![mca - MALTA COMMUNICATIONS AUTHORITY]

Malta Communications Authority
Annual Plan 2009

March 2008

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1. Introduction

This document represents the Annual Plan for the Malta Communications Authority (MCA) and outlines the business priorities for the MCA during 2009. The business priorities have been identified based on an understanding of the MCA's mandate, mission and strategic objectives as well as on an assessment of ongoing and envisaged trends in the sectors that the MCA regulates - electronic communications, postal services and e-commerce - at both national and international levels.

In May 2008 the Ministry for Infrastructure, Transport and Communications (MITC) assigned to the MCA the responsibility for a number of projects emanating from the National ICT Strategy.[1] With the extension of the MCA's mandate to include deliverables related to the proliferation of Information and Communication Technologies (ICT) in Malta, the MCA has widened the scope of its activities to include a number of important initiatives to combat the digital divide by involving the local community, market players and education institutions.

1.1 Mission Statement

The mission of the MCA is:

'To regulate the electronic communications, e-commerce and postal sectors with a view to achieving sustainable competition, enabling customer choice and value for money;

To facilitate the development of an environment that is conducive to investment, and continued social and economic growth.'

In carrying out its mission the MCA is committed to performing in a manner that is transparent, proportionate, non-discriminatory and objective. The mission statement implies a number of principles which the MCA needs to hold central to all the activities that it carries out:

o   The realisation of a range of electronic communications and postal services of high quality and competitive prices is best achieved through the development of fair and sustainable competition.

o   In the absence of competition, regulation will seek to simulate the effects of competition.

o   Regulation will cater for the interests of citizens and consumers but will also take into account the exigencies of service providers.

o   Regulation will tend towards technological and service neutrality and be sufficiently flexible as to enable change and allow for technology and service convergence.

o   Regulatory decisions will be transparent and accessible in order to facilitate decisions by market players, policy makers and other stakeholders.

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[1] Refer to https://secure2.gov.mt/SmartIsland/Pages/Home.aspx

- o The MCA's regulatory activity should serve to overall contribute to Malta's transition to a knowledge based society and economy.

- o The wider implications at a European market level will be taken into account in the formulation of any decisions at the local level.

- o Further to its regulatory remit the MCA will encourage citizens and business to embrace ICT as a key enabler to social and economic welfare.

1.2 Strategic Objectives

For the MCA to achieve its mission, the following are the identified strategic objectives covering the Annual Plan period.

Electronic Communications	
T1	Regulating an electronic communications environment that is capable of sustaining competition among existing providers while ensuring ease of entry to new undertaking.
T2	Ensuring that electronic communications undertakings provide a transparent, value for money service to users whilst adhering to incumbent social obligations.
T3	Contributing to the ongoing discussion at an international level, on the consistent development of the electronic communications regulatory framework and related issues.
T4	Facilitating innovation in the provision of broadband and other services, via ongoing research and the continued development of the policy and regulatory environment.
E-Commerce	
E1	The facilitation of e-Commerce uptake via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness raising.
Postal Services	
P1	Attaining the target, within envisaged timeframes, of a liberalised postal services environment that ensures ease of entry to new undertakings and sustainable competition.
P2	Ensuring that postal undertakings provide a transparent, value for money service to users whilst adhering to incumbent social obligation.
P3	Contributing to the ongoing discussion, at an international level, on the consistent implementation and ongoing development of the postal regulatory framework and related issues.
Information Society	
IS1	Promoting widespread e-literacy.
IS2	Encouraging the uptake of e-Commerce.

2.   Priorities

The MCA's plans and priorities are influenced by a number of developments and challenges emanating from the immediate and wider external environments (both national and international) within which it operates, namely:

o   The existence of multiple operational networks and services in all electronic communications markets indicating the emergence of a competitive environment in several of these markets.

o   The pace of technological innovation that is resulting in convergence of networks and services and the evolution towards next generation access (NGA) networks.

o   The developments leading to a new EU electronic communications regulatory Framework.

o   The approach to more flexible utilisation of radio spectrum and the driving forward of a market-based approach to spectrum management.

o   Increasing concern on the need to strengthen information security and network integrity.

o   The ongoing growth in the uptake of e-commerce in Malta.

o   The decision by Government to exercise the option of delaying full market opening of the postal sector from the end of 2010 to not later than the end of 2012.

o   The new role of the MCA as the champion for the uptake of ICT in all facets of Maltese society and economy.

Within this envisaged overall context, the following envisaged scenarios present themselves in respect of the MCA's major areas of activity during the Annual Plan period.

2.1   Electronic Communications

2.1.1   Strategic Objective T1

Regulating an electronic communications environment that is capable of sustaining competition among existing providers while ensuring ease of entry to new undertakings.

Competition is key to ensuring a sustainable electronic communications sector which has the means and is willing to invest in developing new and innovative services. Competition ensures the availability of a range of products and services, meaning consumer choice, quality and competitive prices.

Ensuring that Barriers to Entry Remain Low

The MCA will continue to ensure that rights to access and interconnection will, within the boundaries delineated by regulation, be available to all service

providers and that the MCA will have the necessary enforcement tools to ensure 'de facto' access and interconnection.

Reference Interconnection Offers (RIO's) will continue to be mandated where necessary, and will be supplemented by mechanisms such as regulatory accounting, accounting separation and cost modelling.

