
CORPORATE PROFILE



INTRODUCTION

Communication markets have fundamentally influenced social, cultural and economic development the world over. Recent history has demonstrated how technology and its various applications can impact nations across the globe, not to mention how critical they are at times when natural disasters strike. The various means of communications available to us today have become an indispensable part of our society. Without these technologies, the world today would be unrecognisable.

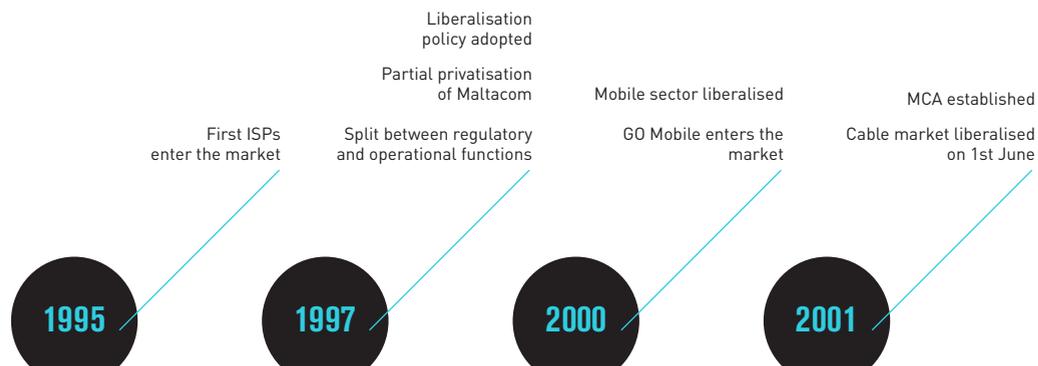
Communications technologies have helped break down barriers and eliminate constraints, making for improved administration and increased productivity across all sectors of activity. We are living in an ever-more connected society, where consumers' expectations are increasing as technology progresses and converges.

The telecommunications, more commonly known as electronic communications, industry in particular, has undergone an extraordinary revolution. Long gone are the days of bulky handsets and large desktop machines. Today, equipment has become smarter and mobile, whilst services have become faster and cheaper. The industry is no longer characterised by monopolies in which a 'one shape fits all' approach to service provision was the norm.

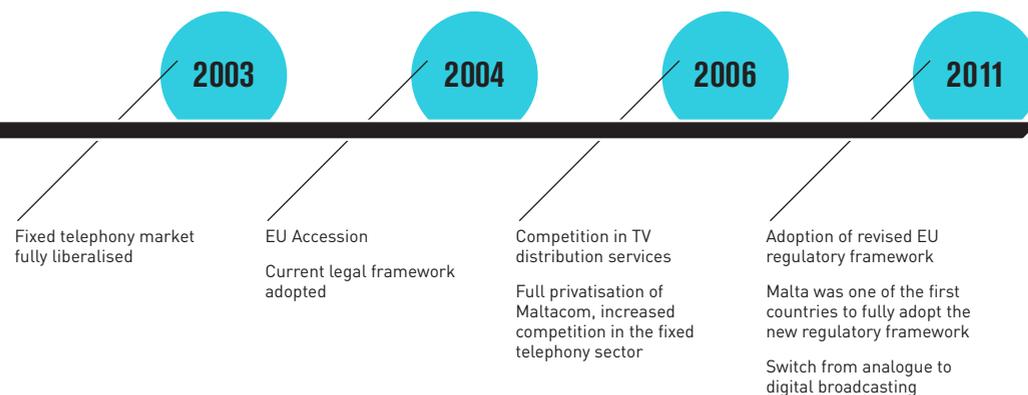
It is quite easy to take for granted the services we have so quickly become accustomed to. The public outcry when mobile networks are overloaded or internet systems are down confirms society's dependency on electronic communications. Rarely, however, does one consider that these services are available as a direct result of a complex network of legal, technical, commercial, financial and regulatory frameworks.

This booklet aims to provide an overview of the principles underpinning regulation in the communications sector and the interplay of responsibilities of the Malta Communications Authority (MCA) and other competent regulatory bodies.

