies and services and Other expenses), there is a level of expenditure lower than budgeted in 2017 (-3%).

8.1.4. Profits

Based on the above estimates, Net Profit in the 2018 budget is forecast at 33.361 million euros (-3.9% versus the 2017 budget), as set out in Annex III - Table 9.

8.2. Financial plan 2018-2020

The components of ANACOM's financial plan for the 2018-2020 period are listed in Annex IV and are as follows:

- Investment plan (projects);
- Income plan;

- Expenditure plan;
- Income statement by nature;
- Cash budgets;
- Balance statements;
- Cash flow statement.

The overall investment plan for 2018 and 2019 represents an increase compared to 2017, since a major investment effort is expected to improve infrastructure owned by ANACOM, especially infrastructure attached to the spectrum monitoring and control centres, despite the reduction of investment in technical and IT-related equipment associated with measures set out in the Strategic Plan for Information Systems (PESI). A slight increase investment is also expected in spectrum monitoring equipment over the 2018-20 period, 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 2018-2020 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 2018 and 2020) a reduction is expected in overall levels of expenditure in 2019 and a slight increase in 2020, reflecting increases in headings exposed to changes in national minimum wage or inflation, specifically property security and surveillance, hygiene and cleaning and rentals. Internal efficiency measures (review of internal processes, various renegotiations) will continue. In terms of personnel costs, ANACOM expects to maintain staff numbers over the period, and an increase of 2% with salary increased and/or career progressions.

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.



ANNEXES

Annex I – List of actions

| Objective no, | Actions | TIMETABLE | | | | | | | | | | | |
|---|--|------------|----|----------|--------------------|------|------------|----|--------------------|------|----------|----|--------------------|
| | | 2018 | | | | 2019 | | | | 2020 | | | |
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Assure and protect the interests of users and citizens | | | | | | | | | | | | | |
| Line of action - Supervise and consider the timely review of the application of the conditions governing universal service provision (electronic communications and postal services) | | | | | | | | | | | | | |
| 1.1 | Assist/advise the government depending on the decisions which are taken as regards the universal service of electronic communications | >> 2017 | | | | | X End | | | | | | |
| 1.2 | Assess conditions governing provision of the universal service of electronic communications in light of new Electronic Communications Code | | | | | | X Start | | | | X End | | |
| 1.3 | Prepare report on quality of service parameters and indicators imposed on the universal service providers of electronic communications (FTS, PP and directories and directory enquiries) | | | | X Start/ End | | | | X Start/E nd | | | | X Start/ End |
| 1.4 | Prepare analysis of conformity of price-cap established for the provider(s) of the universal service of electronic communications (FTS, PP and directories and directory enquiries), as applicable | | | | X Start/ End | | | | X Start/E nd | | | | X Start/ End |
| 1.5 | Audit the values of the universal postal quality of service indicators (years 2016 and 2017) | | | X End | | | | | | | | | |

| | | | | | | | | | | | | | |
|-----|---|--------------------|--------------------|--------------------|--------------------|--|--------------------|--------------------|--|--------------------|--------------------|----------|--|
| | Carry out audit of 2016 | 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 | | | | | | | | | | |
| | Carry out audit of 2017 | >> 2017 | 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 | | | | | | | | | |
| 1.6 | Audit the values of the universal postal quality of service indicators (years 2018 - 2020) | | | X Start/ End | | | | | | | | X End | |
| | Definition of technical specifications and definition of type of procedure | | | 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 | | X End | | | |
| | Draft decision on 2019 audit findings and subsequent actions. | | | | | | | | | X Start/ End | | | |
| | Final decision on 2019 audit findings and subsequent actions. | | | | | | | | | | X Start/ End | | |
| 1.7 | Set parameters and quality levels of the universal postal service, post-2020 | | | | | | | | | X Start | X End | | |
| | Draft decision | | | | | | | | | X Start/ End | | | |
| | Final decision | | | | | | | | | | X Start/ End | | |

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|------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1.8 | Conduct analysis of conformity of price-caps of the universal postal service practised by universal service provider | | | X Start | | X End | | X Start | | X End | | X Start | |
| | Analysis of special prices in light of most recent SCA data | | | X Start/End | | | | X Start/End | | | | X Start/End | |
| | Analysis of price proposals presented by universal service providers | | | | X Start | X End | | | X Start | X End | | | X Start |
| 1.9 | Define rule governing pricing of universal postal service to be applied by the universal service provider post-2020 | | | | | | | | | | | X Start | X End |
| | Draft decision | | | | | | | | | | | X Start | |
| | Final decision | | | | | | | | | | | | X End |
| 1.10 | Monitor accomplishment of postal network density objectives and minimum offers of service, as imposed on universal postal service provider | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End |
| 1.11 | Define postal network density objectives and minimum offers of service to be applied by the universal service provider post-2020 | | | | | | | | | X Start | | X End | |
| | Analysis of communication (proposal) from universal service provider | | | | | | | | | X Start | | | |
| | Final decision | | | | | | | | | | | X End | |
| 1.12 | Audit inventory of assets attached to CTT concession (2016 and 2017) | | | | | | | | | | | | |
| | Perform 2016 auditing | | 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 | | | | | | | | | |
| | Perform 2017 auditing | | | | X Start | X End | | | | | | | |

