



Malta Communications Authority **Annual Plan 2012**

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1. Introduction

This document represents the Malta Communications Authority's (MCA's) Annual Plan covering the period 2012. It focuses on the priority work-streams and related individual tasks that the MCA intends to undertake during 2012.

The Annual Plan is 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, namely, electronic communications, radio communications, radio spectrum management, postal services and e-commerce - at both national and international levels.

The Annual Plan also deals with the MCA's non-regulatory work-streams within its mandate, namely the Information Society (IS) initiatives, as assigned to it by the Ministry for Infrastructure, Transport and Communications (MITC).

The Annual Plan is reflective of the MCA's strategic plan update covering the period 2012 - 2014. The strategic plan update, amongst other things, establishes the mission statement and the priority work-streams for 2012 under the identified strategic objectives.¹

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, innovation and continued social and economic growth.'

1.2 Strategic Objectives

For the MCA to achieve its mission over the next three (3) years, the following are the identified strategic objectives emerging from the MCA's strategic plan update covering the period.

Electronic Communications	
T1	Regulating an electronic communications environment that is capable of sustaining competition among existing providers whilst ensuring ease of entry to new undertakings.
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	

¹ Refer to MCA's Strategic Plan Update which represents the MCA's strategic direction and factors in the market developments that are seen to have an impact on the MCA's strategic direction over the coming three years.

E1	Facilitating e-commerce uptake and the use of electronic signatures, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.
Postal Services	
P1	Attaining, within envisaged timeframes, 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	Achieving widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens, in particular, disadvantaged groups.
IS2	Encouraging the use of e-Business models by local enterprises as a means to improve competitiveness.

1.3 Legal Frameworks

The MCA's mission, mandate and functions derive from the Malta Communications Authority Act (Cap 418). The MCA is the national regulatory authority (NRA) responsible for:

- the regulation of electronic communications networks and services, radio communications equipment and the management and monitoring of the radio frequency spectrum as defined in the Electronic Communications (Regulations) Act (Cap 399);²
- the regulation of postal services as defined in the Postal Services Act (Cap 254);³ and for
- ensuring compliance with the Electronic Commerce Act (Cap 426).

1.4 Consultation and Communication

The MCA is committed to ongoing consultation with a broad range of stakeholders when developing policy and regulatory initiatives. The major stakeholders include citizens, consumers, industry, government, the EU, interest groups and other regulatory authorities. The maintenance of open, effective and timely communications with all stakeholders is therefore a key element of the MCA's operations.

In support of this, the MCA will this year review its communications strategy. The communication strategy will focus on, among other things, increasing public awareness of the MCA's activities and broadening support for the MCA's policies, programmes and operations.

² In May 2011 the new EU telecom regulatory framework was transposed into the Electronic Communications (Regulations) Act.

³ In July 2010 the Postal Services Act was amended to reflect the Third EU Postal Services Directive. Full market opening of the postal sector in Malta will take place on the 1st of January 2013.

1.5 Accountability Framework

The MCA carries out its functions within a matrix of responsibilities and relationships, both within Malta and across the EU.

The MCA is accountable to the Minister responsible for Communications, for the preparation and presentation of its annual business plan for approval. The responsible Minister provides such approval following consultation with the Minister responsible for Finance. The MCA also presents its annual report to the Minister responsible for Communications and the Minister responsible for Finance, on its operations for the preceding year.

The MCA is also held to account by the sectors it regulates and by the public / consumers on whose behalf it regulates. The MCA, on a yearly basis, publishes its strategy and its annual plan, following approval by the Minister responsible for Communications, on its website. The Authority also publishes its annual report on the MCA website.

1.6 Measuring Performance

The MCA carefully monitors and reviews its performance and progress towards the achievement of its objectives through:

- performance management;
- the publication of an Annual Report; and
- feedback sought from stakeholders.

Progress towards the attainment of the MCA's strategic objectives is measured by a series of related activities. In this respect, the MCA, on an ongoing basis:

- formally and informally, ascertains stakeholders' perceptions of the regulator;
- carries out bi-annual market reviews providing an overview of the trends in the sectors regulated by the MCA;⁴
- conducts performance measurement and monitoring in line with the key performance indicators identified in the MCA's strategic plan update; and
- monitors the achievement of the MCA's objectives and work programme, identifies any shortfalls and takes the necessary steps to remedy them.

⁴ See <http://www.mca.org.mt/document-type/market-reviews>

2. Work Programme and Priorities

What follows is an overview of the MCA's priority work-streams (including the MCA's ongoing major work areas) that will contribute to the achievement of the identified strategic objectives and that are of interest to the MCA's stakeholders. The MCA's priority work-streams are grouped by the above-mentioned strategic objectives.

2.1 Electronic Communications

2.1.1 Strategic Objective T1

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

A Regulatory Environment for Next-Generation Access Networks

The electronic communications sector is at a critical stage of development. The move to Next Generation Access Networks (NGANs) - i.e. the provision of high speed broadband access via solutions such as fibre to the cabinet and to the home - across an increasing proportion of the national territory, presents opportunities for both business and domestic users in terms of new applications and services, with resultant socio-economic benefits.

In line with its strategic framework for the regulation of NGANs,⁵ the MCA will continue to articulate the necessary regulatory framework to facilitate the roll-out of NGANs, typically characterised by a fibre-to-the-home (FTTH) environment.

In addition, the MCA will continue to support the work that Government is carrying out in relation to the facilitation of NGAN deployment in Malta.

Regulation to Support Effective Competition – Market Analysis

Under the EU system of market reviews, the MCA, like all other European NRAs, must review a pre-determined set of sector markets and decide, based on relevant methodology, whether they are effectively competitive. If not, remedies must be imposed.⁶

NRAs may mandate an equivalent provision of service for wholesale access seekers, thus allowing other operators to use wholesale inputs from the dominant operator's network to create and sell retail services. This requires the MCA to review the level of competition to determine, in the case of a finding of Significant Market Power (SMP), whether mandated access is justified, and if so, at what price. It must regularly review those judgements and, if regulation is no longer justified, it must remove it.