The MCA will this year review the local loop unbundling (LLU) offer and pricing model as a means of promoting further competition in electronic communication services.

The ongoing management of numbers and number portability, a lightweight general authorisation scheme and effective access to radio spectrum are other elements that contribute towards ensuring that barriers to entry remain low.

Next-Generation Networks Access

The move to next generation access networks presents opportunities for consumers in terms of new applications and services and new benefits for the Maltese economy. However these developments also bring about a number of new regulatory challenges. The MCA, in collaboration with its European counterparts, will work towards ensuring that the coming into existence of next generation networks does not result in competition bottlenecks.

Developing the Potential of Radio Spectrum

Frequency spectrum has become an essential component in the development of infrastructure-based competition, thanks also to technology improvements that have come about in recent years. In line with the MCA's strategic framework for the management of radio spectrum[2] the MCA will examine how the development of a secondary market for spectrum can be developed by driving forward the process of spectrum liberalisation and facilitating spectrum trading.

Ex-Ante Market Analyses

The MCA will, in the course of 2009, continue to monitor the application of the imposed 'ex-ante' remedies resulting from the analysis of the relevant markets carried out during the past years.

In addition, the MCA will continue with the 'second round' of market reviews in line with the EU recommendation on relevant product and service markets susceptible to ex-ante regulation.

Emergent Competition Issues

The past years have been characterised by an increasing trend towards 'ex post' competition issues in the electronic communications sector. In 2007 the MCA, together with the Office of Fair Competition, laid the groundwork for concurrent jurisdiction in the relevant area.

In the event that ex-post completion regulation devolves to the MCA, the MCA will setup the appropriate structures and processes in order to cater effectively for these new responsibilities and ensure seamless dovetailing with its 'ex-ante' regulatory remit.

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[2] Refer to http://www.mca.org.mt/infocentre/openarticle.asp?id=1119&pref=28.

Legal Review

The MCA will continue reviewing existing electronic communication laws and regulations with a view to making the necessary recommendations to Government on provisions that are obsolete, ambiguous or restrictive on the MCA's regulatory or enforcement powers.

2.1.2 Strategic Objective T2

> Ensuring that electronic communications undertakings provide a transparent, value-for-money services to users whilst adhering to incumbent social obligations

A healthy and competitive environment guarantees improvements to consumers (both business and residential) in terms of pricing, a wider range and choice of services and operators, as well as high quality services and products.

With a healthy competitive environment the regulation of retail markets may decrease but issues of importance to consumers remain which need regulatory attention. There is, therefore, still ample scope for MCA activity that is directly focused at the consumer.

The MCA will continue to carry out the necessary work to promote widespread access to electronic communications services. This will encompass the following areas:

Review of Universal Service Obligations

During 2009 the MCA will finalise a detailed review of the scope of the electronic communications universal service obligations in Malta taking into consideration the developments in competition and changing needs of customers.

Service Quality

The MCA will continue to review and maintain quality of service (QoS) provision concepts in light of technology evolution and a multiple operator environment. To the extent necessary the MCA will continue to enforce and monitor QoS standards and measures particularly in those areas where market forces are inadequate. The MCA will continue to provide information to the public relative to the performance of undertakings.

The MCA will implement measures to prevent significant disparities between consumers' expectation of broadband speeds and their actual experience and consider whether, and in what form, consumers should be provided with more information on the QoS of different broadband Internet service providers.

To further empower the Internet consumer to quantify the QoS of the provision of broadband the MCA will this year review and upgrade its Internet Health Monitoring Online System (IHMS).[3]

Keeping the Radio Spectrum Free of Interference

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[3] Refer to http://www.nethealth.net.mt/.

The MCA monitors the radio spectrum and takes action to prevent harmful interference. The MCA will continue the ongoing programming and execution of market surveillance in accordance with the Radio and Telecommunications Terminal Equipment (R&TTE) regulations to ensure that non-compliant equipment is removed from the market.

The MCA will continue the monitoring of electronic magnetic emissions with a view to ensuring that levels of electromagnetic radiation are in conformity with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines.

Licensing Access to the Radio Spectrum / Co-ordination

The MCA licenses access to radiocommunications equipment requiring a spectrum assignment by issuing, renewing and revoking licences. Where necessary the MCA makes frequency assignments, site clearances and co-ordinates the use of radio spectrum internationally.

In 2009 the MCA will continue to review and enhance the radiocommunications equipment licensing regime (e.g. amateur radio, citizens band, public mobile radio, aeronautical and maritime radio equipment licences).

Digital TV Switchover

The MCA will this year work in concert with the Broadcasting Authority and relevant ministries on finalising the assignment of rights of use of frequencies for digital broadcasting meeting General Interest Objectives (GIOs), in view of analogue turn off by the end of 2010 in line with Government's policy position and strategy.[4]

In addition, as part of the smooth transition to digital television the MCA will, together with other stakeholders, carry out an extensive communications campaign and monitor the progress towards the transition to digital television by switchover in 2011.

