

DECLARATION ON THE COST ACCOUNTING SYSTEM OF THE FIXED TELEPHONE SERVICE, THE LEASED LINE SERVICE AND THE INTERCONNECTION SERVICE PROVIDED BY MEO – SERVIÇOS DE COMUNICAÇÕES E MULTIMÉDIA, S.A., FOR THE 2013 FINANCIAL PERIOD

Whereas:

1. By determinations of the Management Board of ANACOM of 08/07/2004, 28/09/2010 and 27/08/2013, MEO – SERVIÇOS DE COMUNICAÇÕES E MULTIMÉDIA, S.A. (MEO) was declared to be a body with significant market power in the following markets:
 - Markets in narrowband access to the public fixed telephone network and of publicly available fixed telephone services;
 - Wholesale markets of terminating and trunk segments of leased lines;
 - Wholesale markets for call origination and termination in the public fixed telephone network;
2. In that capacity, by determinations taken on 14/12/2004, 28/09/2010, 17/12/2004, 27/08/2013 and 27/11/2013 by the Management Board of ANACOM, the following obligations were imposed on MEO:
 - To maintain a cost accounting system (CAS) allowing price regulation measures imposed on access markets to be checked, under paragraph 5 of article 85 of Law No 5/2004, of 10 September, as amended by Law No 51/2011, of 13 September, with the amendments arising out of Law No 10/2013, of 28 January, Law No 42/2013, of 3 July, and Decree-Law No 35/2014, of 7 March (ECL);
 - To develop and put in place a costing and accounting separation system for wholesale leased line markets, pursuant to article 71 of ECL;
 - To implement a costing and accounting separation system for interconnection markets in the public fixed telephone network, under article 71 of ECL.

3. Pursuant to paragraph 6 of article 85 and to paragraph 1 of article 76, all of ECL, it is incumbent on ANACOM to declare and to publish every year the conformity of the CAS with provisions in point 2;
4. Moreover, under the Concession Contract, MEO must be provided with a CAS that appropriately implements the established tariff principles, being incumbent on ANACOM to approve the system's implementation and usage method, as well as to check and declare its conformity (article 18 of the Bases of the Concession, approved by Decree-Law No 31/2003, of 17/02);
5. In December 1996, and after ANACOM had defined the general principles which MEO's accounting system should comply with, this operator officially notified ANACOM that it had implemented a CAS in the scope of the Telecommunications Public Service Contract;
6. Since then, ICP - ANACOM has promoted audits to the referred system by independent entities;
7. In the scope of the audit to the 2013 financial period, a declaration of compliance of the referred system with applicable provisions was prepared, having auditors concluded that the CAS complies therewith, in all relevant material respects;

ANACOM hereby declares that the results of MEO's CAS for the 2013 financial year were produced in compliance with:

- a) Rules defined in paragraph 5 of article 85 of ECL, as regards narrowband access to the public fixed telephone network and publicly available fixed telephone services;
- b) Article 71 of ECL as regards the leased line service and call origination and termination in the public fixed telephone network.