Malta Communications Authority

Strategy Update 2021 – 2023

15th November 2020

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1. Purpose

This document provides a rolling update of the Malta Communications Authority's (MCA's) strategic direction for the period 2021 – 2023. It contains a validation of established strategic thrusts and includes any new developments that are envisaged as having a significant impact during the plan period.

The key thrusts identified in this Strategic Update constitute the framework for the activities that are articulated in the Business Plan for the same time-period.

The contents of this Strategy Update are based on the MCA's visibility of its official mandate as at date of presentation.

2. Contextual Background and Outlook

Background

This Strategy Update constitutes a significant milestone as it covers the twentieth year that the MCA has been in operation. During these two decades the communications environment has experienced a sea-change, thanks also to the adoption of EU legislation, particularly relative to sector liberalisation and competition. The relevant sector undertakings have risen to the occasion. At the same time the Authority has contributed by maintaining the currency of the regulatory environment and by ensuring fair play on the ground. Meanwhile, the Government has maintained the currency of the legal framework, mainly addressing proposals submitted by the Authority.

Ultimately, the state of play of the communications sector is the outcome of such collective activity. It is the net sum of the contributions by the respective players in the operational, regulatory and institutional fields. The robustness of such an outcome normally emerges in a crisis. The latter constitutes a valid stress test, especially when it hits with little or no forewarning, as was effectively the case with COVID-19 and its devastating impact.

When the 2020 Strategy Update was drafted around a year ago, there was as yet no indication whatsoever of what lay in store. Neither was there any inkling of the key role that communications services would play -and will continue to play - as long as the COVID-19 pandemic continues to rage across the globe, emerging as a major mitigator of the terrible impact that this illness had wrought on the global society and economy. Thus, thanks to the availability of robust communications networks, any business that could migrate from a bricks-and-mortar environment to the online medium, managed to weather the economic effects of the epidemic relatively well.

Along the same lines, in Malta quite a number of government and business organisations have maintained the tempo of their work to an appreciable extent. The MCA was one of these and the disruption to its work programme has ended up not being substantial. Even so, in June of this year, the Authority revised its work programme to take into consideration the inevitable workload incumbent on the major operators as well as objective impediments on task outputs. On the whole, however, thanks also to this organisation's preparedness for tele-working, disruption was minimal, even in the period when staff were working 100% from home.

Given the impact that it has had on human activity and behaviour patterns worldwide, a parenthesis on the pandemic and its resultant effect on the communications environment, is due:

Pandemic Effects

Maltese electronic communications operators have faced a challenge in terms of ongoing product quality, resiliency and redundancy, as thousands resorted to working from home all across the country. Meanwhile, postal operators, notably the Universal Service Provider (USP), were faced with a substantially reduced transit service in and out of the country, notably between March and July of 2020. This caused big backlogs in the international mail segment including, significantly, incoming eCommerce. Meanwhile, on the national mail front, there were clear manifestations of interest by economic operators in the development of local eCommerce services, heretofore considered somewhat 'over-the-top' in such a restricted territory where personal pick-up is the norm. This resulted in an increase in local package delivery and the onset of new postal operators focused on the local market.

Overall, it must be acknowledged that the communications sectors withstood the COVID 'stress-test' relatively well, mainly to the credit of the operators themselves. At the same time a number of cracks have emerged that would not have been visible in a normal business-as-usual world. Whilst business continuity was satisfactory most of the time, there are nonetheless a number of areas that need to be shored up so that users can be assured an ongoing service, particularly in times of crisis such as this. This statement applies to both electronic communications and postal services, although difficulties in the case of the latter were significantly more evident. eCommerce is also impacted but mainly as a result of postal issues.

Beyond the immediate operational aspects, a series of behaviour patterns by the consuming public have emerged that are likely to take time to revert to pre-Covid levels, if at all. Notable among these is the acceleration in the electronic substitution of physical mail. Similarly, a number of local businesses have increasingly resorted to online sales, to which they had previously not given any real priority. This has in turn brought about different innovative logistical solutions, leading also to a flurry of small postal operators competing on the local market, outside of the universal service area, in a field that until recently was not considered viable.

Meanwhile incoming eCommerce suffered a setback, mainly due to the congestion at international routing hubs, restrictions on commercial flights and the passenger link with Sicily between mid-March and June. The postal Universal Service Provider found difficulty in effecting the transit of mail from Malta, and acute difficulties were also found by its foreign counterparts attempting to transit mail into Malta. The local Universal Service Provider also seemed unable to reroute mail or was at least only partially successful in doing so. The ensuing disappointment on the part of users, however, should not dampen appetite for overseas eCommerce services once mail transit arrangements revert to an appreciable level of normality.

Not so in the case of the transition from physical to online payments, as both commercial organisations and consumers benefitted from the availability of online payment systems, thereby avoiding physical contact during the peak of the COVID emergency. This trend is unlikely to subside appreciably over time. The full impact will be manifest in the statistics over a span of time so it is early days to make a definitive assessment, however the indications are that the transition to online payments accelerated during the emergency.

Increased work from home has impacted the supply and quality of broadband to homes. The increased communications activity from domestic premises has presumably resulted in requests for upgrades in broadband packages. Quite plausibly, the consumption of pay TV has also increased, including products from Over-The-Top (OTT) providers. Given that most of the TV product is nowadays supplied via IP, this also has had an impact on bandwidth supply to homes to the extent that in some Member States the bandwidth usage for Video-on-Demand had to be curtailed via the downgrade of 4K and HD programming. Such limitations have not been evident so far in Malta, however.