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|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Draft decision on 2017 audit findings and subsequent actions | | | | | | | X Start/End | | | | | | |
| | Final decision on 2017 audit findings and subsequent actions | | | | | | | X Start/End | | | | | | |
| 1.13 | Audit inventory of assets attached to CTT concession (2018 and 2019) | | | | | | | | | | | | | |
| | Definition of technical specifications and type of procedure | | | | | | | X Start/End | | | | | | |
| | Selection of auditor | | | | | | | | X Start/End | | | | | |
| | Perform 2018 auditing | | | | | | | | 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 | | | |
| | Perform 2019 auditing | | | | | | | | | | | | | X Start |
| Line of Action- Assess the appropriateness of quality of service levels provided | | | | | | | | | | | | | | |
| 1.14 | Guarantee the technical component of NET.mede platform and analyse data | | | | | | | | | | | | | |
| | Dynamic response as to developing and corrective requirements of NET.mede platform, release of data obtained, processing and analysis | X Start | | | X End | X Start | | | X End | X Start | | | | X End |
| 1.15 | Dissemination of quality of service data on mobile networks | | | | | | | | | | | | | |
| | Conduct on-the-ground quality of service data on mobile networks, prepare reports/analysis of tests for publication | X Start | | | X End | X Start | | | X End | X Start | | | | X End |
| Line of Action- Monitor and report on the evolution of retail pricing | | | | | | | | | | | | | | |
| 1.16 | Compilation, processing, analysis and dissemination of information on CPI and HICP telecoms sub-indices | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End |

| | | | | | | | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1.17 | Monitor and, where possible, participate in the development of international comparison studies conducted by external bodies (OECD, ITU, EC...) and disclose results | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End |
| 1.18 | Monitor provider offers and their evolution, develop data base of offers and regularly disclose complied information | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End |
| 1.19 | Prepare annual report on electronic communications retail pricing (including indicators on unit revenue, average bills, trends in monthly subscription charges, ARPU released by providers, etc.) | X Start/End | | | | X Start/End | | | | X Start/End | | | |
| Line of Action- Define and implement actions in the field of security and integrity of electronic communications networks and services | | | | | | | | | | | | | |
| 1.20 | Implement Regulation on the security and integrity of electronic communications networks and services | | | | | | | | | | | | |
| | Conclude Regulation | >> 2017 | X End | | | | | | | | | | |
| | Define specifications, conduct tender for execution of exceptional auditing | | | X Start | X End | | | | | | | | |
| | Conduct auditing | | | | | X Start | X End | | | | | | |
| | Training for security audit team | | | X Start | | | X End | | | | | | |
| 1.21 | Promote implementation of measures for protection and resilience of electronic communications infrastructure in fire situations | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End |
| Line of Action- Contribute to the definition and updating of emergency civil planning policies in the communications sector | | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1.22 | Elaborate and put into operation ANACOM's internal and external communication procedures in emergency situations | X Start | | | X End | | | | | | | | |
| 1.23 | Contribute to the definition and updating of emergency policies in cooperation with ANPC | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| Line of Action– Ensure the proper provision of information to users | | | | | | | | | | | | | |
| 1.24 | Carry out continuous evaluation of content provided on ANACOM's Consumers' Website and make improvements | >> 2017 | X Start/ End | X Start/ End | X Start/ End | | | | | | | | |
| 1.25 | Create new area on ANACOM's Consumers' Website dedicated to citizens with special needs | X Start/ End | | | | | | | | | | | |
| Line of Action– Review sector's complaint management procedures | | | | | | | | | | | | | |
| 1.26 | Review the handling of enquiries/complaints from end-users of communications services | >> 2017 | | | | | | | | | | | |
| | Implement new Complaints Management System | X Start/ End | X Start/ End | | | | | | | | | | |
| | Implement new internal procedure for supervision of complaints | X Start/ End | X Start/ End | X Start/ End | X Start/ End | | | | | | | | |
| 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 despite settlement in communications sector | >> 2017 | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End | X Start/ End |
| 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, including publication of national roadmap | | X Start | | | | | | | | X End | | |

| Line of Action– Monitor and ensure compliance with the obligations of the operator of the digital terrestrial television (DTT) platform | | | | | | | | | | | | | |
|--|---|-----------------------|-------------|-------------|-------------|-------------|-------|-------------|-------------|-------------|-------|-------------|-------------|
| 1.29 | Review DTT prices | | | | | | | | | | | | |
| | Approve draft decision | | | X Start/End | | | | X Start/End | | | | X Start/End | |
| | Approve final decision | X Start/End (>> 2017) | | | | X Start/End | | | | X Start/End | | | |
| 1.30 | Develop DTT quality of service study | | | | | | | | | | | | |
| | Develop annual DTT quality of service study | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| | Draw up opinion on need to adapt probe network, based on DTT quality of service study | | | | X Start/End | | | | X Start/End | | | | X Start/End |
| 1.31 | Check compliance with DTT coverage obligations | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| Line of Action– Ensure proper implementation of the TSM Regulation in the light of BEREC guidelines | | | | | | | | | | | | | |
| 1.32 | Prepare annual report in accordance with paragraph 1 of article 5 of TSM Regulation | X Start | X End | | | X Start | X End | | | X Start | X End | | |
| Line of Action– Ensure legal compliance in business practices | | | | | | | | | | | | | |
| 1.33 | Monitor proper implementation of the simplified information sheet by operators (check operator websites) | | X Start/End | X Start/End | X Start/End | | | | | | | | |
| Line of Action– Monitor the coverage of mobile networks | | | | | | | | | | | | | |
| 1.34 | Mapping of mobile network coverage based on the information provided by the operators | X Start | | | X End | | | | | | | | |
| Promote open and competitive markets | | | | | | | | | | | | | |
| Line of Action– Oversee and analyse/review relevant electronic communications markets | | | | | | | | | | | | | |
| 2.1 | Audit Edl in RDAO and RPAO | | | | | | | | | | | | |
| | Define technical specifications and type of procedure | X Start/End | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|--|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|------------|--|
| | Select auditor | | X Start/ End | | | | | | | | | | |
| | Conduct 2018 auditing | | 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 | | | | | | | |
| 2.2 | Analyse market 3a and 3b | | | | | | | | | | | | |
| | Request(s) for information | X Start/ End | | | | | | | | | | | |
| | Pre-notification meeting | | | X Start/ End | | | | | | | | | |
| | Approve draft decision | | | | X Start/ End | | | | | | | | |
| | Notification to the European Commission and final decision | | | | | X Start/ End | | | | | | | |
| 2.3 | Analyse market 4 | | | | | | | | | | | | |
| | Request(s) for information | | | X Start/ End | | | | | | | | | |
| | Pre-notification meeting | | | | | X Start/ End | | | | | | | |
| | Approve draft decision | | | | | | X Start/ End | | | | | | |
| | Notification to the European Commission and final decision | | | | | | | X Start/ End | | | | | |
| 2.4 | Review market 1 (fixed terminations) | | | X End | | | | | | | | X Start | |
| 2.5 | Review market 2 (mobile terminations) | | X End | | | | | | | | | X Start | |
| 2.6 | Review ex-market 2 (originations) | | | | | | | | | | | X Start | |
| Line of Action– Review of wholesale offers arising from obligations imposed on undertakings with significant market power (SMP) in the relevant markets | | | | | | | | | | | | | |
| 2.7 | Review Ethernet connectivity offer | | | | | | | | | | | | |
| | Adopt draft decision | X Start/ End | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--|--|--|-------------|-------------|--|-------------|-------------|---------|--|-------------|-------------|---------|
| | Notification to the European Commission and final decision | | | X Start/End | | | | | | | | |
| 2.8 | Annual review of CAM and inter-island circuits | | | | | | | | | | | |
| | Request information from MEO | | X Start/End | | | X Start/End | | | | X Start/End | | |
| | Adopt draft decision | | | X Start/End | | | X Start/End | | | | X Start/End | |
| | Notification to the European Commission and final decision | | | | | X Start/End | | | | X Start/End | | |
| 2.9 | Review WLRO | | | X Start | | | X End | | | | | X Start |
| 2.10 | Review RIO | | | X Start | | | X End | | | | | X Start |
| 2.11 | Review RDAO and RPAO (notification to the European Commission and final decision) | | X End | | | | | | | | | |
| Line of Action- Develop and improve regulatory costing systems and audit their results, when relevant | | | | | | | | | | | | |
| 2.12 | Audit SCA used by MEO - 2016 | | | | | | | | | | | |
| | Decision on 2016 audit findings and subsequent actions | | X Start/End | | | | | | | | | |
| 2.13 | Audit SCA used by MEO – 2017/2018 | | | | | | | | | | | |
| | Contract consultant | | X Start/End | | | | | | | | | |
| | Conduct 2017 auditing | | | X Start | | X End | | | | | | |
| | Decision on 2017 audit findings and subsequent actions | | | | | | X Start/End | | | | | |
| | Conduct 2018 auditing | | | | | | | X Start | | X End | | |
| | Decision on 2018 audit findings and subsequent actions | | | | | | | | | | X Start/End | |
| 2.14 | Audit SCA used by MEO – 2019/2020 | | | | | | | | | | | |
| | Contract consultant | | | | | | | | | | X Start/End | |