MILESTONES



A TELECOMS REVOLUTION ACHIEVED IN AN EVOLUTIONARY MANNER



OUR REMIT

THE AUTHORITY REGULATES THE FOLLOWING SECTORS AND RELATED SERVICES

Over the years, regulation of electronic communications has become increasingly more complex due to the proliferation of bundled services and convergence of services onto IP based networks. As a result, there is a very fine line between traditional telephony and data services. As a regulator, the Authority needs to be careful not to overstep onto areas which are intricately linked to transmission networks and services but which are not regulated by the electronic communications framework. The most obvious example would be with regard to broadcasting. Whilst it is the Authority's duty to regulate the networks and the actual transmission service, it does not regulate the content which is transmitted over these networks.

Similarly, whilst the MCA regulates the provision of internet services, it does not regulate services provided over the Internet, nor does it regulate the terminal equipment, such as, set-top boxes, telephone handsets or personal computers.

TELEPHONY



- TRADITIONAL FIXED TELEPHONY
- MOBILE TELEPHONY
- IP BASED TELEPHONY SERVICES

POSTAL SERVICES



- UNIVERSAL POSTAL SERVICES
- OTHER POSTAL SERVICES

DATA



- DSL BASED SERVICES
- CABLE BASED SERVICES
- MOBILE BASED SERVICES
- FIXED WIRELESS DATA SERVICES

eCOMMERCE



- E-SIGNATURES CERTIFICATION
- MONITORING OF INFORMATION SOCIETY SERVICE PROVIDERS

eINCLUSION



- NETWORKED SOCIETY
- NETWORKED ENTERPRISE

SPECTRUM MANAGEMENT



- SPECTRUM ASSIGNMENT
- MONITORING

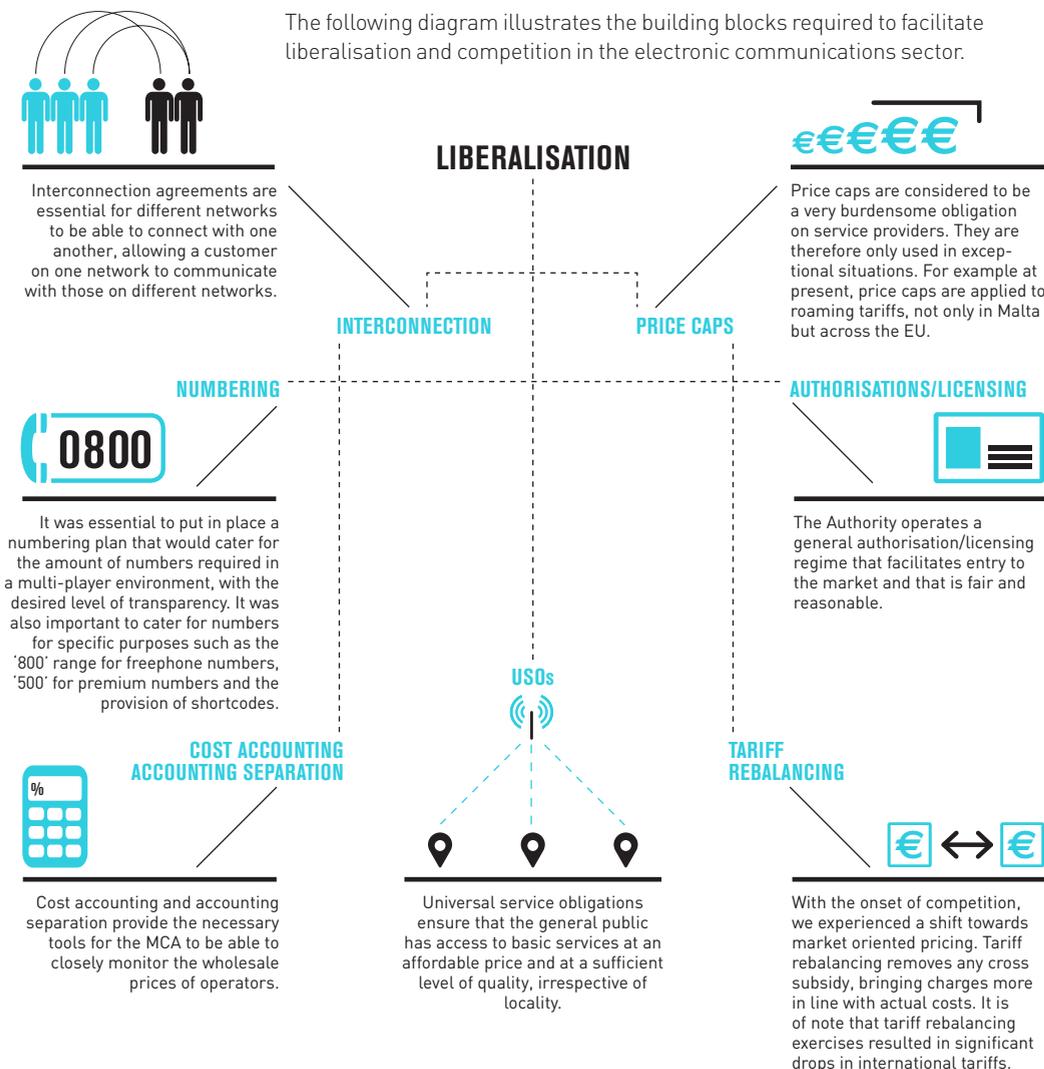
OUR MANDATE

OVERSEEING LIBERALISATION

One of the main targets of the Authority was to oversee the liberalisation of the electronic communications sector, ensuring that a solid communications environment would ensue in which competition can be sustained among existing providers while allowing every opportunity for new entrants to start operations with relative ease.

This year marked another milestone in the liberalisation process when the postal sector was fully liberalised on 1st January 2013.

The following diagram illustrates the building blocks required to facilitate liberalisation and competition in the electronic communications sector.