Quite simply, demand for bandwidth has overall risen significantly, plausibly resulting in general upgrading of existing packages. Hence the generally positive commercial impact so far on electronic communications operators, especially those offering fixed line services. On the other hand, the negative economic impact on the hospitality and retail sectors is likely to be felt as well. Meanwhile the net flows of expatriate workers, which in past years have contributed to increasing overall uptake, have yet to be determined. Thus, the true impact of this phenomenon will only be known over the coming months when trends solidify.

Moving forward, it is assumed that a number of behavioural changes will survive, in whole or partially so. It remains rather evident however, that the impact on the communications sector has been and will continue to be substantial. The impact is two-way and the communications sector has been instrumental as a catalyst for change in societal habits. Undoubtedly widespread tele-working, which for a time switched from exception to rule and remains widespread, is the most glaring manifestation of the sea-change that the communications sector has been instrumental in bringing about. Linked to this is the marked increase in interest by a number of economic operators to secure eSignatures and certification services.

Meanwhile, the ability to confidently navigate the digital environment has now become a critical issue for citizens and businesses alike. Thus the need for widespread digital uptake is even more urgent now that 'bricks and mortar' solutions may be endangered, so far in the short to medium term. The 'educational' aspect is another key variable in the regulation of eCommerce activities, even more so now than in the 'pre-COVID' era.

The heavy reliance by all sections of society and the economy on communications has brought renewed emphasis to bear on the security and reliability of networks, raising this aspect to critical levels, even more than was previously the case.

Other Main Developments

Whilst the current emergency has taken centre stage and to an extent eclipsed the relevant sector activities, these have in large part continued, as has the established regulatory work programme. As such, a number of high-impact legislative and regulatory initiatives are well-under way, notably:

- The transposition of European Electronic Communications Code (EECC)

- The market analysis of Relevant Markets 3a/3b

- The launching and management of the various strands of the 5G implementation strategy

- The placing on the market of spectrum for commercial Digital Terrestrial TV.

- The upgrading of spectrum monitoring infrastructure in line with increased dependence on this essential medium.

- The assessment of the degree of accessibility of Government websites and several other priority projects have been embarked upon and are in various stages of development.

- The consolidation of security and resiliency requirements in the various relevant policy areas

It is expected that with little exception the above-listed tasks will spill over into 2021. Thus there will be an element of continuity with the current strategic direction. But it is not correct to state that 2021 will be more of the same in relation to the current year, given that a significant number of these activities will enter the implementation phase.

Meanwhile, new developments, mainly EU driven, are in the offing. A noticeable increase in EU activity is culminating into a sizeable number of proposals that now need to be reviewed by the respective Member States. The review phase will result in a hefty body of work for governments and regulatory authorities alike. Whilst policy determination is Government's final prerogative, a body of preparatory and advisory work is normally carried out by the MCA. One needs to ensure that this key function can be covered by the Authority in a comprehensive and consistent manner.

Thus, policy input to Government by the MCA is expected to increase significantly in the coming year and beyond, as a raft of new proposals, mainly EU-driven, come to the fore. Whilst proposals such as the review to the Postal Directive and the review of the Roaming Regulation can be seen as policy-area-specific in terms of their scope, the same cannot be said for other proposals of a horizontal nature, such as the European Green Deal, or the New Competitive Tool, which presents a new regulatory approach applicable potentially across all economic sectors, with resultant scope and impact still to be assessed.

Other EU-driven proposals, such as the Digital Services Act and the related ex-ante regulatory instrument for large online platforms, or the impact assessment of the Broadband Cost Reduction Directive (BCRD) will keep the MCA's policy advice portfolio quite full throughout the coming plan period.

On the corporate front, reference has been made in previous Strategy Updates, to the wider economic environment and the challenges this presents to the Authority in terms of finding and retaining human

resources of the right calibre. Reference was also made to the need for greater autonomy from Central Government bodies and the relevant Public Service rules that they administer, particularly as regards recruitment and retention. Despite the time elapsed, the observations remain relevant.

Outlook

Consistent with what has been said above, the forthcoming period presents a mix of continuity and new activity. So whilst this organisation's strategic direction to date effectively remains valid for the coming plan period, it takes into stride new developments that will have an impact on the sector and on the Authority's organizational and operational capacity.

Electronic Communications

The Authority's strategic direction for the plan period remains focused, by and large, on the strengthening of the competitive environment, the provision of high quality, secure and resilient services, the facilitation of deployment of next generation fixed and mobile networks and the consolidation of network and information security.

The Authority's strategic direction also dovetails with the European Commission strategic considerations on relevant policy areas. These are articulated in the Commission's latest strategy document titled 'Shaping Europe's Digital Future'[1] and namely gigabit connectivity in fixed and mobile networks, security, resilience and access to infrastructure. These strands collectively constitute the fundamental framework on which all of the digital goals of European Member States, as also highlighted in the same Communication, depend.

The Authority's regulatory activities relative to electronic communications in Malta are focused on the ultimate goal of ensuring that business and domestic users of the relevant services get state-of-the-art services at the best value for money, whilst providing the ideal legal, regulatory and operating environment for undertakings to provide such services. The overall regulatory environment also needs to be conducive to operators being able to invest and innovate. Future-proof networks and services are, in turn, meant to attract and facilitate the development of an advanced digital economy and therefore produce the necessary virtuous cycle for the economy in general to thrive. All these goals are amply reflected in the MCA's mission statement.

The primary impact of regulatory actions should translate into motivating providers towards the provision of innovative, secure and resilient quality services at competitive prices. In making the case for quality, it is clarified that this goes beyond ascertaining that actual broadband speeds reflect advertised headlines and into ensuring the right levels of resiliency, redundancy and security. Such characteristics were already on the Authority's task-sheet before the outbreak of the COVID-19 pandemic. With a large portion of businesses and citizens having had to go online to continue securing their livelihood, the need for robust, 24/7 service provision has truly come under the spotlight. Whilst Maltese operators have weathered the stress-test relatively well, there are nonetheless areas that need to be explored further in terms of existing or potential weaknesses that need to be ironed out.