The MCA will 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 Markets.

⁵ Refer to the MCA's Strategy for the for the regulation of next generation access networks published on the 3rd of May 2011:

http://www.mca.org.mt/sites/default/files/articles/NGA_Reg_Strat_2011_0.pdf

⁶ The new EU telecoms rules give the European Commission the power to oversee regulatory remedies proposed by national regulators. The objective is to avoid inconsistent regulation that could distort competition in the single telecoms market.

The MCA will, in the course of 2012, finalise its review of Markets 4 (Wholesale network infrastructure access – including unbundling access at a fixed location) and Market 5 (Wholesale broadband access). These two markets bear significant importance in the transition to NGAN networks.

The proliferation of bundles is a phenomenon that is very much on the increase in Malta, and even more so than in other EU Member States. It is necessary to ensure that bundling does not hamper the development of lasting competition. The MCA will review the phenomenon of bundled services in order to establish the extent to which this phenomenon may cut across established market definitions and dynamics. The exercise needs to be couched within the established market analysis framework and in line with principles and practices established by the Body of European Regulators for Electronic Communications (BEREC), on the matter.

Low Barriers to Entry – Application of Remedies

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 regulate access and interconnection.

Wholesale reference offers for third party access to an operator's network or service (e.g. Local Loop Unbundling - LLU and Sub Loop Unbundling - SLU) will continue to be mandated where necessary, and will be supplemented by mechanisms such as regulatory accounting, accounting separation and cost modelling.

In line with its Interconnection Strategy,⁷ the MCA will complete the implementation of its Bottom-Up Cost Model (BUKM) for fixed networks and start the necessary work to develop its BUCM for mobile networks. These cost models will enable the MCA to set termination rates based on the costs incurred by an efficient operator. Ultimately, the lowering of termination rates carry significance only if accompanied by concomitant reductions in retail prices. The MCA will carefully study the relationship between the two variables in its market analysis exercise, particularly in the case of mobile call origination.

Developing the Potential of Radio Spectrum

The MCA is responsible for ensuring the optimal use of the electro-magnetic spectrum identified in the national radio frequency plan. The radio spectrum is used to support a wide range of applications and electronic communications services such as radio and television broadcasting, mobile telephony, emergency services communications and wireless broadband.

Radio spectrum needs to be provided in sufficient quantities on a liberalised, technology neutral basis, to facilitate the rollout of competitive, high-quality wireless services. The MCA is committed to responding to market needs by managing spectrum usage rights in an open, transparent and non-discriminatory fashion.

The MCA will continue to coordinate spectrum in the 470-862 MHz frequency bands with neighbouring countries to facilitate the effective provision of broadcasting and other services, with a view to maximising the digital dividend for Malta.⁸ This will depend on

⁷ Refer to MCA's short to medium term Interconnection Strategy for the local electronic communications sector: <http://www.mca.org.mt/article/interconnection-pricing-strategy-electronic-communications-sector-decision-may-2010>

⁸ The 'digital dividend' refers to the part of the radio frequency spectrum that is freed up following the switch from analogue to digital. Analogue switch-off in Malta took place on the 31st October 2011.

the collaboration of neighbouring states in the international coordination of frequencies, in full respect of the International Telecommunication Union (ITU) policies and regulations. The MCA will continue to hold discussions with the ITU and hold bilateral meetings with neighbouring states in order to resolve current frequency coordination issues. The MCA notes that the Radio Spectrum Policy Group (RSPG) is drafting an opinion on the process for EU assistance in bilateral negotiations with third countries and between EU countries.

Furthermore, the MCA will continue to make available additional spectrum to enable new and innovative services subject to expressions of interest from the market. In making spectrum available for wireless services, the MCA will continue to apply the principles of technology and service neutrality in line with WAPECS (Wireless Access Policy for Electronic Communications Services)⁹.

Numbering

The MCA is responsible for the efficient management of Malta's telephone numbering plan. Numbering is a key enabler of electronic communications services and the need to preserve this finite national resource must be balanced against the need to ensure an adequate supply of numbers to support the demands of new and existing customers and service providers.

The management of the numbering plan involves:

- Allocating telephone numbers and short codes to service providers and customers for new and existing services and ensuring that these numbers are promptly provisioned on all national and international networks.
- Monitoring number utilisation and implementing number changes when and where required.
- Ensuring that numbers are used in accordance with their conditions of use as specified in National Numbering Conventions.
- Developing numbering policies that foster both competition and innovation, whilst also ensuring consumers remain protected and informed.

The European Commission has in recent years taken a more proactive role in implementing a framework for European wide harmonised numbering ranges such as 112 for emergency services and 116 for services of social value. As part of its numbering plan management function, the MCA works closely with the European Commission and other Member States to ensure that appropriate harmonisation measures are implemented at a national level.

The MCA will this year finalise its review of the charging methodology for the usage of numbers in light of the introduction of fixed and mobile number portability and the entry of new operators in the market and to ensure that numbers are used effectively and efficiently in a competitive environment.

⁹ WAPECS is a framework for the provision of electronic communications services within a set of frequency bands to be identified and agreed between EU Member States in which a range of electronic communications networks and electronic communications services may be offered on a technology and service neutral basis, provided that certain technical requirements to avoid interference are met, to ensure the effective and efficient use of the spectrum, and the authorisation conditions do not distort competition.

Priority Programme of Works 2012 – Strategic Objective T1

The table below contains a listing of the priority work streams that will contribute to the achievement of Strategic Objective T1.