Empowering Consumers

The MCA will continue to focus its work on initiatives related to the protection of citizen and consumer interests by a mix of regulatory requirements, consultations, complaints channels, public information and sector self-regulation. The MCA will continue to work to:

o   Propose legislation to Government that will give more powers to the MCA in such matters as deemed necessary for the public's benefit.

o   Further strengthen its complaints handling and dispute resolution functions.

o   Continuously update and enhance the information available to citizens and consumers via, amongst others, the MCA website, such as:

   –   the choices as an electronic communications consumer with respect to products and services, prices and switching;

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[4] Refer to http://www.mca.org.mt/filesystem/pushdocmgmtfile.asp?id=691&source=1&pin=.

- the specific rights and entitlements as an electronic communications consumer in relation to universal service, billing, tariff transparency, contract terms as well as conditions for termination, complaint handling, directory information services, access to emergency service and number portability; and

- information explaining the benefits and uses of new and innovative technologies.

o Ensure that consumers are protected from a range of potential nuisances and that they are aware of their rights by:

- addressing the problem of mis-selling through codes-of-practice;

- disseminating information through a number of channels including, Consumer Guides, the MCA's website and marketing campaigns; and by

- ensuring information is accessible, appropriate to need, accurate and timely.

o Inform consumers via end-user surveys and research on the consumer attitudes to and use of communications technologies, and to raise awareness of the options open to consumers with regard to electronic communications services and products in the Maltese market.

Ensuring Compliance

The MCA will continue to deal efficiently with operator non-compliance by answering consumer queries and liaising with operators to achieve a resolution for consumer complaints. In addition, the MCA will continue to monitor compliance by service providers with requirements in relation to: universal service, billing, tariff transparency, contract terms and conditions for termination, complaint handling, directory information services, access to emergency services and number portability.

2.1.3   Strategic Objective T3

Contributing to the ongoing discussion, at an international level, on the consistent implementation and ongoing development of the electronic communications regulatory framework and related issues.

The regulatory framework within which the MCA operates has been set at a pan-European level by the EU. The implementation of this framework has enabled the MCA to apply a consistent and harmonised set of rules to the electronic communications market in Malta.

It is recognised that the work of the MCA is facilitated by, and at times depends on, cooperation with regulatory counterparts in the other EU Member States, together with the European Commission via the European Regulators' Group (ERG). In addition, the MCA participates in a number of EU and other international fora to ensure that it follows best practice with regard to the regulation of the electronic communications sector.

European / International Dimension

The MCA's role of adviser to Government on the international dimension of the electronic communications regulatory framework is a key task that is incumbent on the MCA in achieving this objective.

The MCA will, during this Annual Plan period, continue to achieve this objective by means of the following key activities:

o The ongoing provision of advice to government on proposed EU legislative measures and other communications.

o The ongoing provision of advice to government on the interpretation and application of any new Directives, recommendations and other EU documents as well as any related issues and disputes arising.

o The active participation and contribution in EU organisations such as the Communications Committee (COCOM), the Radio Spectrum Committee (RSCOM), the Radio Spectrum Policy Group (RSPG) and the European Regulators' Group (ERG).

o The active participation and contribution in other international fora such as the International Telecommunication Union (ITU), European Conference of Postal and Telecommunications Administrations (CEPT), the International Regulators' Group (IRG) and related workgroups.

o The ongoing submission of accurate statistics and information to the EU and other international organisations thus allowing the MCA to be in a position to comment on the makeup of sector information requirements with a view to providing valid information to the European Commission.

o The collaboration on a one-to-one basis with peer regulators on a regular or one-off basis.

New European Regulatory Framework

During the Annual Plan period there will be a range of activities designed to achieve a new European regulatory framework. The MCA will:

o monitor and contribute to the review by the European Commission of the regulatory framework for electronic communications with respect to the following key areas:

– the consolidation of the internal market;

– the application of a common EU approach to spectrum management which is less restrictive and more responsive to increasing demands for this critical resource;

– the assessment of, and input to, proposals related to consumer protection and security, which are becoming increasingly more important due to the sophistication of the electronic communications markets; and

– the future scope of the universal service.

Pan-European Initiatives

The MCA will continue to contribute to pan-European initiatives:

- o on spectrum such as Wireless Access Platforms for Electronic Communications Services (WAPECS) by means of the MCA's participation in the COCOM, RSPG and RSCOM; and

- o on the authorisation of pan-European services - such as the European work on the selection and authorisation process related to the use of mobile satellite services (MSS) in 2 GHz bands, the common European-wide telephone services of social value via the harmonised numbering range beginning with '116', the EU-wide approach to the digital dividend following analogue TV switch off and mobile television services.

2.1.4 Strategic Objective T4

> Facilitating innovation in the provision of broadband and other services, via ongoing research and the continued development of the policy and regulatory environment.

The MCA will continue to encourage and promote new and innovate broadband technologies and services. To meet this objective the MCA will, during the Annual Plan period, concentrate on the following key tasks:

'Technology Watch' Function

The MCA will formalise a 'technology watch' function to monitor international technology developments and assess their implications to the Maltese context.

Rollout of Wireless Broadband Infrastructures

The MCA will continue to monitor the rollout of wireless broadband infrastructures and services with a view to ensuring timely implementation in line with licence conditions.