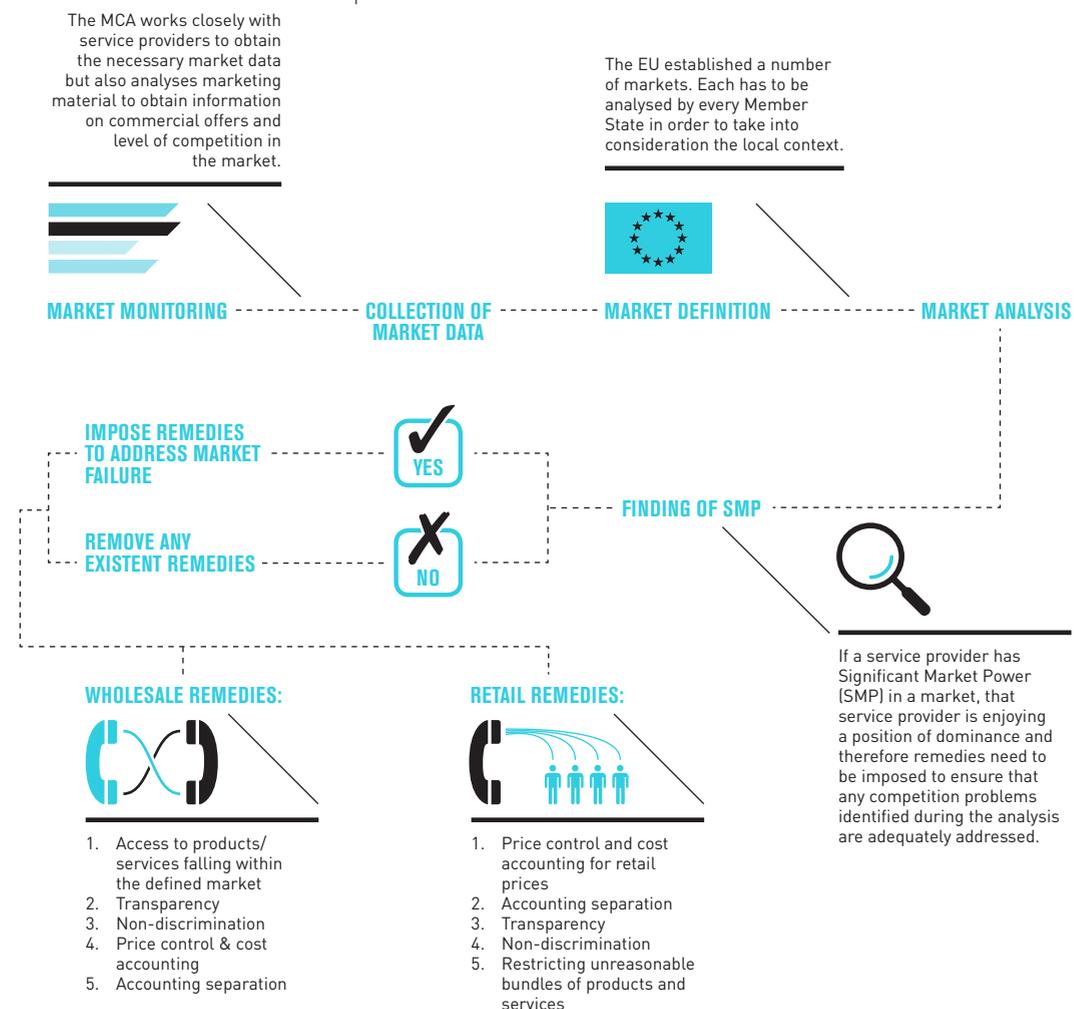


ENSURING EFFICIENT AND FAIR COMPETITION

The primary role of the MCA is to enable choice and value-for-money for consumers. The Authority also has a strategic role whereby it promotes sectoral investment by creating an environment that is conducive to business and that ensures sustainability of competition. It is essential for the Authority to measure the level of competition and intervene when this is found to be lacking. This is done by means of market analysis, which is the cornerstone of regulation across Europe. The market analysis exercise allowed for the imposition of market remedies in order to simulate the effects of competition.

Carrying out market analysis today is a complex exercise. The leading players are now offering more than one communications service becoming triple or quad-play service providers. In addition, different pricing strategies and bundled services have made analysis of distinct telecomms markets all the more difficult.

The market analysis exercise is a cyclical process, which allows the Authority to lift, or tailor remedies as a market shifts towards competition. Over the past years, the Authority has lifted many such obligations as markets became more competitive over time.



POSTAL SERVICES

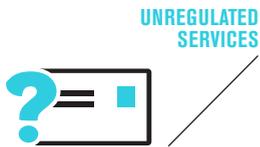
The MCA has two primary responsibilities in respect of the postal sector. On the one hand it safeguards the provision of efficient, affordable, high quality postal services in Malta to every postal address, irrespective of its geographic location, known in the regulatory field as universal services. On the other hand the Authority is also responsible for the promotion of fair market conditions conducive to effective competition between postal operators. In this regard, it has powers to impose special obligations on market players having significant market power.



TARIFF REGULATION

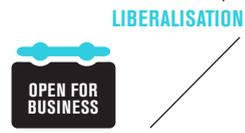