Priority Programme of Works 2012 - Strategic Objective T1 (Electronic Communications)	
Project / Activity	Planned Output
A Regulatory Environment for Next-Generation Access Networks	
Co-location regulatory framework - A framework for the imposition of regulatory obligations related to co-location, sharing of network elements and associated facilities	Development of policy paper Public Consultation Consideration of responses to consultation Response to consultation
Regulation to Support Effective Competition - Market Analysis	
Review of wholesale network infrastructure access (including unbundled access) market	Public Consultation on the market analysis Consideration of responses to consultation Notification of draft decision to the European Commission Report on Consultation / Decision
Review of wholesale broadband access market	Public Consultation on the market analysis Consideration of responses to consultation Notification of draft decision to the European Commission Report on Consultation / Decision
Review of wholesale leased lines market	Public Consultation on the market analysis Consideration of responses to consultation Notification of draft decision to the European Commission Report on Consultation / Decision
Review of the mobile access and call origination	Consideration of responses to consultation Notification of draft decision to the European Commission Report on Consultation / Decision
Review of wholesale broadcasting transmission services	Public Consultation on the market analysis Consideration of responses to consultation Notification of draft decision to the European Commission Report on Consultation / Decision
Analysis of bundled offers	Analysis of bundled offers available on the market Consultation on specifications of the obligation not to unreasonably bundle retail services Consideration of responses to consultation Report on Consultation / Decision
Low Barriers to Entry – Application of Remedies	
Development of Fixed Bottom Up Cost Model	Implementation of BUCM Ongoing Monitoring / Maintenance
Development of Mobile Bottom Up Cost Model	Procurement of consultancy services for the development of a mobile BUCM
Review of operator Fixed Termination Rates	Public Consultation Consideration of responses to consultation Report on Consultation / Decision
Review of operator Mobile Termination Rates	Public Consultation Consideration of responses to consultation Notification to the European Commission Report on Consultation / Decision

Project / Activity	Planned Output
Developing the Radio Spectrum Potential	
Assignment of the rights of use of the 3400 – 3800 MHz spectrum band subject to expression of interest	Decision on the assignment of rights of use of spectrum
Review of the 800 MHz radio frequency band	Development of a policy and strategic framework for the rights of use of the 800 MHz spectrum band
Review of Digital Radio (T-DAB) Licence for rights of use of radio spectrum	Consultation with licensee on renewal of licence in line with licence conditions
Numbering	
Review of numbering charging structure and methodology	Recommendation to Government Revised Numbering Plan / Cost Structure

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

Continued Availability of the Universal Service

A competitive market, in which all the key players have a purely commercial remit will serve the needs of most consumers, but there is a danger that some may be left behind. Access to electronic communication services is now such an essential part of life that, without it, citizens run the risk of social exclusion. The European Regulatory Framework therefore recognises the importance of ensuring that a basic service – “the Universal Service” - is provided to all consumers at an affordable price.

The universal service consists of access to the publicly available telephone network at a fixed location, capable of supporting voice, facsimile and data communications at broadband data rates; payphones; directory services; services for users with disabilities; and affordability. GO Plc is currently designated by the MCA as the Universal Service Provider (USP).

Regulators have an important role to play in defining the universal service, to ensure that it keeps pace with the needs of consumers; in designating the USPs; and in ensuring quality of service. The current scope of universal service was designed for the conventional telecommunications environment of voice-based networks, where the main infrastructure provider was also the service provider. As technology develops and consumer needs evolve, policymakers must consider the appropriate factors to ensure that the services provided continue to be aligned to consumer’s needs and in step with the market.

Consumer needs for a universal service are changing: “Broadband for all” is often stated as a policy objective at European and national levels, and the European Commission is deliberating on the role of universal service in meeting this objective.¹⁰ The MCA’s position will be informed by national policy developments, with respect to broadband availability, and further development on the part of the European Commission, regarding universal service.

¹⁰ The Universal Service Directive (USD) is limited to the provision of a connection to a network allowing access to the Internet, thus excluding the internet services from the scope of universal service obligations.

Financing the Universal Service

If an undertaking has suffered an unfair burden as a result of providing all or part of the universal service it may submit a written request for funding to the MCA. When the MCA is determining whether an undertaking has suffered an unfair burden it shall evaluate the calculation of the net costs of the universal service in line with legislation.

Net cost refers to the costs arising from the provision of the service which the universal service operator is unable to cover with the proceeds from the service (taking into consideration, amongst other things, the intangible benefits resulting from the provision of the service). In the case of the need to reimburse any net cost, the MCA will introduce a mechanism to compensate the undertaking for the determined net cost in line with legislation.

Ensuring Equivalence in Access and Choice for Disabled End-users

The new EU regulatory framework, transposed into national legislation in 2011, places additional emphasis on the need for consumers with disabilities to be able to access or choose from the range of electronic communication services available to all consumers.

The MCA will conduct a high-level analysis of the costs and benefits associated with the different accessibility services and produce a report to facilitate consideration of the issues at national level.

Monitoring of Service Quality

The USP is required to deliver a quality service to its customers. The MCA sets QoS requirements on GO Plc with respect to its universal service obligation. The performance of GO Plc's universal service obligation will continue to be monitored and reported on a yearly basis.¹¹

The MCA will review quality of service (QoS) provision concepts, on an ongoing basis, in light of technology evolution and a multiple operator environment. The MCA will also continue to enforce and monitor QoS standards and measures and will continue to provide information to the public relative to the performance of undertakings.

The MCA will, this year, implement a mechanism to measure the QoS offered by broadband providers. These measures are intended to ensure that end-users' expectations of the performance of their contracted broadband service are matched by their actual experience in using the service.

The MCA will also make available information to end-users about the type of service they are likely to receive upon entering into a contract with a broadband service provider (e.g. information on broadband speeds, taking into consideration different technologies, information that should be made available to end-users at point of sale, and information to be provided on the providers' website).

Keeping the Radio Spectrum Free of Interference

The MCA monitors the radio spectrum and takes action to prevent harmful interference. Increasing demand for, and use of, radio spectrum leads to a corresponding increase in the risk of interference. The MCA will continue to modernise its equipment intended for the prevention of harmful interference.

¹¹ Refer to MCA's Decision on the measurement of authorised operator quality of service performance: <http://www.mca.org.mt/infocentre/openarticle.asp?id=669&pref=1>.