New and Innovative Technologies and Services

In order to encourage new and innovative technologies and services the MCA will:

- o review the digital broadcasting strategy in relation to the planning and management of the spectrum use for Digital Terrestrial TV, licensing and regulation of digital TV services;

- o examine the digital dividend which could result from spectrum becoming available through the analogue switch-off and identify the most effective means of allocating and assigning this spectrum;

- o develop and promote test and trial radio spectrum licences to encourage the development of innovative spectrum usage in a safe and technology-neutral environment;

- o endeavour to accommodate requirements for trials of convergent and innovative wireless technologies as these arise in appropriate spectrum;

- o continue to identify appropriate spectrum allocations, both licensed and licence-exempt, for wireless broadband services which are supported, or likely to be supported, by ready availability of choice of equipment; and

o   provide appropriate spectrum to the market on a timely basis and in a manner that encourages and facilitates industry innovation.

2.2 E-Commerce

2.2.1 Strategic Objective E1

> Facilitating e-commerce uptake, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.

During this Annual Plan period the MCA will continue to work towards the implementation of the necessary regulatory structures that are required to achieve a solid e-Commerce environment.

The tasks required to attain this strategic objective, include the following:

Public and Service Provider Awareness / Confidence

o   Ensuring adequate awareness at a service provider level of obligations arising out of the e-Commerce Act.

o   Ensuring that customers are aware of their rights and avenues of redress.

o   Encouraging and facilitating the adoption of industry led codes of practice and/or trust mark schemes.

o   Providing adequate and up-to-date information to service providers regarding requirements relative to the take up and pursuit of such services.

o   Supporting the development of a voluntary accreditation scheme for Certificate Service Providers.

o   Coordinating with government and other institutional bodies with a view to ensuring a seamless service to the public.

Monitoring Compliance

o   Securing the notification of Certification Services Providers with the MCA.

o   Setting up and maintaining an e-signatures audit and supervision function.

o   Carrying out e-signatures technical and security audits.

E-Security

o   Participating in the implementation of the national e-security policy and strategy, in conjunction with other stakeholders, with a view to, amongst others, creating increased awareness of the advantages inherent in e-security at various levels.

2.3 Postal Services

2.3.1   Strategic Objective P1

> Attaining the target, within envisaged timeframes, of a liberalised postal services environment that ensures ease of entry to new undertakings and sustainable competition.

Government's decision to take up the option, proposed by the EU, to postpone full market opening of the postal sector by no later than the end of December 2012, leaves the sector in the current situation of partial liberalisation.

This delay in full market opening will bring about a change in the activity that was envisaged towards the achievement of this strategic objective. Nevertheless, despite the reserved area restricted to Maltapost Plc, a number of sector competition issues may still come to the fore before full market opening.

Development of a Competitive Environment

The MCA needs to continue to create the conditions for an environment that is conducive to the onset of competition (within the current limits imposed on the reserved area). The MCA must ensure that customers are provided with greater choice through effective and sustainable competition between postal operators, recognising how competition may develop at different speeds in different segments of the market.

Managing Inter-Operator Issues

Given the presence of a second operator, the MCA will continue to implement mechanisms designed to manage inter-operator issues expected to occur in a multi operator market environment. The MCA needs to set out clearly how operators are expected to work together wherever necessary, and make sure that proper systems are in place to deal with any 'overlaps' between operators so that users receive a good service.

Legal Review

The developments in the postal sector, such as, the process of the gradual and controlled market opening, the new European Commission Postal Directive and the recent privatisation of Maltapost Plc has led to the need, to, amongst others, review the Postal Services Act (Cap 254), the Postal Services (General) Regulations.

The MCA will this year review existing laws and regulations with a view to making the necessary recommendations to Government on the transposition of the new Postal Directive and on provisions that are obsolete, ambiguous or restrictive on the MCA's regulatory or enforcement powers.

Express and Courier Services

The MCA will continue to retain light touch regulation in the wider competitive area. Express and courier services will in the main only be required to provide assurance as to their adherence to the essential requirements relating to mail integrity and to respect the area that is reserved for Maltapost.

2.3.2   Strategic Objective P2

This objective is best achieved in a situation of open competition. In the absence of such a situation regulation remains the only option to the attainment of this objective. The main challenge in relation to this strategic objective will be the continued supply of a sustainable universal service in line with established quality standards on the part of the universal service provider (USP).

Universal Service Obligations

The MCA's activity with respect to achieving this strategic objective will be mainly concerned with monitoring and review exercises in order to ensure that the USP meets its regulatory obligations. Such exercises will focus mainly on cost-orientation, tariff controls, protecting the integrity and security of mail, postal service schemes, access to universal postal services, complaints handling and compensation schemes, financial health of the USP, as well as on the set quality of service targets.

Empowering Consumers

As in the case of the electronic communications sector, the MCA will also continue to update its complaints handling mechanisms in order to meet public requirements and expectations. The MCA will ensure that the public is kept informed of regulatory and market developments that are taking place within the postal sector.

Ensuring Compliance

Regular public perception surveys will be undertaken and published in order to ensure compliance between the services provided by Maltapost Plc as the USP and the customers' needs. The results of these surveys will serve as an additional source of information for regulatory decisions, and to indicate how customers' needs are changing over time.

In addition, the MCA will continue to monitor compliance by the universal service provider and other service providers with requirements in relation to: protecting the integrity and security of mail, access to universal postal services, complaints handling and compensation schemes, as well as quality of service.

2.3.3   Strategic Objective P3

The MCA is committed to keeping abreast with international developments in postal sector regulation, given also the international dimension of the postal service at an EU level, as well as on the wider international plane.