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[1] European Commission Communication, February 2020.

Other initiatives remain firmly in the Authority's sights for the implementation of the necessary regulatory and spectrum assignment frameworks, in line with EU strategies, whilst at the same time mindful of National requirements.

The competition scenario remains both encouraging and challenging from a regulatory perspective. The analysis of Markets 3a and 3b, issued for consultation around mid-year, is now in the process of deliberation following the relevant inputs from operators. The impact of the outcome of this analysis is wide-ranging and will influence market dynamics in Malta for long years to come. The consumer stands to win or lose according to the outcome of this analysis. Whilst this market addresses the fixed broadband situation in Malta, the final outcome may also impact other horizontal markets. It is augured that a win-win outcome will prevail.

The Authority remains firm in the belief that the maximization of consumer benefit is deeply embedded in a vibrant multi-player situation, as clearly reflected in the Maltese mobile sector. This situation does not, however, subsist in fixed-line broadband provision and therefore a degree of regulatory oversight needs to be maintained.

5th Generation Mobile is being touted as a game-changer with a good degree of justification, albeit a promise that is yet to be realized. The European Commission's efforts towards 5G deployment continues unabated, with a perseverance that is admirable. Given the potential of 5G, this is understandable. At the same time Member States are faced by a host of security and public perception issues that go beyond the already complex tasks of re-allocating and re-assigning relevant spectrum bands. All this comes on top of commercial operators' substantial investment requirements.

From a regulatory perspective, a balance needs to be maintained between the needs of all stakeholders, in pushing forward with this exciting development towards a well-timed, successful conclusion. The MCA has finalized the necessary ground work in order to be able to grant the necessary rights of use of the 5G 'Pioneer Bands' towards the end of 2021. This will mark a significant milestone on the road towards 5G.

Concomitantly, the Authority is working on a host of security-related projects, notably the implementation of the Commission guidelines on 5G Cybersecurity, the so-called Toolbox and risk assessment. The Authority is also addressing the security and integrity of public communications networks, for both fixed and mobile networks, leading up to implementation of such guidelines. The security aspect is seen as a key determinant to their successful deployment and operation. Hence the reason why the MCA prioritises the maintenance of open, safe and secure electronic communications as one its strategic objectives.

As far as spectrum is concerned, whilst the strategic focus of the Authority remains on 5G, other important activities are envisaged in this area. These are being undertaken with the intention of maximising the value and usage of Spectrum. Some such activities relate to upgrading license

conditions for existing services such as for fixed links, and PMSE. Others include replanning of FM broadcasting services and assigning available frequencies for sub-700 DTT broadcasting and DAB broadcasting.

It is pertinent to highlight that spectrum, once awarded, needs to be managed to the highest standards in order to ensure security, resiliency and strict adherence to emission standards. It follows that the identification and location of the source of harmful interference is a must for the seamless operation of 5G and other spectrum-based services. Thus, the upgrading of monitoring equipment becomes a key strategic component of the equation. Complex solutions, on which increasingly sensitive services are intended to run, require a high degree of oversight. A major upgrade has been carried out in the current year and 2021 will see its first full year of operation. The MCA remains committed to maintaining and upgrading its spectrum-monitoring equipment to the highest standards on an ongoing basis.

All these mostly inter-related tasks are intended to successfully address the maximization of radio spectrum as another strategic objective of this organization.

Whilst security and monitoring solutions are major determinants of a quality product to retail users, other measures are available to address service performance in line with rising expectations. As both the commercial environment and the technological solutions underlying retail offerings become respectively more complex, the means to determine that users are getting what they pay for become equally challenging. Hence the need for a matching level of scrutiny. The intention is to have a mix of tools that range from requirements for more clarity in operators' description of products and conditions, to comparative price and quality of service data, to effective fixed and mobile broadband measurement and reporting mechanisms. Information is a key determinant of consumer choice and will remain a strategic tool that this Authority will continue to develop in potential.

Beyond information, the continued enhancement of dispute mechanisms is another measure set at improving user-focused regulatory tools. The assumption by the MCA of the role of forum for Alternative Dispute Resolution as established in the new European Electronic Communications Code (EECC), is one such development. Meanwhile existing tools will be reviewed and enhanced in a process of continuous improvement such as with the Authority's Price Comparison Portal.

Thus, the European Electronic Communications Code (EECC), currently in the course of transposition, brings with it a number of new initiatives, some of which have already been referred to above. A degree of preparatory work has gone into the respective initiatives which should see traction in 2021 following transposition. Two notable initiatives that have to do with service users are the Universal Service for Broadband and the mapping of broadband networks. Implementation will be initiated in the coming year.

Digital Services

The digital environment takes on renewed priority in light of the current health crisis. Concomitantly, the Authority is placing emphasis on this policy portfolio. Following the migration of Information Society promotional aspects to another Government organization, the MCA's contribution has seen a significant shift towards regulation. The Authority has embarked on consolidating its fresh mandate during the current year.

In line with its mandate under the eCommerce Act, the Authority is drafting a new eCommerce strategy following the expiration of the current one by the end of 2020. The new strategy is intended to take into consideration the rapid developments in eCommerce in the past few years and explore how proliferation of the service can be assisted via the appropriate policy measures. The strategy is the keynote activity that will assess how both incoming and local eCommerce can proliferate to the benefit of both local businesses and the general public.

Current initiatives set at gathering and providing information to users and sector players will meanwhile continue. These entail primarily perception surveys with respect to the various business sectors as well as domestic users. Information as to uptake will also be gathered on an ongoing basis and serve as a barometer for sector progress for the Authority and interested stakeholders alike. The continuation and updating of key enablers, notably the current eCommerce guidance measures for business, are also planned.