The MCA will continue with its 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 also, in collaboration with other institutional stakeholders, develop a national plan for telecommunications infrastructures / towers.

Monitoring Electronic Magnetic Field Emissions

The MCA will continue to monitor electronic magnetic field emissions (EMF) with a view to ensuring that levels of electromagnetic radiation are in conformity with standards approved by the Maltese Health Authorities.

Licensing Access to the Radio Communications Equipment / Co-ordination

The MCA manages the licensing of radio communications equipment.¹² Where necessary the MCA makes frequency assignments and also co-ordinates the use of radio spectrum internationally.

The MCA will continue to enhance the radio communications equipment licensing regime and examine the scope for applying further general authorisations where appropriate.

Network Security and Resiliency

As electronic communications networks become ever more globalised, and with the increasing separation of networks from content, the quality and security of networks is becoming increasingly an issue for consumers. In addition, increasing demand for capacity will inevitably test the reliability and resilience of networks. Network operators need to adjust and manage networks to meet consumer needs while facing variable and unpredictable traffic flows.

The growing demand for bandwidth will put pressure on the reliability and quality of networks. The question of their security and resilience is increasingly pertinent and the MCA will work with consumers and service providers to ensure continued quality of service and that the security and redundancy are maintained at the necessary levels.

Informing, Empowering and Protecting Consumers

As competition intensifies, consumers must be appropriately informed, empowered and protected. The revised regulatory framework strengthens the specific rights applicable to consumers of electronic communication services. In addition, the revised framework strengthens consumers' rights with respect to electronic communication contracts, data privacy and switching. As mentioned above, the revised framework also paves the way for consumers with disabilities to be able to access and choose from the range of electronic communication services available to all consumers.

Ease of Switching Between Providers

The ability of consumers to switch between products and service providers is the basis of a competitive market place and a safeguard of consumer welfare. The MCA plays an important role in removing any barriers to switching that may exist in the market, in order that consumers can enjoy the full benefits of competition.

¹² In 2010 the MCA was delegated the responsibility for the issuance and management of all radio communications equipment licences. This function was completely taken over by the MCA in 2011.

Information plays a key role in enabling consumers to make the most of competitive markets. If consumers are not fully informed about the services available to them, they may make incorrect decisions and be reluctant to switch. The MCA will continue to work to support consumers by making available information the market does not provide effectively but helps them make informed decisions and choices.

In addition to information obstacles, consumers may also face contractual barriers to switching; this is where contractual terms may affect consumers' ability to switch in the market. This may be the case where terms give rise to early termination charges. Another concern is in relation to automatically renewable contracts, i.e. contracts which are automatically renewed for a new minimum contract period after the expiry of the initial and any subsequent minimum contract periods. The MCA will continue to assess the impact of these contractual conditions on consumer behaviour and, potentially, competition in order to identify any detrimental impact.

Over the last few years the MCA has successfully tackled various issues with switching processes, including broadband migrations and fixed/mobile number portability. However, with an increasing move towards the sale of products in bundles, it is becoming increasingly important for the MCA, to study such practices and their impact on consumers' ability to switch bundles or individual products within them.

The MCA will review current switching processes, and the extent to which they promote good consumer and competition outcomes. The aim of the review will be to develop a strategic approach to switching and to ensure that there are no undue barriers to switching.

Operator Contracts

The MCA will continue to review the contractual obligations of all operators providing a connection to the public communications network and/or publicly available electronic communications services to ensure that they are providing their subscribers with clear and comprehensive contracts in line with the new legal provisions.¹³

Under the new regulatory framework all undertakings providing a connection to a public communications network and, or, publicly available electronic communications services are to provide their subscribers with a contract that specifies in a clear and comprehensive manner, amongst other things, information on the minimum service quality levels, compensation and refunds available to consumers in cases where these levels are not met, and clear information on the qualifying criteria in the case of promotional offers or in the event of termination of a service.

Consumer Information

The MCA will continue to focus its work on making consumers better informed of the products and services available on the market. A significant challenge for consumers is to analyse and quantify the differences between seemingly similar products and pricing plans. The MCA recognises that consumers may not have the required information or knowledge to fully understand and compare the specifications and functions of electronic communications products on offer and the value for money they present. This is made all the more difficult as service providers continue to innovate and bundle products together to attract consumers. Such products, while valued by consumers, tend to complicate their decision-making.

¹³ For example, under the new set of EU regulations transposed into Maltese Law in July 2011 the maximum initial duration of a contract signed by a consumer with an operator will be no longer than 24 months. Operators must also offer consumers the possibility of agreeing to a contract with a maximum duration of 12 months.

The MCA will provide consumers with the necessary tools to ensure that they are aware of the alternative suppliers and services, so that they can easily compare information on prices, features and quality; have the ability to switch (without unreasonable barriers; constraints and disruptions) and are aware of their consumer rights, specifically with respect to electronic communications.

The MCA will this year implement a price comparison portal which will allow end-users to access information of the various service packages (mobile, fixed, Internet, TV) available on the market. This portal will assist end-users in selecting the package that is the most appropriate for them in light of their individual circumstances and needs.

Ongoing Consumer Related Work

In addition the MCA will continue to work to:

- Further streamline its complaints handling and dispute resolution functions.
- Continuously update and enhance the information available to citizens and consumers via, amongst others, the MCA website, such as:
 - the choices available with respect to electronic communications products and services, prices and switching;
 - the specific rights and entitlements of consumers of electronic communications in relation to aspects such as universal service, billing, tariff transparency, contract terms as well as conditions for service termination, complaints handling, directory information services, access to emergency services and number portability;
 - information explaining the benefits and uses of new and innovative technologies; and
 - information at each stage of the purchasing process including: choosing a provider, choosing a service plan, managing use of the service plan, and deciding whether and when to switch an existing provider or plan for all communications services.
- 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;
 - protecting vulnerable consumers in relation to Premium Rate Services, thus ensuring that the consumer is confident and safe in using those services;
 - 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.
- Inform consumers via end-user surveys and research on the consumer attitudes to and use of communications technologies.
- Collect relevant, accurate and timely information on the electronic communications market in an efficient and effective manner and publish bi-annual market reviews.