| | | | | | | | | | | | | |
|--|---|----------|--|------------|----------|--|------------|----------|--|------------|----------|--|
| | Approve decision | | | X End | | | | | | | | |
| Line of Action- Undertake actions associated with the provision of the universal service with market impact | | | | | | | | | | | | |
| 2.21 | Arrange audits of turnover values used in context of universal service compensation fund (electronic communications) | | | | | | | | | | | |
| | 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 | | | | |
| | Audit the figures provided by operators on 30 June 2020 (as regards 2019) | | | | | | | | | X Start | X End | |
| 2.22 | Develop processes for reimbursement of NCUS to MEO (period preceding designation of the universal service provider by public tender) | | | | | | | | | | | |
| | 2014 NCUS | X End | | | | | | | | | | |
| 2.23 | Undertake NCUS compensation process for the period subsequent to the designation of the universal service providers by public tender (electronic communications) | | | | | | | | | | | |
| | 2016 NCUS | X End | | | | | | | | | | |
| | 2017 NCUS | | | X Start | X End | | | | | | | |
| | 2018 NCUS | | | | | | X Start | X End | | | | |
| | 2019 NCUS | | | | | | | | | X Start | | |
| 2.24 | 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 | | X Start/End | | | | X Start/End | | | | X Start/End | | |
| | Auditor selection | | 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 on NCUS | | | | X Start | X End | | | X Start | X End | | | X Start |
| 2.25 | Undertake postal NCUS compensation process (if applicable) | | | | | | | | | | | | |
| | 2016 NCUS | | | | | X Start | | X End | | | | | |
| | 2017 NCUS | | | | | | | | | X Start | | X End | |
| Line of Action- Develop/consolidate the application of rules on access to infrastructure under Decree-Law no. 132/2009 of 21 May | | | | | | | | | | | | | |
| 2.26 | Update SIC | | | | | | | | | | | | |
| | Review ANACOM determination | | X End | | | | | | | | | | |
| | Prepare elements of new tender | X Start | | X End | | | | | | | | | |
| | Launch/conduct tender | | | X Start | | | | X End | | | | | |
| 2.27 | 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 | X End | | | | | | | | | | | |
| Line of Action- Monitor and supervise the activities pursued by various sector agents, enforcing compliance with prevailing rules | | | | | | | | | | | | | |
| 2.28 | Check conformity of electronic communications equipment under new RED Directive (Directive no. 2014/53/EU) and EMC Directive (Directive no. 2014/30/EU) | X Start | | | X End | | | | | | | | |

| | | | | | | | | | | | | | | |
|--|--|------------------------|----------|--|----------|------------|----------|--|----------|------------|--|--|--|----------|
| 2.29 | Monitor rural high-speed networks | | | | | | | | | | | | | |
| | Price analysis of wholesale offers supported by rural high-speed networks and proposed reduction in Fibroglobal's offer prices | X End >> 2017 | | | | | | | | | | | | |
| | Determination of possible over-financing under the contracts relating to rural high-speed networks | X End >> 2017 | | | | | | | | | | | | |
| Line of Action– Contribute to the review/negotiation of the new regulatory framework | | | | | | | | | | | | | | |
| 2.30 | Provide internal coordination in the revision/negotiation of new regulatory framework (*) | | X End | | | | | | | | | | | |
| 2.31 | Conduct negotiation process of new regulatory framework (*) | | X End | | | | | | | | | | | |
| Line of Action– Prepare and submit pre-draft legislation to the Government for transposing the review of the regulatory framework for electronic communications | | | | | | | | | | | | | | |
| 2.32 | Prepare and submit pre-draft legislation to the Government for transposing the regulatory framework for electronic communications | X Start | | | | | X End | | | | | | | |
| Line of Action– Review and consolidate procedures for the management of company registrations | | | | | | | | | | | | | | |
| 2.33 | Consolidate applicational solutions to support company registrations | >> 2017 | X End | | | | | | | | | | | |
| Line of Action– Prepare for the introduction of the 5th generation mobile (5G) | | | | | | | | | | | | | | |
| 2.34 | Identify relevant aspects of the introduction of 5G, from the point of view of regulation, and especially from a technological, policy and spectrum management perspective; follow up European Commission's "5G action plan" | X Start | | | X End | X Start | | | X End | X Start | | | | X End |
| Ensure the efficient management of scarce resources | | | | | | | | | | | | | | |