The MCA will strive to achieve its objective by means of the following main tasks:

European / International Dimension

- Ongoing provision of advice to the government on the interpretation and application of any new Directives, recommendations and other EU documents as well as any related issues and disputes arising.

- Active participation in EU fora, European Committee for Postal Regulation (CERP) as well as in other international organisations. The MCA will strive to make a valid contribution to the discussion now that this organisation has reached a stage of maturity, where participation can make a valid impact.

- Ongoing submission of accurate statistics and information to the EU and other international organisations. The MCA will also be in a position to comment on the makeup of sector information requirements with a view to providing valid information to the European Commission.

- Collaboration on a one-to-one basis with peer regulators on a regular or one-off basis.

- Ongoing monitoring of the development of competition in those Member States that have fully liberalised their postal market.

2.4 Information Society

2.4.1 Strategic Objective IS1

Promoting widespread e-literacy

During 2009 the MCA will continue to implement a number of initiatives which will aim at reaching disadvantaged sections of the population to ensure access to ICTs and enhance the level of usage of ICTs as a means of improving quality of life.

Together with various stakeholders from the local IT training industry, foreign IT-certification bodies, as well as pedagogical experts and employers, the MCA will ensure the availability of a variety of basic and entry-level application-based ICT training programmes to special target groups to increase their employability, business and life skills.

Public Awareness and Assistance

The MCA will also:

- Provide ICT awareness and training to the elderly in public and private care residences through a special mobile Computer Training Learning Centre (CTLC) with assistive technologies that will be funded through a public-private model.

- Develop incentives to facilitate the purchase of assistive technologies by persons with disabilities, and their parents.

- Encourage local wireless broadband players to proliferate free Wi-Fi access in all public libraries and public spaces.

- Set up a specialised digital divide response team to deliver intensive, focused and customized ICT awareness and education programmes and employability skills in underprivileged locations, communities or groups with particular disadvantages.

Legal Review

o   Review and recommend changes to the legislative framework and relevant standards to align to international best practice.

2.4.2   Strategic Objective IS2

Encouraging the uptake of e-commerce

During 2009 the MCA will continue to implement a series of initiatives set towards the uptake of e-Commerce in Malta on the part of businesses and consumers.

Business and Consumer Take-Up of e-Commence

The MCA will seek to provide business with the necessary tools and infrastructure to enable the take up of ICT e-Commerce solutions which will enhance the competitiveness of the Maltese industry as follows:

o   Support the development of a virtual collaborative structure through a local Business to Business (B2B) platform to establish common technology protocols and B2B and Government to Business interoperability frameworks, National e-Invoicing platform and related electronic clearing house to allow cost-effective and simpler activity between online businesses.

o   Develop a series of projects on how broadband can be exploited in the optimization of e-business and e-commerce activities, together with the broadband and content service providers.

o   Carryout initiatives intended to assist in the proliferation of e-commerce amongst Maltese enterprises which will include specific solutions for Gozo:

–   an online solution for holiday-making in Gozo; and

–   fiscal incentives for e-Commerce operators conducting e-commerce activity in Gozo, serving Malta and other countries.

3. Programme of Works

In line with the objectives mentioned in the previous section the MCA's Work Programme envisaged to be performed during the Annual Plan period is shown in **Annex 1**.

It is noted that the major outputs listed in **Annex 1** represent the MCA's current best view of the work that the MCA will be undertaking during the Annual Plan period.   These are presented to provide as much clarity as possible.   However, there are a number of factors that may impinge on the work programme and namely:

o   external dependencies that may affect our timing;

o   interdependencies between streams of work, that may entail knock-on effects in the event of delays; and

o   external events that are difficult to predict and which we are required to respond to.

The MCA will update its plans and make adjustments to its Work Programme, as necessary, every quarter to make sure it keeps pace with the rate of market change and any critical issues affecting citizens and consumers.

4. Finance and Effectiveness

This section provides an overview of the MCA's projected expenditure for the Annual Plan period and how the MCA intends to evaluate its performance.

4.1 Finance

The MCA's intention is to be an effective and professional regulator and to provide value for money for our stakeholders. The MCA will ensure that it has adequate finances to meet its regulatory mandate and will make sure that it delivers the best possible service to its stakeholders. In so doing this organisation will also ensure that it will provide a full accounting of its activities as required by law.

The MCA's income derives, mainly, from the following sources: electronic communications general authorisation fees, postal licence and authorisation fees, radiocommunications equipment licence fees and fees from scarce resources (radio spectrum and numbering).

Postal licence and authorisation fees, radiocommunications equipment licence fees and fees from scarce resources are fees payable to Government after deduction of the MCA's administrative requirements with respect to regulating the postal and e-commerce sectors, the effective monitoring of the radio spectrum and activities related to the smooth transition to digital terrestrial television switch-over. Activities related to dealing with the Information Society initiatives are financed via a Government subvention.