Ensuring Compliance

The MCA will continue to deal effectively with operator non-compliance by answering consumer queries and liaising with operators to achieve a resolution to consumer complaints. In addition, the MCA will continue to monitor compliance by service providers with requirements in relation to matters having to do with consumer rights.

The MCA will carry out public and business perception surveys as necessary in order to assess, amongst other things, the level of satisfaction with the services provided by electronic communication operators and the extent to which it is addressing customer 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.

Priority Programme of Works 2012 – Strategic Objective T2

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective T2](#).

Priority Programme of Works 2012 - Strategic Objective T2 (Electronic Communications)	
Project / Activity	Planned Output
Continued Availability of the Universal Service	
Review of a claim for funding the universal service	Assessment of a request for funding made by the USP Decision of funding mechanism if request is justified
Provision of a comprehensive printed telephone directory by the designated USP	Monitoring the publication of a printed telephone directory which will include all subscribers of publicly available telephone service providers
Ensuring equivalence in access and choice for disabled end-users	Identification of best practice Report
Monitoring of Service Quality	
Monitoring Broadband Quality of Service - Implementation of a mechanism to measure Broadband QoS	Public consultation on broadband QoS measurement Decision on QoS parameters to be measured Public Consultation on the measurement mechanism Survey / Publication of results
Quality of service review of all markets (fixed, mobile, broadband, TV)	Public Consultation Consideration of responses to consultation Report on Consultation / Decision
Ensuring ease of switching between operators	Report
Review of security and network integrity	Development of network security and integrity guidelines / minimum requirements
Keeping the Radio Spectrum Free of Interference	
Electromagnetic Field (EMF) audit and monitoring	Ongoing EMF monitoring and publication of results
Establishment of a national plan for telecommunications infrastructures (towers)	Liaison with MEPA to identify infrastructures / site inspections Framework to guide / regulate infrastructure sharing

Project / Activity	Planned Output
Information, Empowering and Protecting Consumers / Ensuring Compliance	
Price Comparison Website (Cost Observatory)	Implementation of price comparison website application
Business perception survey – to understand better the experiences of business users of electronic communication services	Commissioning of survey Publication of results
Collection of relevant, accurate and timely information on the electronic communications markets in an efficient and effective manner	Bi-annual reports and data gathering
Implementation of EU roaming regulations by mobile companies	Ongoing monitoring and enforcement
Number portability management and operator specifications	Ongoing monitoring and enforcement
Premium Rate Services	Ongoing monitoring and enforcement
Compliance, Enforcement and Investigations	Ongoing monitoring and enforcement

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.

European / International Dimension

The MCA's role of adviser to Government on the European and 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 continue to achieve this objective by means of the following key activities:

- The ongoing provision of advice to government on proposed EU legislative measures and other communications.
- The ongoing provision of advice to government on the interpretation and application of any new directives, recommendations, guidelines, advice and regulatory best practice and other EU documents as well as any related issues and disputes arising.
- The ongoing submission of accurate statistics and information to the EU and other international organisations.
- The collaboration on a one-to-one basis with peer regulators on a regular or one-off basis.
- The active participation and contribution in EU organisations such as:
 - the Communications Committee (COCOM) which assists the European Commission in carrying out its executive powers under the regulatory framework for electronic communications;
 - the Radio Spectrum Committee (RSCOM) responsible for the development of implementing decisions with respect to technical implementation measures that ensure harmonised conditions across Europe for the availability and efficient use of radio spectrum;

- the Radio Spectrum Policy Group (RSPG) which provides high-level strategic advice on spectrum policies to the European Commission, the Radio Spectrum Committee which in turn assists the European Commission in developing technical implementation measures; and
 - the Body of European Regulators for Electronic Communications (BEREC) which sets out Common Positions and statements of Best Practice to foster regulatory consistency and excellence across the EU. The Chairman of the MCA is a member of the BEREC Board of Regulators composed of the heads of the 27 national telecoms regulators.
- o The active participation and contribution in other international fora such as the ITU, European Conference of Postal and Telecommunications Administrations (CEPT), the International Regulators' Group (IRG) and other related workgroups.
 - o Preparation and attendance at the World Radio Conference taking place in January / February 2012 (WRC-12). The MCA will actively engage in preparation for WRC-12 and input to the development of European Common Positions to ensure that they reflect Malta's interests.
 - o The active participation in the Internet Corporation for Assigned Names and Numbers (ICANN) and in the Commission's High Level Internet Governance Group (HLIGG).

Pan-European Initiatives

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

- o the review of the European Directive on the Universal Service;¹⁴
- o European policy development in relation to Net Neutrality, to ensure that consumer choice is not impaired through diminishing quality of service;
- o the implementation of the Radio Spectrum Policy Programme (RSPP) - a five year policy programme for planning and harmonising the use of the EU's radio spectrum has been proposed by the European Commission and is expected to be adopted in 2012;¹⁵
- o the implementation of the revised European Communications Framework;
- o the Digital Agenda for Europe which underlines the importance of broadband deployment to promote social inclusion and competitiveness;¹⁶
- o the Galileo initiative for a state-of-the-art global satellite navigation system, providing a highly accurate, guaranteed global positioning service under civilian control;

¹⁴ When proposing amendments to the regulatory framework for electronic communications networks and services in November 2007, the Commission took the view that any adjustment to the fundamental principles in the Universal Service Directive should be contemplated as part of a separate exercise.

¹⁵ Proposal for a Decision of the European Parliament and of the Council establishing the first radio spectrum policy programme – 20th September 2010 Refer to:

http://ec.europa.eu/information_society/policy/ecomm/radio_spectrum/document_storage/legislation/rspp/rspp_proposal_en.pdf.