The resumption of the popular stakeholder forum is also seen as an important tool in fostering effective working relationships with market players and in calibrating eCommerce policy initiatives to better effect.

The continued implementation of the Web Accessibility initiative relative to public sector websites has now taken root as an ongoing function of the Authority, which last year was assigned the legal mandate to manage this role. Consolidation of the Website audit process will be ongoing with further audits to take place in the ambit of a structured plan of action. Beyond the practical aspects, this initiative also serves to increase public awareness of the needs of persons with disability in relation to accessibility to the digital world.

Meanwhile, the MCA is expected to be involved in both National and EU legislation in the making, further elaborated upon under the 'Policy Shaping' heading below.

Other ongoing regulatory requirements in the eCommerce sphere will be duly addressed and improved as necessary by the Authority. Among others, the distribution of information to stakeholders, namely the obligations of eCommerce providers and the rights of users, are seen as an important means to further popularise this channel by providing increased clarity to all, even more so now that usage has intensified in the current conditions.

Postal Sector

In last year's update it was pointed out that:

'The postal sector continues to face the challenges and opportunities that have been on the radar for a number of years now, but are accelerating to a point where concrete measures become necessary. Recent international events have precipitated the situation, to the extent that a comprehensive stocktake of universal service obligations – and the related service provision - is seen as necessary in relatively short order.'

The above remarks were in relation to two major external regulatory developments, namely the EU Commission's regulation[2] on cross-border parcel delivery, and the United States of America's (USA) insistence on a review of the current Terminal Dues system, resulting in an extraordinary session of the UPU in September 2019. The USA's claims were taken up in part.

It is as yet early to assess the effects of these developments on the Maltese universal service provision. Meanwhile, however, the onset of the pandemic has had an impact on the Maltese postal sector. All this points to an increasingly pressing need to review the nature and extent of Universal Service. Ultimately, however, the necessary adjustments towards sustainability need to be addressed primarily by the Universal Service Provider (USP).

The following is another extract from last year's Strategy Update:

"The changing characteristics of the postal sector are common practically worldwide, namely the ongoing decline in letter mail, compensated by the steady rise in letter packets and parcels. The changes in both instances are a well-documented result of electronic substitution. E-mail and electronic billing increasingly replace physical mail whereas e-commerce is supplanting 'bricks and mortar' purchases. The trend in both cases keeps rising steadily and Malta is no exception."

In referring to the acceleration of electronic substitution last year, there was no hint of the extent of the increase in tempo as a result of the current health crisis.

Added to these issues is a failure on the part of the USP to meet established Quality of Service standards during these past few years. Beyond the ongoing regulatory measures to mitigate the effects of quality deficiencies, the Authority is also intent on exploring, together with the USP, longer-term structural solutions that should contribute towards resolving current issues.

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[2] Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services

The postal sector therefore presents challenges, but also distinct opportunities, as COVID-19 accelerates eCommerce activity. Safeguarding the Universal Service on the one hand, and facilitating the expansion in postal operations by the USP and other market players, particularly in relation to eCommerce activity, should result in a virtuous cycle with win-win outcomes for all, as the market expands. Ultimately, it is up to the market players themselves to grasp the opportunities.

Policy Shaping

Policy formulation and advice are a fundamental component of the Authority's ongoing business. Throughout its almost twenty years' lifecycle the MCA has been instrumental in helping shape the communications regulatory landscape, resulting in the current state of play.

Given the dynamic nature of the sectors within its mandate, such policy-shaping activity has shown no signs of easing off. Rather the opposite, as the Authority has consistently kept the legal and regulatory framework abreast of fast-changing developments in technology, in order to secure its best possible impact on the economy and society.

Recent activity by the European Commission in the making of relevant policy proposals has been clearly on the increase and the MCA needs to keep in step and participate actively in the ensuing discussions that need to take place both during drafting stage, that is, prior to the finalisation of the relevant policies, as well as subsequent to their finalisation, by way of assisting Government during transposition into Maltese Law, where this is required, and subsequently implementation on the ground.

Thus the MCA acts as the policy adviser/technical expert in representation of the Government of Malta, where the European institutions and international bodies are involved. However, the Authority also carries out this delicate policy function in its role of regulatory authority, both at a supra-national and international level, mainly within organisations such as the BEREC, RSPG, CEPT, ERGP and CERP[3], to name the main ones, as well as in the formulation of decisions on the local regulatory scene.

The increase in European regulation of a horizontal nature and with respect to new areas that necessitate a degree of input from a communications policy perspective, has meant that a conceptual 'stovepipe' approach, that addresses solely policy input relative to a distinct sector, is no longer the ideal mode of addressing this Strategic Objective. Other policy areas such as Digital Services, Electronic Signatures, new Competition rules, Digital Identity and the New Green Deal are contributing to make this function effectively a horizontal one that spans a host of policy areas beyond the traditional policy mainstays.

On the Digital Services front, activities such as following the drafting, at EU level, of the Digital Services Act, which includes the review of the eCommerce Directive as well as the eIDAS regulation review, will

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[3] BEREC stands for Body of European Regulators in Electronic Communications, RSPG is the Radio Spectrum Policy Group, CEPT is the European Conference of Postal and Telecommunications Administrations, ERGP is the European Regulators' Group (Postal) and CERP is the European Committee for Postal Regulation.

necessitate the application of the relevant human resources. Moreover, at the national level, the Authority will be consulting, on behalf of Government, on the proposed Regulations on Remote Identification in Trust Services, and thereafter implementing the relevant regulatory framework.

The raft of envisaged policy reviews in the postal, environmental and competition fields referred to above, will also necessitate the dedication of the necessary resources. Inevitably the Authority will have to beef up its capacity across the organisation, by way of expert human resources and available time, in order to ensure that Malta's legislative and regulatory frameworks are future-proofed to the highest possible levels, thereby ensuring that the effects of technological progress gain solid traction on the ground.