| Line of Action–Evaluate the impact of 5G on spectrum management | | | | | | | | | | | | |
|--|---|------------|--|--|--------------------|--|--|--|--------------------|--|--|--------------------|
| 3.1 | Plan spectrum for 5G and address other issues that have an impact on its management | | | | | | | | | | | |
| | Identify bands and harmonised technical parameters suitable for providing electronic communications services within the scope of 5G, considering, in particular the 3.4-3.8 GHz, 24.5-27.5 GHz bands and "L-band", participate in the studies of the World Radiocommunication Conference (WRC-19) in the context of 5G | X Start | | | | | | | X End | | | |
| | Provide bands for M2M/IoT | >> 2017 | | | X Start/ End | | | | X Start/ End | | | X Start/ End |
| 3.2 | Allocate 700 MHz band (and other relevant bands), taking into account the national interest and the European and national regulatory framework. | >> 2017 | | | | | | | | | | X End |
| Line of Action- Prepare national position at 2019 World Radiocommunication Conference (WRC-19) | | | | | | | | | | | | |
| 3.3 | 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 | | | | | | | | | | | |
| | Undertake preparation of national presence and defence of position in the context of participation in WRC-19 | | | | X Start | | | | X End | | | |

| Line of Action– Manage the PNN - Plano Nacional de Numeração (National Numbering Plan) establishing appropriate conditions in the context of the allocation of use of numbering resources | | | | | | | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|---------|-------|---------|--|-------|
| 3.4 | Definition of the terms and conditions governing the transfer of rights of use of numbering | | | | | | | | | | | |
| | Commence regulatory procedure | | X Start/End | | | | | | | | | |
| | Approve regulatory draft | | | X Start/End | | | | | | | | |
| | Approve regulation | | | | X Start/End | | | | | | | |
| 3.5 | Redefine the conditions governing the use of geographical (and mobile) numbers in nomadism | | | | | | | | | | | |
| | Draft decision | X Start/End | | | | | | | | | | |
| | Final decision | | X Start/End | | | | | | | | | |
| 3.6 | Formulate numbering regulation | | | | | | | | | | | |
| | Commence regulatory procedure | | | | X Start/End | | | | | | | |
| | Approve regulatory draft | | | | | X Start/End | | | | | | |
| | Approve regulation | | | | | | X Start/End | | | | | |
| Promote institutional and technical cooperation | | | | | | | | | | | | |
| Line of Action- Undertake active participation at international forums with relevance to the sector (electronic communications and postal services) | | | | | | | | | | | | |
| 4.1 | Participate in international organisations/agencies | | | | | | | | | | | |
| | Promote candidacy to ITU Council at PP18 | >> 2017 | | X End | | | | | | | | |
| | Assess possible candidacy to UPU CA | | | | | X Start | X End | | | | | |
| | Promote candidacy to UPU CA at 2020 congress | | | | | | | 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 Start | | 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 REGULATEL | X Start | | | X End | X Start | | | X End | X Start | | X End |
| Line of Action- Participate in the platforms of collaboration between Portuguese-speaking countries | | | | | | | | | | | | |
| 4.5 | Participate in ARCTEL | | | | | | | | | | | |
| | Maintain participation in Working Groups | X Start | | | X End | X Start | | | X End | X Start | | X End |
| | Annual support to the realisation 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 |
| 4.6 | Develop bilateral cooperation programmes | | | | | | | | | | | |
| | Prioritisation 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 | X Start | | | X End | X Start | | | X End | X Start | | X End |
| 4.7 | Develop CPLP Digital Agenda | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|--|-------|
| | Cooperation in preparing CPLP ministerial meeting | 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 | | | | | | | | | | | | | |
| 4.8 | Promote and encourage Portuguese participation in a future system of submarine cables | >> 2017 | | | X End | | | | | | | | |
| 4.9 | Contribute to promotion of involvement by national entities in WIFI4EU scheme | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| 4.10 | Provide participation at URSI | | | | | | | | | | | | |
| | Preside over Portuguese Committee of URSI | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| | Prepare and organise Congress of the Portuguese Committee of URSI | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| | Provide participation in AT-RASC 2018 | | X Start/End | | | | | | | | | | |
| Promote internal efficiency and effectiveness | | | | | | | | | | | | | |
| Line of Action- Implement measures to rationalise expenditure, modernise and to guarantee better working conditions and efficiency gains | | | | | | | | | | | | | |
| 5.1 | Implementation of the strategic plan for information systems (PESI) | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | X Start/End | | | |
| 5.2 | Modernise spectrum monitoring and control centres | | | | | | | | | | | | |
| | Upgrade equipment | X Start | | | X End | | | | | | | | |
| | Refurbish premises | X Start | | | | | | | | | X End | | |
| Line of Action- Improve/de-materialise/simplify internal processes and expand the provision of online services | | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|--|---|------------|--|--|----------|------------|--|--|----------|------------|--|--|----------|
| 5.3 | Develop new features to be implemented in computer applications supporting spectrum management | | | | | | | | | | | | |
| | Implement identified new features and monitor their development (electronic licensing) | | | | X End | | | | | | | | |
| | Review e-QNAF Frequencies Website | | | | X End | | | | | | | | |
| | Provide spectrum management indicators to public (DIE-IGE) | | | | X End | | | | | | | | |
| Line of Action– Retain, motivate and recognise the merit of employees | | | | | | | | | | | | | |
| 5.4 | Resume career progression system | X Start | | | X End | X Start | | | X End | | | | |
| 5.5 | Define flexible benefits system | X Start | | | X End | X Start | | | X End | | | | |
| 5.6 | Promote continuous development of competencies | X Start | | | X End | X Start | | | X End | X Start | | | X End |
| 5.7 | Diagnosis of potential in the organisation | X Start | | | X End | X Start | | | X End | X Start | | | X End |

(*) Conclusion is indicative and may occur earlier, perhaps even in 2017.