¹⁶ The strategy, amongst others, aims to overcome the digital divide and achieve 100% broadband coverage for all European citizens by 2013. It also advocates the adoption of high-speed communications by 2020 and the rolling out of efficient, new generation networks.

- the monitoring of the obligations related to the authorisation of the two selected operators for mobile satellite services (MSS) in the 2 GHz band;
- the work related to better access to the single European emergency call number - '112';
- the common European-wide telephone services of social value via the harmonised numbering range beginning with '116'; and
- the EU-wide approach to the digital dividend following analogue TV switch off and the delivery of broadband for all.

Priority Programme of Works 2012 – Strategic Objective T3

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective T3](#).

Priority Programme of Works 2012 - Strategic Objective T3 (Electronic Communications)	
Project / Activity	Planned Output
European / International Dimension / Pan-European Initiatives	
World Radio Conference (WRC -12)	Participation (January 23 – 17 February 2012)

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.

'Technology Watch' Function

The MCA will continue to monitor international technology developments and assess their implications vis-a-vis the Maltese regulatory context.

Government's Broadband Policy

The MCA will support Government's policy direction on the adoption of high-speed communications via the rolling out of efficient next generation access networks.

New and Innovative Technologies and Services

The MCA sees radio spectrum as an asset which can drive competition and enable innovation. In order to encourage new and innovative technologies and services the MCA will, among other things, promote the uptake of test and trial radio spectrum licences to encourage the development of innovative spectrum usage in a safe and technology-neutral environment. The readily availability of clean radio spectrum can be a valuable advantage for companies carrying out research and development (R&D) activities in Malta.

Making Spectrum Available to Enable New Services

The MCA will make available additional radio spectrum, depending on expressions of interest, to allow new and innovative mobile broadband wireless services to develop - critical in enabling the development of platforms for the next generation of converged services and in creating opportunities for innovation.

Band	Potential Uses
3400 – 3800 MHz band	Mobile Broadband technologies (WiMAX)
2.6 GHz band	Mobile Broadband technologies such as WiMAX, UMTS, HSPA(+) or LTE

Priority Programme of Works 2012 – Strategic Objective T4

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective T4](#).

Priority Programme of Works 2012 - Strategic Objective T4 (Electronic Communications)

Project / Activity	Planned Output
Government's Broadband Policy	
Supporting Government in its high-speed broadband policy direction	Ongoing
Promoting test and trial radio spectrum licences	Ongoing

2.2 e-Commerce

2.2.1 Strategic Objective E1

Facilitating e-Commerce uptake and the use of electronic signatures, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.

Public and Service Provider Awareness / Confidence

The MCA will continue to address a number of tasks in its ongoing thrust to raise awareness and confidence in the use of e-Commerce on the part of both the public and the commercial sector, namely:

- Ensuring adequate awareness at a service provider level of obligations arising out of the e-Commerce Act.
- Ensuring that customers are aware of their rights and avenues of redress.
- Encouraging and facilitating the adoption of industry led codes of practice and trust mark schemes.
- Providing adequate and up-to-date information to service providers regarding requirements relative to the take up and pursuit of such services.
- Supporting the development of a voluntary accreditation scheme for Certificate Service Providers.
- Coordinating with government and other institutional bodies with a view to ensuring a seamless service to the public.

Monitoring Compliance

The MCA will continue to monitor e-Commerce service providers to ensure that they are in line with legislation. In addition the MCA will, as necessary, carry out e-signatures technical and security audits in line with the e-Commerce Act.

Removing Barriers to Cross-border e-Commerce

Electronic commerce constitutes an important means to promote cross-border trade, improving the accessibility of Europe's population to more varied products, to more qualitative products, and exerting greater price competition in the on-line and off-line world.

The Electronic Commerce Directive aims to remove barriers to the establishment of providers of information society services and to the cross-border provision of on-line services in the internal market, therefore giving both to businesses and citizens legal certainty. The European Commission has expressed disappointment with the Europe-wide performance of e-Commerce and has made clear its intention to create a coherent framework with a view of ameliorating trade via e-commerce. The MCA on behalf of Government will participate and contribute in the development of any framework to remove barriers that continue to block the free flow of online services across national borders.

Priority Programme of Works 2012

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective E1](#).

Project / Activity	Output
Public and Service Provider Awareness / Confidence	
e-Commerce - Ensuring a compliance with the e-Commerce Act	Ongoing - monitoring and enforcement
e-Commerce - Trustmark Management (http://eshop.mca.org.mt/)	Ongoing - management of e-Commerce Trust Mark
e-Commerce - Household Survey	Ongoing - annual household survey
e-Signature - Monitoring	Ongoing - monitoring and enforcement

2.3 Postal Services

2.3.1 Strategic Objective P1

Attaining, within envisaged timeframes, a liberalised postal service that ensures ease of entry to new undertakings and sustainable competition.

Development of a Competitive Environment

The regulatory framework for the postal sector is primarily concerned with ensuring the provision of the universal postal service in a market without barriers to competitive entry. The emphasis on ensuring provision of the universal service in the postal sector stems from the key role that the universal service fulfils in meeting the social, business and legal needs of the nation.

Once a letter is posted, there is a presumption in law that it will be delivered to the addressee in due course of post. This means that the rights of both the sender and the addressee must be protected, quality of service standards must be consistently high, and there must be easy access by users to the postal network and daily deliveries.

The MCA's key function in regulating the postal sector is to ensure compliance by providers of postal services with obligations in relation to the provision of universal postal services. Its statutory objective is to promote the development of the postal sector and, in particular, the availability of a universal postal service within, to and from Malta at an affordable price for the benefit of all users.

The postal sector remains characterised by the omnipresence of the incumbent operator, but developments in certain areas of the postal service have provided a preliminary indication that competition is emerging in certain areas (such as in the case of cross-border parcel post).

Full liberalisation of the postal sector in Malta will take place by the end of December 2012. The MCA will continue working on the setting up of the necessary regulatory provisions required for a fully liberalised environment.