The MCA regularly undertakes monitoring exercises, taking into consideration local and international developments, to ensure that the tariffs being charged by MaltaPost for the provision of universal services are in line with pricing regulations. These exercises are undertaken in order to prevent anti-competitive practices and to safeguard the interest of users.

In this regard, the Authority imposes specific regulatory measures, for example tariff control measures on postal operators, such as MaltaPost plc that enjoy a significant share of the market.



UNREGULATED SERVICES

Unaddressed mail is not included in the legal definition of a postal service and is therefore not regulated by the MCA.



LIBERALISATION

Full liberalisation of the postal sector in Malta took place on the 1st of January 2013.

POSTAL SECTOR



LOCAL AND EUROPEAN FRAMEWORK

The MCA's activity with regard to the regulation of the postal sector is governed by the following Laws:

- Local:**
1. Postal Services Act (Cap 254)
 2. Postal Services (General) Regulations 254.01

- European:**
1. Postal Directive [2008/06/EC], which amends the initial Postal Directive (97/67/EC) as amended by Directive 2002/39/EC.

Universal services comprise basic letter post, registered and bulk mail services and parcel post. Service providers cannot start offering such services before obtaining an individual licence from the Authority.



WITHIN THE SCOPE OF THE UNIVERSAL SERVICE

The Authority operates a licensing regime that (i) safeguards the provision of the universal service, guaranteeing compliance with the essential requirements; and (ii) ensures that competition is not distorted should a postal operator/s enjoy a position of dominance in the market.

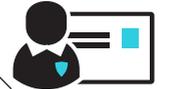


USOs



Universal service obligations ensure that the general public has access to a minimum set of basic services at an affordable price and at a sufficient level of quality, irrespective of locality.

OUTSIDE THE SCOPE OF THE UNIVERSAL SERVICE



Services outside the scope of the universal service include express or courier mail services. Prior to starting operations, providers are only required to notify the MCA of their intention to start offering commercial services in this regard.