Annex II – Human resources plan (tables)

Table 1 - Evolution in ANACOM human resources

| Category | 2018 | 2019 | 2020 |
|------------------------------------|------------|------------|------------|
| 1 – Managerial staff | 274 | 274 | 274 |
| 2 – Non-managerial staff | 149 | 149 | 149 |
| Total permanent staff (1+2) | 423 | 423 | 423 |

Unit: number of staff

Table 2 - Evolution in types of complementary work

| Category | 2018 | 2019 | 2020 |
|--------------------|--------------|--------------|--------------|
| Supplementary work | 3 996 | 3 799 | 3 611 |
| Total | 3 996 | 3 799 | 3 611 |

Unit: hours

Table 3 - Evolution in personnel costs

| Category | 2018 | 2019 | 2020 |
|-----------------------|-------------------|-------------------|-------------------|
| Wages and expenses | 24 375 700 | 24 863 200 | 25 360 500 |
| Other Personnel Costs | 2 618 500 | 2 670 900 | 2 724 300 |
| Total | 26 994 200 | 27 534 100 | 28 084 800 |

Unit: Euros

Table 4 - Personnel costs plan

| Category | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|
| 1. Permanent contracts (year-end) | 423 | 423 | 423 |
| 2. Permanent staff potential (1800 hours/year) | 761 400 | 761 400 | 761 400 |
| 3 Supplementary work (hours) | 3 996 | 3 799 | 3 611 |
| 4. Potential work (2 to 3) | 765 396 | 765 199 | 765 011 |
| 5. Management Remuneration | 1 027 440 | 1 027 440 | 1 027 440 |
| 6. Staff remuneration | 15 913 575 | 16 252 381 | 16 598 013 |
| 7. Additional remuneration | 3 406 903 | 3 475 041 | 3 544 542 |
| 8. Post-employment benefits | 852 520 | 869 570 | 886 961 |
| 9. Salary expenses | 4 027 782 | 4 108 338 | 4 190 505 |
| 10. Work accident insurance | 106 580 | 108 712 | 110 886 |
| 11. Social action costs | 875 100 | 892 602 | 910 454 |
| 12. Other personnel costs | 784 300 | 800 016 | 815 999 |
| 13.Total (5+12) | 26 994 200 | 27 534 100 | 28 084 800 |

Unit: Euros

Annex III –2018 Budget

Table 5 - Investment budget

| Category | 2017 Budget | 2018 Budget | 2018/2017 Variation | |
|--------------------------------|------------------|------------------|------------------------|--------------|
| | | | Value | % |
| Land and Buildings | 75 000 | 120 000 | 45 000 | 60,0% |
| Basic Equipment | 736 000 | 555 000 | -181 000 | -24,6% |
| Transport Equipment | 24 000 | 100 000 | 76 000 | 316,7% |
| Administrative Equipment | | | | |
| * IT Equipment (Hardware) | 845 000 | 1 225 000 | 380 000 | 45,0% |
| * Miscellaneous Equipment | 36 000 | 45 000 | 9 000 | 25,0% |
| Computer programmes (Software) | 1 309 000 | 1 550 000 | 241 000 | 18,4% |
| Work to premises | 30 000 | 30 000 | 0 | 0,0% |
| Total | 3 055 000 | 3 625 000 | 570 000 | 18,7% |

Unit: Euros.

Table 6 - Income Budget

| Category | 2017 Budget | 2018 Budget | 2018/2017 Variation | |
|--|-------------------|-------------------|------------------------|---------------|
| | | | Value | % |
| Regulation of electronic communications | 87 736 100 | 88 927 500 | 1 191 400 | 1,4% |
| * Statements of rights | 15 000 | 10 500 | -4 500 | -30,0% |
| * Exercise of electronic communications activity | 30 000 000 | 31 300 000 | 1 300 000 | 4,3% |
| * Use of frequencies - TECS | 44 183 400 | 44 183 300 | -100 | 0,0% |
| * Use of frequencies - other | 11 818 400 | 11 716 700 | -101 700 | -0,9% |
| * Use of numbering | 1 719 300 | 1 717 000 | -2 300 | -0,1% |
| Regulation of postal services | 2 102 700 | 1 860 600 | -242 100 | -11,5% |
| Settles fines | 210 000 | 300 000 | 90 000 | 42,9% |
| Remaining provisions of service | 137 000 | 114 000 | -23 000 | -16,8% |
| Interest and other similar income | 466 500 | 387 000 | -79 500 | -17,0% |
| Other income and gains | 125 700 | 183 000 | 57 300 | 45,6% |
| Total | 90 778 000 | 91 772 100 | 994 100 | 1,1% |

Unit: Euros.