Developing a Regulatory Approach Conducive to the Onset of Competition

The MCA will finalise its review of the current postal regulatory framework in order to develop a regulatory approach that is conducive to the onset of competition coupled with safeguarding the provision of the universal postal service. Such a framework would essentially ensure a level playing field for all undertakings competing in the relevant postal markets.

It will therefore be necessary to manage a transition from a framework that essentially centres around one USP to one that deals with potentially a multi-player sector.

The MCA will, among other things, analyse the relevant postal markets to be in a position to better understand the way the postal service is changing, to define the different markets and identify where MaltaPost (or any other operator) has market power.

MaltaPost's Tariff Realignment Requirements

The establishment of tariff re-alignment requirements across the USP's service portfolio will continue to constitute a sizeable chunk of the postal regulation work programme until full market opening by the end of 2012.

The postal regulatory framework requires that all universal service tariffs (including cross-border universal postal services) must be, among other things, cost-oriented and provide incentives for an efficient universal service provision.

Express / Courier Services

Operators providing 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, as long as their services are manifestly shown to be outside of the scope of the universal service.

At the same time the MCA will ensure that operators that start to offer additional services which fall within the scope of the universal postal service are appropriately licensed to carry out such activities. This is particularly important to ensure the provision of the universal service.

Priority Programme of Works 2012 – Strategic Objective P1

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective P1](#).

Programme of Works 2012 – Strategic Objective P1 (Postal)	
Project / Activity	Output
Development of a Competitive Environment	
Developing a new regulatory regime in view of full liberalisation of the postal market	Publication of Explanatory Memorandum Proposal to Government on amendments to legislation
Market analysis of postal markets	Public Consultation Consideration of responses to consultation Response to Consultation / Decision
MaltaPost's Tariff Realignment Requirements	
Postal tariff realignment framework to ensure cost orientation of universal postal services	Public Consultation – Price Control Mechanism Response to Consultation / Decision

2.3.2 Strategic Objective P2

Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.

Continued Availability of Universal Services

The MCA's activity with regard to the postal universal service obligations will be mainly concerned with monitoring and review exercises in order to ensure that the USP continues to meet its legal obligations.

As mentioned above, the MCA will finalise a framework within which the USP's tariffs would be reviewed in a wholesale manner in line with cost-orientation principles set-out in the new EU Postal Directive, rather than on the basis of individual tariff change requests.

In addition the MCA will continue to monitor tariff controls, the integrity and security of mail, postal service schemes, access to universal postal services, complaints handling and compensation schemes, as well as on the set quality of service targets.

Empowering Consumers

As in the case of the electronic communications sector, the MCA will 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.

The MCA will continue to collect relevant, accurate and timely information on the postal market in an efficient and effective manner and publish bi-annual market reviews.

Ensuring Compliance

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

The MCA will carry out public and business perception surveys as necessary in order to assess, among others, the level of satisfaction with the services provided by the postal operators and the extent to which it is addressing customer 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.

Priority Programme of Works 2012 – Strategic Objective P2

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective P2](#).

Programme of Works 2012 – Strategic Objective P2 (Postal)	
Project / Activity	Output
Continued Availability of the Universal Service	
MaltaPost's Postal Service Schemes	Ongoing - monitoring of postal service schemes
MaltaPost's Universal Service Obligations	Ongoing - monitoring of universal service obligations including retail outlets' services
Ensuring the Integrity of mail	Ongoing - monitoring of the integrity of mail
Quality of the Universal Postal Service	Ongoing - QoS monitoring (MaltaPost – Letters, Parcel post, Bulk mail and Registered Mail)
Dealing with inter-operator issues and access to the postal infrastructure	Ongoing - monitoring of inter-operator issues (MaltaPost's Reference Offer)
Empowering Consumers / Ensuring Compliance	
Collection of relevant, accurate and timely information on the postal markets in an efficient and effective manner	Bi-annual reports and data gathering
Compliance, Enforcement and Investigations	Ongoing monitoring and enforcement of authorised postal operators

2.3.3 Strategic Objective 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.

European / International Dimension

The MCA will continue to achieve this objective by means of the following key activities:

- 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 the European Regulators Group for Postal Services (ERGP) responsible to advise and assist the European Commission in consolidating the internal market for postal services and ensuring the consistent application of the European postal regulatory framework for postal services.
- Participation in the European Commission's Postal Directive Committee and the European Committee for Postal Regulation (CERP).¹⁷
- Preparation for the 25th UPU Congress taking place in September / October 2012.¹⁸ The MCA will actively engage in preparation for UPU Congress and input to the development of European Common Positions to ensure that they reflect Malta's interests. At the same time participation will be rationalised to the extent possible given the significant costs involved.
- Ongoing submission of accurate statistics and information to the EU and other international organisations. 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.

Priority Programme of Works 2012 – Strategic Objective P3

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective P3](#).

Programme of Works 2012 - Strategic Objective P3 (Postal)	
Project / Activity	Output
European / International Dimension	
Preparation and Participation in the UPU Congress	Preparation and participation in the UPU Congress (24 th September 2012 – 15 th October 2012)

¹⁷ In the case of CERP participation will be rationalised, given that a number of key activities have now migrated to the ERGP.

¹⁸ The Universal Postal Congress is the supreme authority of the UPU. It convenes every four years, bringing together plenipotentiaries of all 192 member countries. This legislative and regulatory body is the forum for postal sector leaders to define general Union policy, and to establish the world postal strategy applicable between Congresses.

2.4 Information Society

2.4.1 Strategic Objective IS1

Achieving widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens, in particular, disadvantaged groups.

Public Awareness and Assistance

The MCA will continue with the implementation of a number of initiatives aimed at reaching disadvantaged sections of the population, in order to ensure adequate access to and usage of, various ICT applications. In addition, the MCA will ensure that, to the extent possible, all children benefit from the information society.