For 2009, the MCA's expenditure (by activity) is expected to be as shown in **Table 1** below:

Table 1: Projected 2009 Expenditure by Activity					
	ECS / Radio Spectrum	**Postal**	**e-Commerce**	**Information Society**	**Total**
Staff Costs	1,776,835	65,304	28,000	178,975	**2,049,114**
Administrative Expenses	147,718	67,176	33,588	94,774	**343,256**
Operational Expenditure	940,037	97,520	48,812	144,729	**1,231,098**
Capital Expenditure	409,618	-	-	41,522	**451,140**
Total Expenditure	<u>3,274,208</u>	<u>230,000</u>	<u>110,400</u>	<u>460,000</u>	<u>4,074,608</u>

4.2 Evaluating our Effectiveness

To exercise the MCA's accountability and reporting requirements to the respective stakeholders, the MCA will continue to carefully evaluate its effectiveness and progress towards the achievement of its objective through:

o   performance measurement and monitoring in line with established key performance indicators;

- o the publication of an Annual Report on its operations and performance for the preceding year; and

- o through feedback which it seeks from its stakeholders.

Annex 1 – Programme of Works 2009

Planned Projects and Activities	Description and Output
Electronic Communications – Strategic Objective T1	
Ensuing that Barriers to Entry Remain Low	
Local Loop Unbundling (LLU) Access	Review of the LLU access offer Consultation / Response to Consultation / Decision Notice
Carrier Select (CS) / Carrier Pre-Select (CPS) Specifications	Review of the CS/CPS specifications Consultation Paper / Response to Consultation / Guidance Notes
Fixed Telephony Bottom Up Cost Model (BUCM)	Maintaining a BUCM to monitor and review fixed interconnection rates Ongoing
Fixed / Mobile Interconnection Rates	Review of termination and call origination fixed and mobile rates Ongoing
Accounting Separation Decision	Review of accounting separation and publication of financial information by operators having significant market power (SMP) Consultation Paper / Response to Consultation / Decision Notice
Regulatory Accounts	Review of regulatory accounts of electronic communication operators having SMP Ongoing
Accounting Methodologies Guidance / Advice	Monitoring changes and developments in the field of cost and regulatory accounting Ongoing / Guidance Notes
Developing the Potential of Radio Spectrum	
Digital Terrestrial Broadcasting Strategy	Review of the current Digital Terrestrial Broadcasting Strategy / Development of a Strategic Framework for the digital dividend following analogue switch off Consultation / Response to Consultation / Strategic Framework
Rights of Use of Frequencies for General Interest Objectives (GIOs)	Issue of a licence to authorise the rights of use of Digital TV spectrum to carry broadcasters meeting GIOs Radio Spectrum Licence

Planned Projects and Activities	Description and Output
GSM Radio Spectrum	GSM band liberalisation and expiration of licences Consultation / Response to Consultation / Information Notice / Call for Applications
National Table of Frequency Allocation	Revision of National Frequency Plan (NFP) to take into consideration local, EU and international developments National Frequency Plan Update / Information Notice
Market Based Approaches to Spectrum Management	Study on the application of market based approaches to spectrum management (e.g. spectrum trading) Consultation / Response to Consultation / Decision Notice
Spectrum Planning, Allocation and Licensing	Spectrum Planning, Allocation and Licensing Ongoing
Spectrum Monitoring and Enforcement	Spectrum Monitoring and Enforcement Ongoing
Spectrum Coordination	International spectrum coordination and notification to ITU Ongoing
Ex-Ante Market Reviews and Analysis	
Mobile Access and Call Origination Market	Review of the mobile access and call origination market and the imposition of appropriate remedies on SMP operators Consultation / Response to Consultation / Decision Notice
Wholesale Infrastructure Access Market – LLU	Review of the LLU market and the imposition of appropriate remedies on SMP operators Consultation / Response to Consultation / Decision Notice
Wholesale Fixed Call Origination, Termination and Transit Market	Review of the wholesale fixed telephony markets and the imposition of appropriate remedies on SMP operators Consultation / Response to Consultation / Decision Notice
Mobile Call Termination Market	Review of the mobile termination market and the imposition of appropriate remedies on SMP operators Consultation / Response to Consultation / Decision Notice
Leased Lines Market Review	Review of the leased lines market Consultation

Planned Projects and Activities	Description and Output
Allocation of Numbers	
Framework of Special Tariffs (Premium Rates Services)	Review of the framework for numbering on Premium Rate Services Consultation Paper / Response to Consultation / Decision Notice
Numbering Charging Structure	Review of numbering charging structure Consultation Paper / Response to Consultation / Recommendations to Government
Establishment of Framework for Short Code Number Allocation	Establishment of a procedure on the treatment of applications for short code number allocations Consultation Paper / Response to Consultation / Update to Numbering Plan
116 HESC Services	Monitoring adherence to the procedures and conditions for allocation of right of use for numbers of the 116XXX numbering range Ongoing
Number Allocation and Management	Processing of applications and ensuring adherence to the National Numbering Plan Ongoing
Electronic Communications – Strategic Objective T2	
Digital TV Switchover	
Digital TV Switchover Programme Management	Monitor the transition to digital terrestrial TV by the analogue turnoff date Implementation Plan / Communications Campaign / Progress Reports
Review of Universal Service Obligations	
Universal Service Obligations (USO)	Review of the existing USO Consultation Paper / Response to Consultation / Decision Notice
Service Quality	
Quality of Service Obligations	Review of QoS obligations in light of technology evolution and a multiple operator environment Consultation Paper / Response to Consultation / Decision Notice
Internet Health Monitoring System (IHMS) Update	Review of the IHMS system to offer better services to the consumers enabling them to monitor internet services Website Revamp