Table 7 - Expenditure budget

| Category | 2017 Budget | 2018 Budget | 2018/2017 Variation | |
|---------------------------------------|-------------------|-------------------|------------------------|--------------|
| | | | Value | % |
| External Supplies and Services | 10 995 400 | 10 096 700 | -898 700 | -8,2% |
| * Specialised work | 3 464 200 | 2 808 300 | -655 900 | -18,9% |
| * Advertising and promotion | 136 800 | 177 500 | 40 700 | 29,8% |
| * Surveillance and Security | 453 900 | 462 800 | 8 900 | 2,0% |
| * Maintenance and repairs | 2 465 800 | 2 127 500 | -338 300 | -13,7% |
| * Books and technical documents | 275 000 | 235 000 | -40 000 | -14,5% |
| * Energy and liquids | 504 900 | 508 800 | 3 900 | 0,8% |
| * Travel, accommodation and transport | 594 900 | 578 300 | -16 600 | -2,8% |
| * Rents and leasing | 1 662 500 | 1 679 000 | 16 500 | 1,0% |
| * Communication | 361 200 | 332 300 | -28 900 | -8,0% |
| * Insurance | 99 900 | 97 400 | -2 500 | -2,5% |
| * Cleanliness, hygiene and comfort | 289 800 | 315 600 | 25 800 | 8,9% |
| * Other supplies and services | 686 500 | 774 200 | 87 700 | 12,8% |
| Personnel costs | 24 877 700 | 26 994 200 | 2 116 500 | 8,5% |
| * Wages and wage expenses | 22 469 600 | 24 375 700 | 1 906 100 | 8,5% |
| * Other personnel expenses | 2 408 100 | 2 618 500 | 210 400 | 8,7% |
| Depreciation and amortisation | 2 993 400 | 2 800 000 | -193 400 | -6,5% |
| Impairment losses | 50 100 | 50 100 | 0 | 0,0% |
| Provisions for period | 9 900 000 | 11 049 900 | 1 149 900 | 11,6% |
| Other expenses and losses | 7 252 900 | 7 420 300 | 167 400 | 2,3% |
| * Contributions | 907 600 | 904 600 | -3 000 | -0,3% |
| * Meetings and conferences | 220 900 | 151 200 | -69 700 | -31,6% |
| * Sponsorships | 122 500 | 72 400 | -50 100 | -40,9% |
| * Payments/Transfers | 5 753 100 | 6 033 000 | 279 900 | 4,9% |
| * Cooperation | 173 800 | 172 100 | -1 700 | -1,0% |
| * Other expenses | 75 000 | 87 000 | 12 000 | 16,0% |
| Total | 56 069 500 | 58 411 200 | 2 341 700 | 4,2% |

Unit: Euros.

Table 8 - Budget of personnel costs

| Category | 2017 Budget | 2018 Budget | 2018/2017 Variation | |
|--|-------------------|-------------------|---------------------|-------------|
| | | | Value | % |
| 1. Permanent staff (year-end) | 418 | 423 | 5 | 1,2% |
| 2. Permanent staff potential (1800 hours/year) | 752 400 | 761 400 | 9 000 | 1,2% |
| 3. Supplementary work (hours) | 4 013 | 3 996 | -17 | -0,4% |
| 4. Potential work (2 to 3) | 756 413 | 765 396 | 8 983 | 1,2% |
| 5. Management Remuneration | 1 043 944 | 1 027 440 | -16 504 | -1,6% |
| 6. Staff remuneration | 14 734 539 | 15 913 575 | 1 179 036 | 8,0% |
| 7. Additional remuneration | 3 042 977 | 3 406 903 | 363 926 | 12,0% |
| 8. Post-employment benefits | 786 501 | 852 520 | 66 019 | 8,4% |
| 9. Salary expenses | 3 648 140 | 4 027 782 | 379 642 | 10,4% |
| 10. Work accident insurance | 86 503 | 106 580 | 20 077 | 23,2% |
| 11. Social action costs | 747 876 | 875 100 | 127 224 | 17,0% |
| 12. Other personnel costs | 787 220 | 784 300 | -2 920 | -0,4% |
| Total (5 to 12) | 24 877 700 | 26 994 200 | 2 116 500 | 8,5% |

Unit: Euros.

Table 9 - Income and expenses budget

| Category | 2017 Budget | 2018 Budget | 2018/2017 Variation | |
|-------------------------------------|-------------------|-------------------|------------------------|--------------|
| | | | Value | % |
| INCOME | | | | |
| * Fees - electronic communications | 30 000 000 | 31 300 000 | 1 300 000 | 4,3% |
| Fees - use of frequencies | 56 001 800 | 55 900 000 | -101 800 | -0,2% |
| * Fees - use of numbering | 1 719 300 | 1 717 000 | -2 300 | -0,1% |
| * Fees - postal services regulation | 2 102 700 | 1 860 600 | -242 100 | -11,5% |
| * Remaining provisions of service | 362 000 | 424 500 | 62 500 | 17,3% |
| * Interest and other similar income | 466 500 | 387 000 | -79 500 | -17,0% |
| * Other income and gains | 125 700 | 183 000 | 57 300 | 45,6% |
| Total income | 90 778 000 | 91 772 100 | 994 100 | 1,1% |
| EXPENSES | | | | |
| * External supplies and services | 10 995 400 | 10 096 700 | -898 700 | -8,2% |
| * Personnel costs | 24 877 700 | 26 994 200 | 2 116 500 | 8,5% |
| * Depreciation and amortisation | 2 993 400 | 2 800 000 | -193 400 | -6,5% |
| * Impairment losses | 50 100 | 50 100 | 0 | 0,0% |
| * Provisions for period | 9 900 000 | 11 049 900 | 1 149 900 | 11,6% |
| * Other expenses and losses | 7 252 900 | 7 420 300 | 167 400 | 2,3% |
| Total expenses | 56 069 500 | 58 411 200 | 2 341 700 | 4,2% |
| Net profit for period | 34 708 500 | 33 360 900 | -1 347 600 | -3,9% |

Unit: Euros.

Annex IV – Financial Plan 2018-2020 (tables)

Table 10 - Investment Plan (by project)

| Category | Objectives | 2018 | 2019 | 2020 |
|---|---|------------------|------------------|------------------|
| Modernisation of laboratories | Acquisition of equipment in light of evolution in technology and regulatory framework; and update of software | 195 000 | 195 000 | 195 000 |
| Technological refurbishment of spectrum monitoring | Upgrade of existing MCE (spectrum monitoring and control) facilities and acquisition of equipment for the new | 260 000 | 360 000 | 460 000 |
| Major repairs and software/hardware updates to SINCRER | Various upgrades to National System for Remote Control of Radioelectric Emissions | 60 000 | 90 000 | 120 000 |
| Technological adaptation -architecture and technology platforms | Adaptation of infrastructural technological strongpoints through the acquisition of necessary hardware and software | 2 550 000 | 1 170 000 | 600 000 |
| Acquisition of various basic radioelectric equipment | Acquisition of day-to-day basic equipment for enforcement actions | 140 000 | 165 000 | 165 000 |
| Acquisition of various IT equipment | Acquisition of day-to-day hardware and software | 225 000 | 225 000 | 225 000 |
| Renovation of premises/buildings | Upgrade of existing MCE centres and improvement of working conditions | 130 000 | 1 530 000 | 1 530 000 |
| Miscellaneous day-to-day acquisitions | Acquisition of administrative equipment and performance of works in building | 65 000 | 65 000 | 65 000 |
| Total | | 3 625 000 | 3 800 000 | 3 360 000 |