INTERNATIONAL CO-OPERATION AND CO-ORDINATION



The MCA regularly participates in the following fora:

1. The Universal Postal Union (UPU)
2. The Postal Directive Committee
3. Committee for European Postal Regulators (CERP)
4. European Regulators Group for Postal Services (ERGP)

QUALITY OF SERVICE (QoS) MONITORING



The MCA monitors the QoS standards of the universal service provider, currently MaltaPost Plc, to ensure that postal service users continue to enjoy an appropriate level of service.

The MCA also monitors and ensures that an adequate number of access points (letterboxes, post offices) to the postal network are available throughout Malta.

SPECTRUM MANAGEMENT

Spectrum is a scarce national resource that has, over the years, become indispensable. As wireless technologies proliferate and our dependence on them increases the demand for spectrum continues to rise. The take up of mobile data services, in particular, is creating an unprecedented need to ensure that spectrum use is as efficient as possible.



SPECTRUM PLANNING AND ALLOCATION

The National Frequency Plan is a formal document adopted by Government. It allocates specific frequency bands to particular uses, e.g. the 900 MHz band is allocated for the provision of wireless / mobile telephony and data services, while the 87.5-108 MHz band is allocated to broadcasting services.

The National plan takes into account applicable European and International Telecommunications Union (ITU) rules and is amended as necessary, typically twice a year.

SPECTRUM MANAGEMENT



LICENSING, ASSIGNMENT AND BILLING



The Authority is empowered to assign spectrum to users in line with the National Frequency Plan. Spectrum assignment models depend on the scarcity of the particular spectrum.

SCARCE SPECTRUM



Scarce spectrum is assigned to users either via an auction or via a comparative selection process (a process similar to a tender).

Rights of use of scarce spectrum are generally granted against a charge which reflects the economic value of the spectrum.

NON-SCARCE SPECTRUM



Spectrum where availability generally exceeds demand may either be:

- Assigned on a first come first served basis. A license fee may be attached to such spectrum; or
- License is free but subject to use in compliance with technical parameters established at law.

COORDINATION AND NOTIFICATION OF FREQUENCY USE



This is a mechanism by which frequencies can be used for more than one particular service / system, thereby ensuring efficient use of spectrum. Coordination generally takes place at an international level, where Malta coordinates frequency use with neighbouring countries. This process is subject to the rules of the ITU.

Absence of coordination or use of spectrum which does not comply with coordinated parameters may lead to harmful interference which negatively impacts the services utilising such frequencies. Broadcasting services are the most frequently impacted by international harmful interference.

Notification is a process related to coordination which ensures that neighbouring countries are informed of any new transmitting station being set up and which may cause harmful interference. The process also allows neighbouring countries that may be negatively impacted by the transmissions to object to the new installation.



MONITORING

In order to ensure compliance with licence or general authorisation conditions, the MCA operates an on-going spectrum monitoring function.

This function also provides important data regarding spectrum use, thereby supporting the spectrum planning, management and assignment functions. In addition, this process:

- Enables the resolution of cases of electromagnetic interference;
- Enables the Authority to ensure that emission levels from transmitters (e.g. mobile phone base stations) are within the limits established by the competent health authorities; and
- Enables the Authority to verify the coverage and quality of wireless electronic communications services.

INSPECTIONS



The Authority carries out inspections of radio equipment on a routine basis, (e.g., inspections of radio equipment on board ships, two-way radios), in order to ensure compliance with legal requirements and the relevant licensing conditions. The Authority also carries out inspections as part of its enforcement process.

CONFORMITY OF RADIO EQUIPMENT



The MCA reviews notifications by persons planning to place radio equipment on the local market in order to ensure that the technical specifications of the radio equipment complies with national and EU laws on terminal equipment. This will ensure that radio equipment bought in Malta will not cause interference to other radio equipment.

ENFORCEMENT



Where the Authority establishes, either through its monitoring function or following an inspection, that spectrum or radio equipment is being used in breach of the relevant legal provisions or licence conditions, the Authority takes action, either through the form of warnings, or by enforcing penalties.

THE NETWORKED SOCIETY

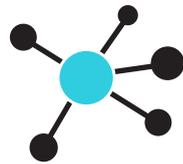
Through the Networked Society strategy, the MCA is engaged on a number of fronts and through a number of initiatives to ensure that ICTs generate a net benefit for society and that all society can benefit from its advances. Beyond the regulatory role of securing a sustainable infrastructure and service, the Authority works to ensure that everyone can access technology, is competent to use it safely at his or her own advantage and through its use, can leave a positive impact on the community.