Cognisant of the fact that regulatory policy at the European level is shifting towards ensuring higher levels of EU-wide harmonisation where supra-level institutions and EU bodies, such as BEREC, are increasingly playing a more important role, the MCA is devoting more and more resources to its participation within these international bodies and fora.

This commitment and more active involvement in projects and tasks conducted by various expert working groups has been acknowledged by our European counterparts that have unanimously voted the MCA's CEO in the seat of BEREC Vice-Chair for 2021.   This is the first time since BEREC was set up in 2009 that MCA will be forming part of BEREC's leadership team.   In this capacity, the MCA will be directly overseeing a number of key deliverables of BEREC as established under the 2021 Work Programme.

This places great responsibility on the MCA, considering that BEREC is progressively fulfilling a key advisory role to the European Commission, Parliament and Council on digital dossiers. This experience will undoubtly enrich MCA's expertise and credentials at both a local and international level and enable the Authority to better align its strategies and actions to the wider EU programmes and objectives.

Research and Development

The Authority intends to consolidate activities that have to date been in developmental mode. It has also identified other areas that merit review, potentially for eventual moulding into the Authority's work-programme.

The MCA will continue to support fixed and wireless broadband research and development, through various modes, mainly via participation in the Broadband Competence Office, the 5G-Zorro research initiative, and in placing renewed emphasis on the need for deployment of IPV6.

The Authority will also introduce new initiatives in space communications, whilst consolidating its role in this policy area.

The MCA will also launch into establishing its role and contribution, together with that of the sectors it regulates, towards making the European Green Deal a success. The Authority has already embarked on relevant research in the current year and intends to continue in research mode throughout 2021 and subsequently develop a strategic and implementation framework to address this valuable initiative. Meanwhile, it is heartening to note that sector players have already commenced initiatives set at achieving eventual carbon neutrality.

Next Steps

This outlook serves to set the scene for the Authority's strategic direction during the plan period. Thus, it gives rise to a number of strategic objectives and the related tasks that are required to achieve them.

3. Key Considerations

The underlying context to the Strategy Update for the period 2021-2023, provided in Section 02, effectively translates into a number of key considerations

- The drive towards the gigabit society, of which 5G plays an integral part, is central to Government's and the MCA's respective agendas.

- Facilitating the deployment of high speed electronic communications networks remains a priority.

- Increased dependence on the Internet, by citizens and businesses alike, raises the stakes for the maintenance of the necessary levels of network and information security.

- Network resiliency and redundancy also become a key priority in light of increased dependence.

- A vibrant, competitive multi-player market remains the key driver of positive market developments

- The Authority will strive to maintain competitive stimuli in the respective sectors via the right mix of regulation, information and facilitation.

- Regulatory measures will continue to support both infrastructure- and service-based competition.

- Broadband as a universal service presents new opportunities in bridging the digital divide.

- Active participation in EU and international fora will remain high, in view of the need to consistently put forward Malta's position, particularly in areas which are of particular relevance to the domestic environment.

- The Authority will monitor sector developments on an ongoing basis and update its work programme accordingly.

- Synergies with fellow institutional players will be continuously fostered.

- Wider end-user-related powers, as advocated by the EECC, will render the Authority more effective in the execution of its mission, to the benefit of end-users.

- Consumer protection will continue to be addressed through a mix of awareness-raising and enforcement.

- A thorough, ongoing and joined-up assessment of quality of service delivery serves to give better all-round awareness of service levels, leading to lasting improvements.

- The monitoring of user quality of experience in the use of communications services is a valuable determinant of actual quality of service.

- Spectrum policy and management will serve as a key tool in ensuring lasting efficiency, quality and safety in electronic communications service delivery.

- Spectrum policy and management will be exercised at the level of national jurisdiction, within high level strategic and policy frameworks set at EU and international levels.

- The main challenge in a liberalised postal market will be ensuring the sustainability and currency of the universal service in an increasingly competitive environment and in the face of changing mail dynamics.

- The postal Universal Service Obligation needs recalibration to reflect users' present-day needs.

- Meanwhile postal products need to tend more towards efficient cost-recovery, thereby reducing dependency on any one or a restricted group of products.

- The Authority will continue to develop the eIDAS regulatory regime in order to facilitate any type of electronic transaction between citizens, companies and public administrations.

- The regulation of digital services will be addressed through a mix of regulatory oversight and stakeholder awareness.

- The Authority will continue developing the necessary framework to address the lack of online accessibility, which contributes to the exclusion of disadvantaged segments of society.

- The Authority will leverage its expertise in the sectors on which it has oversight, in providing related policy advice to Government.

- Environmental considerations, in line with the principles set in the European Green Deal, will be dovetailed in the Authority's work programme.

- The Authority will continue to enhance its internal support capabilities as the means to ensure resiliency, continuity and consistent quality in the services that it delivers, particularly in times when turnover in human resources is significant.

The above considerations effectively serve to shape the key activities that characterise this Strategy Update.

4. Mission and Underlying Principles

The MCA's mission statement is stated hereunder:

- **To promote and safeguard a communications environment that is conducive to investment, innovation, economic growth and social well-being.**

The Mission Statement reflects the MCA's commitment to bringing forward all forms of communication under its legal mandate, given also that all these constitute inter-related parts of the same eco-system.

The MCA's mission statement embodies a set of principles, which the Authority holds central to all the activities that it carries out, namely the following:

- The Authority views, in equal measure, all the communications sectors within its legal mandate as essential for the attainment of its mission, given that the individual sectors form inter-dependent components of the same eco-system.