Unit: Euros

Table 11 - Income plan

| Category | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|
| Electronic communications | 88 927 500 | 88 927 500 | 88 927 500 |
| * Statements of rights | 10 500 | 10 500 | 10 500 |
| * Exercise of electronic communications activity | 31 300 000 | 31 300 000 | 31 300 000 |
| * Use of frequencies - TECS | 44 183 300 | 44 183 300 | 44 183 300 |
| * Use of frequencies - other | 11 716 700 | 11 716 700 | 11 716 700 |
| * Use of numbering | 1 717 000 | 1 717 000 | 1 717 000 |
| Exercise of postal activity | 1 860 600 | 1 860 600 | 1 860 600 |
| Remaining provisions of service | 414 000 | 414 000 | 414 000 |
| Interest and other similar income | 387 000 | 387 000 | 387 000 |
| Other income and gains | 183 000 | 183 000 | 183 000 |
| TOTAL | 91 772 100 | 91 772 100 | 91 772 100 |

Unit: Euros

Table 12 - Expenditure plan

| Category | 2018 | 2019 | 2020 |
|---------------------------------------|-------------------|-------------------|-------------------|
| External Supplies and Services | 10 096 700 | 9 974 700 | 9 859 200 |
| * Specialised work | 2 808 300 | 2 765 400 | 2 724 900 |
| * Advertising and promotion | 177 500 | 177 500 | 177 500 |
| * Surveillance and Security | 462 800 | 469 700 | 475 800 |
| * Maintenance and repairs | 2 127 500 | 2 031 000 | 1 939 400 |
| * Books and technical documents | 235 000 | 235 000 | 235 000 |
| * Energy and liquids | 508 800 | 508 800 | 508 800 |
| * Travel, accommodation and transport | 578 300 | 565 200 | 552 400 |
| * Rents and leasing | 1 679 000 | 1 697 800 | 1 716 900 |
| * Communication | 332 300 | 332 300 | 332 300 |
| * Insurance | 97 400 | 97 400 | 97 400 |
| * Cleanliness, hygiene and comfort | 315 600 | 320 400 | 324 600 |
| * Other supplies and services | 774 200 | 774 200 | 774 200 |
| Personnel costs | 26 994 200 | 27 534 100 | 28 084 800 |
| * Wages and wage expenses | 24 375 700 | 24 863 200 | 25 360 500 |
| * Other personnel expenses | 2 618 500 | 2 670 900 | 2 724 300 |
| Depreciation and amortisation | 2 800 000 | 2 700 000 | 2 600 000 |
| Impairment losses | 50 100 | 50 100 | 50 100 |
| Provisions for period | 11 049 900 | 9 935 900 | 9 840 200 |
| Other expenses | 7 420 300 | 7 475 000 | 7 481 100 |
| * Contributions | 904 600 | 904 600 | 904 600 |

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| * Meetings and conferences | 151 200 | 151 200 | 151 200 |
| * Sponsorships | 72 400 | 72 400 | 72 400 |
| * Payments/Transfers | 6 033 000 | 6 087 700 | 6 093 800 |
| * Cooperation | 172 100 | 172 100 | 172 100 |
| * Other expenses and losses | 87 000 | 87 000 | 87 000 |
| TOTAL | 58 411 200 | 57 669 800 | 57 915 400 |

Unit: Euros

Table 13 - Financial Statements by nature

| Category | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|
| Income and expenses | | | |
| * Fees for exercise of activity of electronic communications | 31 300 000 | 31 300 000 | 31 300 000 |
| * Fees for use of frequencies | 55 900 000 | 55 900 000 | 55 900 000 |
| * Fees for use of numbering | 1 717 000 | 1 717 000 | 1 717 000 |
| * Fees for exercise of activity of postal services | 1 860 600 | 1 860 600 | 1 860 600 |
| * Remaining provisions of service | 424 500 | 424 500 | 424 500 |
| * External Supplies and Services | -10 096 700 | -9 974 700 | -9 859 200 |
| * Personnel costs | -26 994 200 | -27 534 100 | -28 084 800 |
| * Impairment losses | -50 100 | -50 100 | -50 100 |
| * Provisions for the period | -11 049 900 | -9 935 900 | -9 840 200 |
| * Other income and gains | 183 000 | 183 000 | 183 000 |
| * Other expenses and losses | -7 420 300 | -7 475 000 | -7 481 100 |
| Profit before depreciation and amortisation | 35 773 900 | 36 415 300 | 36 069 700 |
| * Expenses/Reversals of depreciation and amortisation | -2 800 000 | -2 700 000 | -2 600 000 |
| Operating profit | 32 973 900 | 33 715 300 | 33 469 700 |
| * Interest and similar income earned | 387 000 | 387 000 | 387 000 |
| NET PROFIT FOR PERIOD | 33 360 900 | 34 102 300 | 33 856 700 |

Unit: Euros

Table 14 - Cash budget

| Category | 2018 | 2019 | 2020 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Balance brought forward | 173 587 000 | 182 855 600 | 194 607 300 |
| Receipts | | | |
| * Income from operations | 91 385 100 | 91 385 100 | 91 385 100 |
| * Interest and other similar income | 387 000 | 387 000 | 387 000 |
| Total receipts | 91 772 100 | 91 772 100 | 91 772 100 |
| Payments | | | |
| * Investment | 3 625 000 | 3 800 000 | 3 360 000 |
| * Operations | 44 511 200 | 44 983 800 | 45 425 100 |
| * Application of profits | 34 367 300 | 31 236 600 | 31 903 900 |
| Total payments | 82 503 500 | 80 020 400 | 80 689 000 |
| Cash available | 182 855 600 | 194 607 300 | 205 690 400 |