GETTING EVERYONE ONLINE



In order to ensure that the public is aware of the technology available and the benefits to be gained by engaging with the online world, the MCA undertakes a number of awareness raising initiatives. These are aimed at challenging public perceptions, particularly with the older generations, as to how technology can be applied, on an individual basis for personal needs, such as communication or entertainment purposes or in a work-related context.

NETWORKED SOCIETY



ACCESS AND OPPORTUNITY



The Authority undertakes initiatives aimed at facilitating access to ICTs and its applications for the general public. As part of this drive, in collaboration with a number of NGOs and other public entities, the Authority has set up 19 Community Training and Learning Centres (CTLCs) through which the public is offered the opportunity, not only to access technology but also participate in a number of learning programmes offered by the MCA.

CONTRIBUTING TO POLICY FORMULATION



The Authority monitors ongoing trends on digital access and use, at both national and European levels. On this note, it regularly participates in European fora, sharing local experiences and challenges with counterparts across the EU.

EMPOWERING CIVIL SOCIETY



The MCA provides the support necessary to civil society so that the latter can become more effective in its operations through the use of ICT, whilst at the same time, act as a catalyst for the more widespread use of ICT amongst all segments of society. The civil society has integral links with the community as a whole and is therefore very well placed to act as an intermediary in this regard. The MCA offers a 'train-the-trainer' programme; support to administrators tasked to address specific needs of the community and also provides equipment when necessary.

BUILDING DIGITAL COMPETENCES



To complement its drive towards increasing access to technology, a number of initiatives are undertaken to ensure that every member of society has the digital competences to be able to fully participate in online activity. To this end, the MCA has developed a number of learning programmes in basic ICT skills, which are offered to the general public free-of-charge. Information sessions on particular topics such as eBanking, eCommerce and social networking are also organised on a regular basis. Furthermore, through the BeSmartOnline! programme, the MCA also focuses on helping children and youths build digital competences to be able to use the Internet safely and responsibly.

THE NETWORKED ENTERPRISE

Through the Networked Enterprise strategy, the MCA works closely with local enterprise to ensure that the full potential of ICT is garnered for the benefit of the Maltese economy. The Authority helps businesses understand ICT and its applications, and supports them to transform the challenges brought by technological disruption into opportunities and entrepreneurial success. Together with other key stakeholders, the Authority also strives to make Malta a state where the enterprise can grow through ICT enabled innovation.

AWARENESS AND MOTIVATION



One of the MCA's roles with regard to the networked enterprise is to raise awareness about the benefits of ICTs and the efficiencies they can bring to day-to-day operations, particularly amongst the self-employed, micro and small businesses.

NETWORKED ENTERPRISE



CAPACITY BUILDING



To successfully participate in eBusiness activity, an enterprise requires the right mix of entrepreneurial flair and problem solving abilities, as well as a good understanding of technological solutions and their potential applications. To this end, the Authority has developed learning and support programmes in order to address the needs of these businesses and introduce them to ICT applications.

EXPLOITING OPPORTUNITIES



The MCA seeks to ensure that the local economy gains from the opportunities brought about by ICT. Its initiatives in this regard include the identification of such opportunities and the interventions necessary to address any barriers hindering their exploitation.

ROBUST BUSINESS ENVIRONMENT



The MCA undertakes an ongoing review of the legal and regulatory framework to ensure that this remains relevant in a rapidly changing commercial environment. Feedback received from market players during the networking opportunities offered by the MCA facilitates this function.

eCOMMERCE



eCommerce enables local enterprises to tap into other markets at relatively low cost. As the national regulator for eCommerce activity in Malta, the Authority monitors existing traders' websites to ensure that these are compliant with regulations and in turn, provide consumers with the necessary information to make online purchases with a sufficient level of trust. On this note, the MCA also undertakes initiatives to instil a greater sense of consumer trust in local online trading activities.

KEY LINKS WITH OTHER ENTITIES

THE AUTHORITY REGULARLY LIAISES WITH OTHER STAKEHOLDERS, INCLUDING OTHER AUTHORITIES AND ENTITIES ON DIFFERENT ISSUES.