- In striving towards the fulfilment of its Mission the Authority identifies a raft of Strategic Objectives that it updates periodically in line with relevant developments.

- The relevant Strategic Objectives serve to provide the Authority with the necessary direction and focus in the fulfilment of its Mission.

- The MCA's activity should serve to overall contribute to Malta's transition to a knowledge-based society and economy and to the maximisation of social and economic welfare.

- The Authority will serve as a focal point for policy shaping and implementation.

- The Authority's decisions will be reasonably transparent in order to facilitate decisions by market players, policy makers and all other stakeholders.

In order to achieve its mission the MCA will need to retain the necessary freedom to operate, whilst remaining accountable with respect to achieving Government's policy objectives. Thus the Authority will:

- Ensure the required level of independence enshrined in EU and national legislation.

- Consistently strive to co-ordinate its actions with Governmental and other stakeholders in the pursuit of its mandate.

- Measure and review its performance on an ongoing basis.

- Ensure that it is sufficiently resourced with the right level and mix of expertise and sufficiently financed to carry out its mission and mandate at optimal levels.

5. Strategic Objectives

The MCA's Strategic Objectives for the period covered by this Plan are listed below. As with the Mission Statement, these objectives are reviewed on an annual basis and fine-tuned or changed as necessary, in order to maintain full consistency and currency with the MCA's Mission and Mandate, in the context of the fast-changing environment in which it operates.

In relation to the previous update a number of changes have been effected in order to reflect the outcome of migrated responsibilities as well as the increasingly horizontal nature of policy input by the Authority. In the main, the Authority's existing strategic objectives remain valid.

Overall, all communications policy areas that are entrusted to the oversight of this Authority are interdependent and, as previously highlighted, form part of the same eco-system.

The above considerations translate into the following strategic objectives:

1. Promoting and safeguarding competition in the electronic communications sector

2. Ensuring that electronic communications undertakings provide a transparent, quality service to users in line with incumbent social obligations

3. Maintaining open, safe and secure electronic communications

4. Maximising the potential of radio spectrum

5. Supervising the provision of relevant digital services

6. Safeguarding sustainable competition in the postal sector

7. Ensuring that postal undertakings provide a transparent, quality service to users in line with incumbent social obligations

8. Contributing to the ongoing development and implementation of sector policy

9. Conducting relevant research, exploring and developing emergent policy areas

The MCA's projects and ongoing tasks will all be targeted towards any one of the above strategic objectives, barring activities of a corporate or operations support nature.

6. Individual Strategic Objectives – Outlook/Key Tasks/New Thrusts

The MCA's major thrusts for the period under review, categorised by Strategic Objective, are outlined in this section, under the respective Strategic Objectives:

Strategic Objective 1

Promoting and safeguarding competition in the electronic Communications Sector.

Outlook
- Continue securing ideal conditions for a multi-player scenario

Key Tasks
- Safeguarding a competitive environment
- Facilitating infrastructure roll-out and sharing
- Managing information as the means to promote competition
- Managing the compliance framework

New Thrusts
- Key thrusts are ongoing

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective 1 – Key Performance Indicators

- Movements in number and variety of market players, as well as relative market shares
- Price movements
- Turnover and profitability movements
- Availability of updated wholesale agreements, Reference Offers and cost oriented charges, where these are required
- New service offerings
- Overall sector indicators

Strategic Objective 2

Ensuring that electronic communications undertakings provide a transparent, quality service to users in line with incumbent social obligations.

Outlook

- Implementing re-alignment of the scope of the Universal Service
- Implementing new consumer empowerment and protection powers under the new Code
- Enhancing Quality of Service monitoring mechanisms

Key Tasks

- Reviewing operators' QoS delivery, especially in data services
- Improving the MCA's capabilities vis-à-vis consumer protection
- Reviewing the USO framework in the context of current and envisaged user needs
- Improving consumer awareness

New Thrusts

- USO re-alignment

Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

Strategic Objective 2 – Key Performance Indicators

- Publicly available information relative to required QoS measures
- Stakeholders' perceptions of the overall value and quality of services provided
- Stakeholders' perceptions of the regulator
- % of complaints placed with MCA dealt with satisfactorily

Strategic Objective 3

Maintaining open, safe and secure electronic communications.

Outlook

- Enhancing the security and integrity of public networks

Key Tasks

- Building necessary network and cyber-security capacity
- Analysing net neutrality practices
- Monitoring security, safety and integrity of public fixed and mobile networks
- Participation in the EU Internet Governance Forum
- Mapping broadband services as an information tool relative to broadband network capabilities

New Thrusts

- Implementation of Broadband Mapping
- Implementation of EU 5G toolkit.
- Emphasis on network Redundancy

Key Performance Indicators

The MCA will continue to monitor progress vis- à -vis this objective via the following key performance indicators:

Strategic Objective 3– Key Performance Indicators

- Extent of public confidence in the Internet
- Number and nature of Incident reports to ENISA
- Reports re Net Neutrality practices
- Network and Information security monitoring processes in place
- No. of ongoing inspections/site visits (interference, radiation, etc.)

Strategic Objective 4

Maximizing the potential of Radio Spectrum.

Outlook
- Strengthening the utilisation of spectrum for mobile data
- Working towards 5G

Key Tasks
- Implementation of Spectrum management frameworks
- Assignment of 5G radio spectrum bands
- Implementing the TV & Radio transmission strategy for commercial transmissions and contributing to General Interest broadcasting policy
- Ensuring efficient & effective use of spectrum and associated radio-communications equipment
- Managing effectively the spectrum compliance framework

New Thrusts
- Key initiatives go into implementation mode.

Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

Strategic Objective 4 – Key Performance Indicators

- Progress toward 5G deployments
- Improved mobile broadband speeds and penetration
- Progress towards clearance of spectrum bands designated for high speed mobile broadband
- Extent of spectrum availability to market

Strategic Objective 5

Supervising the provision of relevant digital services

Outlook
- Increasing public confidence in digital services via enforcement and awareness
- Targeting accessibility as a means of inclusion

Key Tasks
- Update of the National eCommerce Strategy
- Organising stakeholder fora, commissioning of surveys of public usage and perceptions of eCommerce, implementing targeted information campaigns
- Maintaining regulatory oversight on the activities of Information Society Services Providers (ISSPs)
- Monitoring Geo-Blocking and cross-border portability regulations
- Ongoing management of eIDAS
- Implementing the regulatory framework for Remote Identification in Trust Services
- Website accessibility continued implementation

New Thrusts
- Update of National eCommerce Strategy

Key Performance Indicators
The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

Strategic Objective 5 – Key Performance Indicators

- Changes in eCommerce uptake by businesses and consumers
- Public awareness of their rights with respect to eCommerce
- Service provider awareness of their legal obligations
- Public perception with regard to the security of eCommerce transactions
- Progress in website accessibility
- Progress in utilisation of digital signatures

Strategic Objective 6

Safeguarding sustainable competition in the postal sector.

Outlook

- Management of the competition regulatory framework

Key Tasks

- Continuing enhancements to the MaltaPost economic control model
- Analysing competition dynamics in specific postal markets
- Managing the Postal compliance framework
- Maximizing efficiencies in collection and analysis of data

New Thrusts

- Key thrusts are ongoing

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective 6 – Key Performance Indicators

- Number of postal services providers in the various postal markets
- Postal volumes, prices and other relevant trends
- New service offerings
- Universal Service Provider making reasonable return on capital

Strategic Objective 7

Ensuring that postal undertakings provide a transparent, quality service to users in line with incumbent social obligaitons.

Outlook
- Ensuring continued sustainability and quality of the Universal Service

Key Tasks
- Determining the feasibility of existing universal postal service obligations
- Managing the compliance framework, with focus on quality of service provision
- Ongoing management of the EU regulation on cross-border parcel delivery

New Thrusts
- Key thrusts are ongoing, with emphasis on USO feasibility and QoS

Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following performance indicators:

Strategic Objective 7 – Key Performance Indicators

- QoS performance statistics in relation to set targets
- USP and MCA Complaints statistics
- Postal volumes, prices and other relevant trends
- Public and business perceptions (biennial)

Strategic Objective 8

Contributing to the ongoing development and implementation of Sector Policy

Outlook
- Providing input to Government on EU proposals, as well as on national matters.
- Contributing to the establishment of positions within BEREC, RSPG, CEPT, RSPG, ITU, ERGP, UPU and other international fora

Key Tasks
- Transposing the EECC into Maltese Law (ongoing from 2020)
- Establishing a Malta position for fixed and mobile termination rates
- Providing input to the review of the EU Broadband Cost Reduction Directive (BCRD) 2014/61
- Providing input to the review of the Roaming Regulations
- Providing input relative to the review of the EU postal services directive
- Providing input on the new Digital Services Act package, which includes the review of the eCommerce Directive
- Providing input to the planned eIDAS regulation that is also slated for 2021/22
- Assisting Government in bringing into force the Regulations on Remote Identification
- Providing policy advice to Government on EU and other international matters as well as on aspects that are national in scope
- Assisting the European Commission Monitoring Mission on electronic communications
- Interacting at various EU-related and international fora (notably WRC-23 and UPU congress preparations)

New Thrusts
- Roaming Regulation
- Digital Services Act, eIDAS regulation review and the New Competition Tool
- Postal Service Directive
- Overseeing a number of BEREC deliverables and tasks as part of MCA's participation in BEREC's leadership team, in the role of Vice-Chair 2021

Key Performance Indicators
The MCA will continue to monitor progress vis-à-vis this objective via the following performance indicators:

Strategic Objective 8 – Key Performance Indicators
- The MCA will, on an ongoing basis evaluate:
  - the effectiveness of its participation in EU and international fora
  - the extent, timeliness and quality of its advice to Government on relevant policy matters

Strategic Objective 9

Conducting relevant research, exploring and developing emergent policy areas

Outlook
- Promoting and facilitating development in relevant communication niches
- Exploring emergent policy areas of relevance to the Authority's mandate

Key Tasks
- Supporting fixed and wireless broadband research and development:
  - BCO capacity building,
  - funding opportunities,
  - 5G Zorro research project,
  - IPV6 deployment
- Stepping up space communications initiatives
  - Review of Satellite filing system,
  - Participation in Galileo, GOVSATCOM, Entrusted (New initiative), National space task force
- Addressing the implications of the European Green Deal on relevant sectors and the MCA's regulatory mandate

New Thrusts
- European Green Deal implications

Key Performance Indicators
The following are the envisaged key performance indicators relative to this strategic objective:

Strategic Objective 9 – Key Performance Indicators

- New and innovative services, or improvements on existing services deployed, trialled in or offered from Malta
- Assessment of Malta's performance in this area vis-à-vis any comparable benchmarks

7. Key Priorities and Envisaged Outcomes

Key Priorities

A number of key priority areas have been identified among the above-listed strategic thrusts. These are as follows:

• Continuing with the transposition of the EECC into Maltese Law and the review of existing regulatory operations

• Maintaining the necessary level of competition in Electronic Communications Networks and Services

• Implementing the framework for the deployment of 5G and related services mainly via assignment of pioneer bands.

• Building further capacity in network integrity and security, and cybersecurity.

• Continue improving the accessibility of websites and mobile applications of public sector bodies.

• Updating the eCommerce Strategy

• Ensuring continued sustainability of the universal postal service in light of fresh challenges.

• Continue enhancing capability to monitor operators' QoS delivery and strengthening consumer powers.