Planned Projects and Activities	Description and Output
Keeping the Radio Spectrum Free of Interference	
R&TTE Monitoring	Monitoring the putting into operation of radio and telecommunications terminal equipment in accordance with the R&TTE Regulations Ongoing
Electromagnetic Field (EMF) Emissions Monitoring	Monitoring and auditing EMF emissions to ensure that electronic communications networks / stations are in line with the established EMF benchmarks Report
Market Surveillance	Market surveillance activities of radio and telecommunications terminal equipment Ongoing
Licensing Access to the Radiocommunications Equipment	
Review of Radiocommunications Equipment Licences	Review of radiocommunications licensing regime – e.g. amateur radio licences, aeronautical and maritime licences, fixed links licences and public mobile radio licences. Consultation / Response to Consultation / Decision Notice / Guidance Notes
Licensing Access to Radiocommunications Equipment	Licensing, monitoring and enforcement of radio communications equipment Ongoing
Empowering Consumers / Ensuring Compliance	
Market Reviews Bi-Annual Reports	Review of the developments in the electronic communications market in Malta Six (6) Monthly Reports
Internet Health Monitoring System (IHMS)	Monitoring the IHMS system Ongoing
Directory Services	Management and monitoring of directory services Ongoing
Number Portability Management	Statistical monitoring, dispute resolution and process monitoring Ongoing
Number Portability Specifications	Review and update of number portability specifications Ongoing

Planned Projects and Activities	Description and Output
Consumer Perception Surveys	Biennial consumer perception surveys of electronic communications markets / services Survey Results
Compliance, Enforcement and Investigations	Compliance, Enforcement and Investigations (Electronic Communications) Ongoing
Electronic Communications – Strategic Objective T3	
European Regulatory Framework	
Electronic Communications Framework	Review of laws and initiation of transposition of the envisaged new EU electronic communications framework Review of Legal Framework / Recommendations to Government
Roaming Regulations	Amendments to the Roaming Regulation as necessary Review of Legal Framework / Recommendations to Government
European / International Dimension / Pan-European Initiatives	
EU / International Working Groups	Participation and Contribution to EU / International Working Groups Ongoing
Electronic Communications – Strategic Objective T4	
Integrity of Key Infrastructures	
International Connectivity / Key Infrastructures	Ensuring that operators have adequate contingency plans in place to cater for emergency situations Guidance Notes
'Technology Watch' Function	
Forward Looking Technology Research	Assess how regulatory measures should evolve with a view to facilitating innovation and supporting the development of the electronic communications sector Ongoing
New and Innovative Technologies and Services	
Test and Trial Radio Spectrum Licence Regime	Development and promotion of a test and trail radio spectrum licence to encourage the development of innovative spectrum usage Consultation / Response to Consultation / New Licensing Regime / Information Notice / Guidance Notes

Planned Projects and Activities	Description and Output
5.8 GHz Spectrum Band	Release of the 5.8 GHz spectrum band via a light-licensing approach Consultation / Response to Consultation / Information Notice / Guidance Notes
Radio Spectrum for Commercial Use	Release of additional spectrum for commercial use depending on expression of interest (e.g. –872-876 MHz paired with 917-921 MHz band, 24 GHz band, 26.5 GHz band, 1795 – 1805 MHz band and 2.5 GHz band) Consultation / Response to Consultation / Information Notice

Planned Projects and Activities	Description and Output
E-Commerce – Strategic Objective E1	
Public and Service Provider Awareness / Confidence	
E-Commerce Strategic Framework	Development of an e-Commerce Strategic Framework Consultation / Response to Consultation / Strategic Framework
Focus Groups – Market Enablers	Analyses of the supplier market and find out who the e-businesses are as well as what their function is in the local market. Survey Results
Household Survey	Household survey to assess the extent of e-commerce use, to gain an understanding of the public's perception of e-commerce, including any difficulties, barriers, etc. Survey Results
Awareness / Educational Campaign	Increased awareness of MCA's roles and responsibility with regard to e-Commerce Ongoing
Monitoring Compliance	
Monitoring and Enforcement	Ensure compliance with e-commerce regulations and identification of gaps that need to be addressed in order to build a solid e-commerce environment that instils confidence in e-commerce Ongoing

Planned Projects and Activities	Description and Output
Postal – Strategic Objective P1	
Development of a Competitive Environment	
Postal Inter-Operator Issues	Implementation of mechanisms to mange inter-operator issues that occur in a multi operator market environment Consultation / Response to Consultation / Decision Notice
USP's Annual Regulatory Accounts	Review of USP's Audited Regulatory Accounts Ongoing
General Authorisations, Licensing	Management, Monitoring and Enforcement of Postal General Authorisations and Licensing Ongoing
Legal Review	
Review of Legal Framework Postal Sector	Review of Postal Services Act and subsidiary legislation in view of, amongst others, the Third EU Postal Directive Review of Legal Framework / Recommendations to Government
Postal – Strategic Objective P2	
Universal Postal Service	
Scope of the Universal Postal Service	Reviewing the postal services within the scope of the universal service Consultation / Response to Consultation / Recommendations to Government
Maltapost Plc QoS Obligations	Monitoring Maltapost Plc's QoS by comparing performance with pre-established targets Ongoing / Report
Maltapost Plc's Postal Service Schemes	Monitoring Postal Schemes in line with legislation and MCA's established parameters Ongoing / Report
Maltapost Plc's Universal Service Obligation	Monitoring of Maltapost Plc's Universal Service Obligation (Access, Daily Delivery, Information, Prices) Ongoing / Report