ELECTRO-MAGNETIC FREQUENCY (EMF) EMISSIONS

The Authority is responsible for ensuring that EMF emissions do not exceed the levels established by the International Commission on non-Ionising Radiation Protection (ICNIRP), which are also endorsed by the World Health Organisation (WHO). The MCA has established an EMF audit programme, regularly carrying out both planned and random tests on mobile phone base stations and other transmitting equipment across Malta and Gozo. These audits gauge the level of emissions and ensure that operators are transmitting within the permissible levels.

MOBILE OPERATOR



Mobile operators set up a network of mobile phone base stations in order to ensure nationwide coverage of their mobile services according to their licence obligations.

MOBILE PHONE BASE STATION



Mobile phone base stations are required in order to receive and retransmit mobile phone signals to ensure that subscribers can make and receive calls/services wherever they are.

MALTA ENVIRONMENT AND PLANNING AUTHORITY



MEPA approves infrastructure installations as may be required.

MALTA COMMUNICATIONS AUTHORITY



The MCA tests emissions from the mobile phone base stations to ensure that these are operating within the limits established at law. Results are also published on the MCA website, www.mca.org.mt

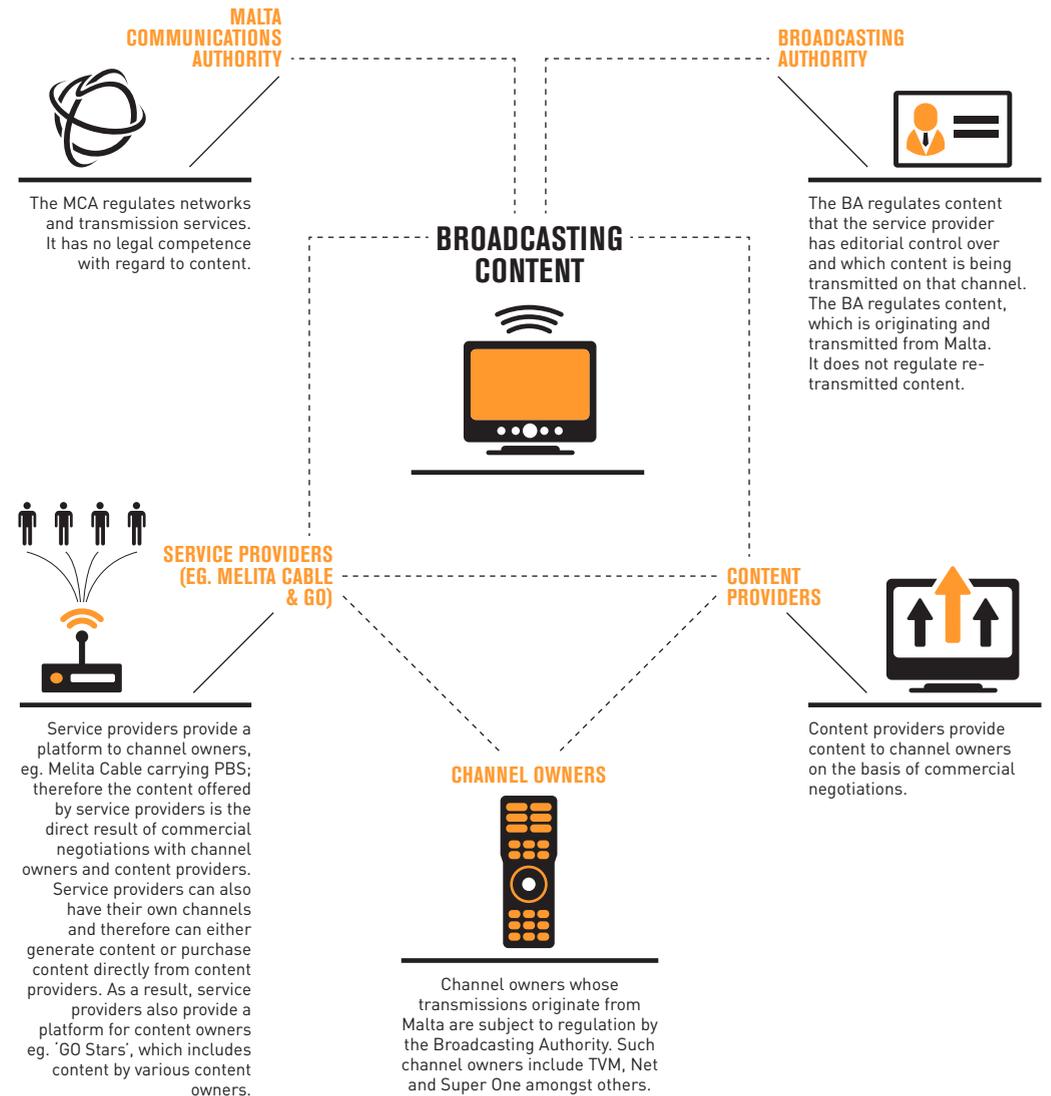
HEALTH DEPARTMENT



The Health Department is the competent authority to address any health concerns related to the emissions from mobile phone base stations. The MCA liaises with this Department as necessary.