• Participating in the EU debate relative to the Digital Services Act and the Postal Services Directive.

• Identifying the MCA's and the Sector's contribution to the European Green Deal

Envisaged Outcomes

The MCA's concerted activity should result in a series of envisaged outcomes. It is accepted that a particular year's results are not necessarily a direct consequence of that year's activity. Nonetheless the ongoing monitoring of these envisaged outcomes remains an effective indicator of the organisation's performance.

The main envisaged outcomes are the following:

• Progress in deployment and take-up of ultra-high speed fixed and mobile (notably 5G) networks.

• Continued improvements in choice and value of services, especially in fixed and mobile broadband as well as other digital services.

• Increased take-up of existing and new technologies and services.

• Enhanced safety and security of networks.

• Holistic spectrum management and re-assignment frameworks in place.

- Progress in eCommerce uptake as well as in other relevant digital services

- Postal USP making reasonable returns on efficient operations and in line with QoS targets.

- Postal operations supporting enlarged eCommerce business, both incoming and outgoing.

- Continued improvements in choice and value of retail postal services.

- Consolidation of sector environmental policy measures

In carrying out its assessment on outcomes, the MCA will also measure against comparable international benchmarks as may be available, mainly those relating to other EU Member States.

8.   Ensuring Quality and continuity in Delivery

In order to ensure quality and continuity in the execution of its mandate the MCA focuses on a number of fundamental components, which it reviews in a process of continuous improvement:

Performance Planning and Review

The MCA is committed to maintaining an efficient and effective strategic and business planning function together with the monitoring of actual performance against set targets. Performance planning cascades from the strategic and business planning tier to individual staff performance planning programmes. All these components are co-ordinated and regularly reviewed and updated in a process of continuous improvement.

The MCA consistently ascertains the validity of its performance by reviewing its activities on an ongoing basis, assessing whether outputs and outcomes are being attained and reviewing its plans accordingly.

Human Resources

The MCA is committed to ensuring that it retains a knowledge-based organisation that is adequately staffed and structured in order to be able to optimally address its mission and mandate.

Performance-based activity permeates down to the individual level by means of individual performance assessments, which tie in to the achievement of organisational goals. The MCA extends its staff performance measurement and reward system to include outcome indicators that are a reflection of the organisation's progress in meeting its strategic objectives.

Staff motivation is considered a key element for the success of the MCA's mission. The MCA is committed to maintaining an environment that brings out the best in the people it employs.

The MCA places high value on the ongoing training of staff in both soft and hard skills and is committed to periodically carry out a structured programme across the entire organisation as the basis for its training schedule. Such structured training is over and above the 'on the job' knowledge gathering that takes place on an ongoing basis. The latter includes overseas specialized training as well as study visits to and exchanges with fellow National Regulatory Authorities in other EU member states.

Ongoing participation in BEREC and ERGP workgroups has also served its purpose as a highly valued means of investing in expertise. MCA staff members eventually provide a return by contributing as co-drafters on a number of these workgroups. Various MCA representatives are also being nominated and considered as Co-Chairs of these expert workgroups. During 2020, two MCA representatives were for the first time appointed to lead one of the workgroups within BEREC and CEPT respectively. Meanwhile, the MCA's CEO will be taking up the seat of BEREC Vice-Chair in 2021.

The Authority needs to be in a position where it can compete with other economic players to attract and retain the best and brightest in order to be able to carry out its mandate to maximum effect.

Outsourcing of Expertise

In those instances where it is feasible to do so, the MCA will outsource requirements for services whenever these involve the need for specific expertise that is not available within the Authority. The MCA will also consider outsourcing where the need for such services is short-term, and mainly serves to address a pressing need. The MCA is committed to dedicating the necessary resources towards the management of contractors, with a view to obtaining the best possible value in services received both in terms of contracted outputs as well as via knowledge transfer.

Organisation

An organisation that operates in a highly dynamic environment needs to have the in-built flexibility to adapt to changing circumstances. The MCA retains such flexibility via a matrix mode of operation that cuts across formal organisational boundaries and brings together staff from various units and disciplines together to work on specific assignments.

As new functions are assumed the MCA will dovetail these with its business in as seamless a manner as possible. The MCA mission, strategic and business objectives, organisation structure, policies and procedures will be updated to reflect the new state of affairs.

Resources

If it is to function at desired levels and empower its staff members to achieve optimal performance, the MCA will ensure that they are adequately equipped to carry out the task. In this respect this organisation is committed to providing the environment that is most conducive to productivity. It will do this by providing adequate premises and ICT resources as well as other logistical support as required.

The MCA also deems information management as being a fundamental resource to this organisation, and will see to setting up new information systems and processes as necessary, as well as maximising the potential of existing ones. The Authority considers keeping staff updated on developments on an ongoing basis as a fundamental component of its information management activity.

Financial autonomy represents another important pillar in the maintenance of the MCA's status as an independent and effective regulator as well as to achieve desired targets in the case of other mandated non-regulatory activities. The MCA will follow principles of good governance, ensuring that it has adequate finances to meet its mandate and that it delivers the best possible service to stakeholders. In so doing this organisation will also ensure that it is fully accountable for its activities and related incomes and expenditures.

The MCA will continue to ensure that financial reporting reflects the activities carried out and the related sources of funding. The Authority will dedicate the necessary resources towards maintaining its accountability framework to the highest standards.

In order to be able to deliver its programme the MCA requires the collaboration and timely input of other institutional players, not only in the areas of HR and Finance but also in the case of tendering requirements and in instances where projects span a number of government bodies. In the same spirit the MCA will provide timely and quality input to institutional players whenever such is reasonably required.

The Authority's regulatory activity has a clear multiplier effect on Malta's society and economy. The successful delivery of its programme is therefore key to Malta's success.