Planned Projects and Activities	Description and Output
Protecting the Integrity of Mail	Monitoring and enforcement of the minimum standards for protecting the integrity of mail of Maltapost Plc and other postal operators Ongoing / Report
Empowering Consumers / Ensuring Compliance	
Market Reviews Bi-Annual Reports	Review of the developments in the postal market in Malta Six (6) Monthly Reports
Postal Consumer Guidelines	Awareness amongst consumers regarding best practice when using postal services and their rights in this respect Guidance Notes
Consumer Perception Surveys	Biennial postal customer perception surveys (consumer, Small Medium Enterprises, Large Bulk Mailers) Survey Results
Compliance, Enforcement and Investigations	Compliance, Enforcement and Investigations (Postal) Ongoing
Postal – Strategic Objective P3	
European / International Dimension	
EU / International Working Groups	Participation and Contribution to EU / International Working Groups Ongoing

Planned Projects and Activities	Description and Output

Information Society – Strategic Objective IS1	
Programme 1: Community Literacy Programme	
Community Technology Learning Centres	Sustain the further development and operations of Community Technology Learning Centres (CTLCs) in Malta, offering access to computing, broadband, awareness and basic IT education in one location
Branded Shared Computer Centres	Assistance in the setting up of Branded Shared Computer Centres aimed to provide mini-CTLC services within micro-communities
Digital Divide Response Team	Establishment of a digital divide response team to deliver intensive, focused and customised ICT awareness and education programmes and employability skills in underprivileged locations, communities or groups with particular disadvantages
Application Based IT Training	Facilitating the provision of entry-level application-based-IT-training programmes to all those who want to take their basic ICT awareness into a next level
Learning IT at the Work Place	Development of a business-friendly programme aimed at encouraging employers to join forces with Government to facilitate ICT-education for their workforce
Roaming CTLC for senior citizens	Provision of a special mobile CTLC with assistive technologies, funded through a public-private model, to roam between public and private care residences to provide day-care ICT awareness and training
Bridging the Gap in Gozo	Development of a CTLC in Gozo aimed at serving as the most advanced and state-of-the-art ICT awareness and educational centre in Malta and Gozo – in addition partner with the private sector, Local Councils and the Gozitan community to deploy a Branded Shared Computer Centre in a number of localities in Gozo
Programme 2: ICT Awareness Broadcasts	
ICT Awareness Programmes	Development and broadcasting of ICT awareness programmes aimed at enhancing public awareness and interest in the use of ICTs
Programme 3: Wi-Fi in Public Places	
Free Wi-Fi Access	Proliferation of free Wi-Fi access by providing access, through the citizen's e-ID, in public libraries and gardens

Planned Projects and Activities	Description and Output
Programme 4: e-Accessibility Programme	
Foundation for IT Accessibility (FITA)	Enhancing the FITA's performance by assisting it, in the delivery of capital projects aimed at enhancing accessibility
National Accessibility Standards	Publication of national accessibility standards
Information Society – Strategic Objective IS2	
Programme 5: e-Business Capacity Planning	
e-Commerce Supply Chain Framework	Creation of a national e-Commerce supply chain framework which will serve as a 'National ICT Resource' – this will include commonly agreed policies, guidelines and service levels to ensure a streamlined operation across multiple e-Commerce operators conducting activity both locally and internationally
Broadband for e-Business	Development of a series of path finding projects on how broadband can be exploited in the optimisation of e-business and e-commerce activities
e-Commerce Service Providers	Promoting the ICT industry and enable e-commerce growth by supporting the creation and nurturing of an indigenous e-Commerce service provision community, offering competitive and innovative products
Programme 6:e-Commerce Trust	
e-Trust Scheme	Expanding the e-Trust Scheme to introduce different tiers of trust levels based on categories of international best practice, primarily promoting merchant self regulation
	Issue a set of 'e-Commerce Best Practice Guidelines' to promote customer rights and quality of e-Commerce services
Programme 7: B to B	
Business-to-Business (B2B) Institute	Promotion and support of the establishment of a B2B Institute aimed at bringing together all the key B2B players to engender local and foreign B2B activity, to promoted self-regulation and to establish code of ethics, best practices, charters and guidelines
Business-to-Business (B2B) Platform	Supporting the development of a virutal collaborative structure through a local B2B platform to establish common technology protocols

Planned Projects and Activities	Description and Output
Corporate Initiatives	
Statistical Analysis Modular System (SIMS)	Implementation of a statistical analysis system to effectively monitor the respective markets Statistical Analysis System
Guidelines on Appropriate Sanctions	Development of guidelines to assist in determining sanctions applicable to instances of non-compliance Guidance Notes
Website Revamp	Revamp of the MCA Website for better dissemination of information for both operators and consumers and the provision of online services Website Revamp
Annual Report	Development and Publication of MCA's Annual Report / Performance Measurment - 2008 Annual Report
Strategic Review, Business and Financial Plan	Development of MCA's Strategic and Business Plan – (2010 – 2012) Strategic Plan Update / Business and Financial Plan
Performance Measurement and Monitoring	Performance Measurement and Monitoring - 2009 Ongoing
MCA's Annual Conference	MCA's Annual Conference - 2009 Annual Conference