BROADCASTING CONTENT

With regard to broadcasting transmissions, the Authority's remit relates to the regulation of the networks and the actual transmission of the service. It does not regulate the content which is transmitted over these networks.



eINCLUSION

In implementing Malta's eInclusion policy as defined in the Networked strategies and the commitments set in Europe's Digital Agenda, the MCA collaborates with various stakeholders from the public, private and civil society spheres. Since eInclusion is a horizontal theme which spreads across many policy areas, the Authority collaborates with other entities in areas that include social policy, education, business and public administration to mention but a few.



Some of the most recent initiatives include:

- Setting up of CTLCs
- ICT4ALL training
- LiveICT programme
- BeSmartOnline!
- Wi-Fi Hotspots
- EPITOME
- WebCheck

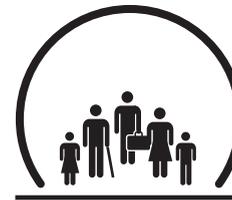
be SMART ONLINE!

With regard to the BeSmart-Online project, the MCA works closely with the Commissioner for Children and the Foundation for Social Welfare Services and collaborates with other strategic partners which include, the Directorate for Educational Services, the Cyber Crime Unit, the University of Malta, the Secretariat for Catholic Education, the Independent Schools Association and Aġenzija Zgħażaġh.



The MCA is responsible for the implementation of initiatives aimed at increasing public awareness on the benefits of ICT; increasing usage of ICT and its applications across all age groups as well as the development and implementation of basic ICT learning programmes; increasing accessibility of ICT through the setting up of CTLCs and Wi-Fi hotspots across Malta and Gozo; running an information campaign amongst children and youths on the safer use of the Internet; and the implementation of initiatives targeting the increased use of ICT amongst the business community.

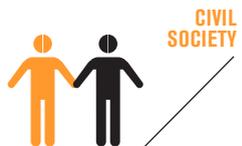
eINCLUSION



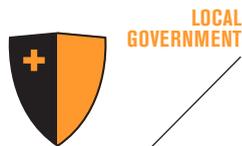
MALTA INFORMATION TECHNOLOGY AGENCY (MITA)



MITA manages the implementation of IT programmes in Government, focusing on enhancing public service delivery and provides the infrastructure needed for the provision of ICT services to Government. It is also tasked with the promotion and delivery of programmes aimed at enhancing ICT education and the use of ICT as a learning tool.



A good number of NGOs, targeting specific segments of society support the MCA in the delivery of its awareness and learning initiatives.



The Authority collaborates with local councils and specialised public entities in particular for the setting up of CTLCs, the installation of Wi-Fi hotspots, and for the organisation of awareness initiatives.



The MCA also regularly collaborates with the following:

- Appoġġ
- Access
- Employment and Training Corporation
- Malta Tourism Authority
- Malta Enterprise



With regard to the business community, the MCA collaborates with the following industry representatives:

- The Malta Chamber of Commerce, Enterprise & Industry
- Association of General Retailers and Traders Malta (GRTU)



The Foundation for Information Technology Accessibility (FITA) is the principal advocate and coordinator for making ICT accessible for disabled people in the Maltese islands



The MCA is a member of and participates in the following fora:

- Insafe/INHOPE
- Telecentre-Europe

CONSUMER AFFAIRS

The MCA applies a three-pronged approach to its consumer affairs function. It adopts a proactive stance anticipating issues that might harm consumers and seeks to ensure that the regulatory framework is sufficiently robust to safeguard against any such practices. It also seeks to ensure that consumers are well informed about their rights and about the offers available on the various communications markets. Finally, where service providers do not abide by any of the consumer protection rules in the regulatory framework, the Authority takes enforcement and sanctioning action to ensure compliance.