Unit: Euros

Table 15 - Balance statement

| Category | 2018 | 2019 | 2020 |
|---|--------------------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | 17 292 200 | 18 362 200 | 19 092 200 |
| * Tangible Assets | 14 695 500 | 16 145 500 | 17 475 500 |
| * Intangible Assets | 2 595 800 | 2 215 800 | 1 615 800 |
| * Other receivables | 900 | 900 | 900 |
| Current assets | 186 805 600 | 198 557 300 | 209 640 400 |
| * Customers | 2 000 000 | 2 000 000 | 2 000 000 |
| * Other receivables | 450 000 | 450 000 | 450 000 |
| * Deferrals | 1 500 000 | 1 500 000 | 1 500 000 |
| * Cash | 182 855 600 | 194 607 300 | 205 690 400 |
| Total assets | 204 097 800 | 216 919 500 | 228 732 600 |
| Equity and liabilities | | | |
| Equity | 96 162 600 | 99 028 300 | 100 981 100 |
| * Other reserves | 62 801 700 | 64 926 000 | 67 124 400 |
| * Net result for period | 33 360 900 | 34 102 300 | 33 856 700 |
| Liabilities | 107 935 200 | 117 891 200 | 127 751 500 |
| * Debts and provisions post-employment benefits | 99 018 500 | 109 004 500 | 118 894 800 |
| * Other account payables | 8 916 700 | 8 886 700 | 8 856 700 |
| Total liabilities + equity | 204 097 800 | 216 919 500 | 228 732 600 |

Unit: Euros

Table 16 - Cash Flow Statement

| Category | 2018 | 2019 | 2020 |
|---|--------------------|--------------------|--------------------|
| Cash Flows - Operating Activities | | | |
| * Receipts from customers | 91 202 100 | 91 202 100 | 91 202 100 |
| * Payments to suppliers | -10 126 700 | -10 004 700 | -9 889 200 |
| * Payments to employees | -26 994 200 | -27 534 100 | -28 084 800 |
| Cash generated from operations | 54 081 200 | 53 663 300 | 53 228 100 |
| * Other receipts/payments | -41 605 600 | -38 529 600 | -39 203 000 |
| Cash flows from operating activities | 12 475 600 | 15 133 700 | 14 025 100 |
| Cash Flows - Investment Activities | | | |
| Payments with reference to | | | |
| * Tangible Assets | -2 045 000 | -2 800 000 | -2 630 000 |
| * Intangible assets | -1 550 000 | -970 000 | -700 000 |
| Receipts from | | | |
| * Tangible Assets | 1 000 | 1 000 | 1 000 |
| * Interest and similar income | 387 000 | 387 000 | 387 000 |
| Cash flows from investment activities | -3 207 000 | -3 382 000 | -2 942 000 |
| Change in cash and cash equivalents | 9 268 600 | 11 751 700 | 11 083 100 |
| Cash and cash equivalents at beginning of period | 173 587 000 | 182 855 600 | 194 607 300 |
| Cash and cash equivalents at end of period | 182 855 600 | 194 607 300 | 205 690 400 |

Unit: Euros

Annex V – Global indicators for 2018-2020 three-year period

| Indicator | Accomplished 2016 | Target 2018 | Target 2019 | Target 2020 |
|--|-------------------|-------------|-------------|-------------|
| ID 1 – Execution of Plan - Overall ⁽¹⁾ | 80,2% | 95% | 98% | 100% |
| ID 2 - Execution of priority actions referring to rights of users and citizens ⁽²⁾ | 75,6% | 95% | 98% | 100% |
| ID 3 - Execution of priority actions referring to open and competitive markets ⁽²⁾ | 89,3% | 95% | 98% | 100% |
| ID 4 - Execution of priority actions referring to efficient management of public resources ⁽²⁾ | 85,7% | 95% | 98% | 100% |
| ID 5 - Execution of priority actions referring to institutional and technical cooperation ⁽²⁾ | 92,6% | 95% | 98% | 100% |
| ID 6 - Execution of priority actions referring to internal efficiency and effectiveness ⁽²⁾ | 50,0% | 95% | 98% | 100% |
| ID 7 – Percentage of determinations within target deadline ⁽³⁾ | 65,4% | 90% | 95% | 100% |

⁽¹⁾ number of actions fully executed/ total number of actions in plan

⁽²⁾ number of actions fully executed/ total number of actions comprising priority

⁽³⁾ number of final decision improved within time limit of D+15 working days [where D represents the total number of working days granted in the public consultation / prior hearing procedure, including any extensions] / total number of draft decisions subject to such procedures.

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List of acronyms and abbreviations

| | |
|---------|--|
| NCUS | Net Costs of Universal Service |
| FIS | Ficha de informação simplificada (Simplified information sheet) |
| CIS | Centralised Information System |
| DTT | Digital terrestrial television |
| LCE | Lei das Comunicações Eletrónicas (Electronic Communications Law) |
| MCE | Monitorização e controlo do espectro (Monitoring and control of the spectrum) |
| OTT | <i>Over the top</i> |
| PNN | Plano Nacional de Numeração (National Numbering Plan) |
| RDAO | Reference Ducts Access Offer |
| RIO | Reference interconnection offer |
| RPAO | Reference Posts Access Offer |
| SCA | Sistema de contabilidade analítica (Analytical Accounting System) |
| SINCRER | SINCRER - Sistema Nacional de Controlo Remoto das Emissões Radioelétrica (National System for Remote Control of Radioelectric Emissions) |
| SMP | Significant market power |
| SNC | Sistema de normalização contabilística (Accounting Standardisation System) |

List of operators

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

List of other entities / organisations

| | |
|--------|---|
| ANACOM | Autoridade Nacional de Comunicações |
| ANPC | Autoridade Nacional de Proteção Civil (National Authority for Civil Protection) |
| AdC | Autoridade da Concorrência |
| BEREC | Body of European Regulators of Electronic Communications |
| CEPT | European Conference of Postal and Telecommunications Administrations |
| EC | European Commission |
| 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 |
| ITU | International Telecommunication Union |
| PALOP | Portuguese-speaking African countries |
| UPU | Universal Postal Union |

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