The MCA will carry out the following initiatives:

- Promoting the safe use of the Internet. This will include the carrying out of campaigns targeting children, youths, parents, educators and the general public with the aim of informing them of the dangers of illegal and harmful content.
- The provision of ICT awareness and training to the elderly in public and private care residences.¹⁹
- The provision of ICT awareness and training to illiterate children.²⁰
- The proliferation of free Wi-Fi access in all public libraries and public spaces together with the local wireless broadband players.
- The delivery of focused and customized ICT awareness and education programmes and employability skills in underprivileged locations, communities or groups with particular disadvantages.

Priority Programme of Works 2012 – Strategic Objective IS1

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective IS1](#).

Programme of Works 2012 – Strategic Objective IS1 (Information Society)	
Project / Activity	Output
ICT for All – bridging the digital divide	Review of Scheme Training for adults in 2012
e-Aging Well – mastering everyday technology	Mentoring accreditation framework / Training of mentors Promote and launch mentorship initiative
Be Smart Online – Making responsible choices online by advising on relevant precautions to take	Public awareness (young people, parents and teachers) Operation of awareness centre
Digital Literacy for Children	Development of curriculum Identification of Trainers and promotional campaign Training

¹⁹ The initiative aims at providing assistance to elderly citizens; helping them understand, learn and master everyday technology and enabling them to lead a more active life by capitalizing on ICT opportunities.

²⁰ The objective is to achieve widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens in particular, disadvantaged groups.

Programme of Works 2012 – Strategic Objective IS1 (Information Society)

Project / Activity	Output
Free Wi-Fi in public places	Ongoing monitoring

2.4.2 Strategic Objective IS2

Encouraging the use of e-Business models by local enterprises as a means to improve competitiveness.

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.

Priority Programme of Works 2012 – Strategic Objective IS2

The table below contains a listing of the priority work streams that will contribute to the achievement of [Strategic Objective IS2](#).

Programme of Works 2012 – Strategic Objective IS2 (Information Society)

Project / Activity	Output
ICT - VN - Create value for SMEs through value networks using ICT	Progress reports Publication of news letters
EPITOME - Increase entrepreneurship of the micro enterprises through the use and integration of ICTs in business.	Training / Seminar / Workshops Assessment and reporting
e-Business awards	Launch of 2012 awards / showcase of winning solutions

2.5 Organisational

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.

The MCA is also committed to ensuring that its knowledge-workers deliver public value and the achievement of its objectives. The MCA will ensure that their knowledge remains up-to-date through a programme of ongoing investment in training and continuous learning.

The MCA will continue to focus on the utilisation of web-based solutions to simplify interaction within MCA and offer improved services to all its stakeholders.

Priority Programme of Works 2012 – Organisational

The table below contains a listing of the priority work streams that will contribute to working effectively.

Programme of Works 2012 – Organisational	
Project / Activity	Output
Strategy and Business Planning	Development of MCA's Business Plan / Budget 2013 - 2015
Annual Report and Financial Statements	Publication MCA's Annual Report 2011
Performance Monitoring and Review	Quarterly performance monitoring and review
Evaluation of effectiveness of MCA's organisation's business processes and related internal controls	Audit / Review of recommendations

2.6 Dependencies

Delivering on all areas of the work programme is vital for the MCA to meet its statutory duties to citizens and consumers. The MCA will work to ensure that the identified priority work streams are adequately resourced to ensure delivery of its planned objectives. Where additional resource requirements arise in the course of the year due to unexpected developments, these priority areas will take precedence over other areas of activity.

In those instances where it is feasible to do so, the MCA will continue to outsource requirements for services when this involves the need for specific expertise that is not available within the MCA or where it needs such services in the short-term. At the same time the MCA is committed to effectively managing contractors with a view to achieving the best possible results.

The implementation of a number of priority tasks envisaged to be completed last year have had to be shifted or continued in 2012. Several factors have contributed to this, including an onerous work programme during 2011 and various external dependencies that have resulted in the necessity to shift a number of identified activity milestones to 2012. In addition, the MCA has continued to face an extensively lengthy process in adjudicating tenders for the provision of consultancy services. This has led to delays in achieving a number of priority tasks planned for 2011. There has also been a noted increase in the number of appeals to the MCA's decisions and disputes that the MCA has had to react to and resolve.

The above-mentioned major outputs represent the MCA's current best view of the priority work streams that the MCA will be undertaking during 2012. However, there are a number of factors that are beyond the MCA's control and which could impinge on the successful delivery of its work programme namely:

- external dependencies (e.g. due to the lack of timely input in instances where initiatives span a number of government bodies) that may affect our timing;
- interdependencies between work-streams of work, that may entail knock-on effects in the event of delays; and
- external events that are difficult to predict and which we are required to respond to.

The MCA's experience over the past years has shown that, while the MCA's strategic plan enables us to identify the key areas to address for the longer-term future, the complexity and fast-paced nature of changes and developments in the communications sector means that unexpected issues will inevitably arise. Therefore the MCA may have to adjust its plans in a variety of areas due to unplanned external developments.

The MCA therefore intends to retain flexibility within its work programme, in order to allow it to respond to changes and new issues arising in the course of the year.

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

3. Financials

The MCA is committed to providing value for money services to its stakeholders. The MCA reviews its processes and systems on an ongoing basis in order to ensure that it continues to deliver on its objectives and provide an effective service. The MCA continuously strives to streamline its administration and optimise the cost of regulation whilst maintaining the highest possible standards of efficiency and effectiveness.

The EU directives are very clear on principles of independence and self sustainability of NRAs. These should be endowed with all necessary resources, in terms of staffing, expertise and financial means, for the performance of their tasks.

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 the MCA will also ensure that it provides a full accounting of its activities as required by law.

The regulation of the electronic communications sector is funded on a self financing basis via the levying of administrative charges collected from the sector players. These administrative charges are used solely to cover the administrative costs incurred in regulating the electronic communications sector and cannot be used to finance other activities of the MCA.

The regulation of the postal sector is funded, in the main, via the levying of administrative charges collected from the sector players. As the current amount of administrative charges collected from the sector players does not cover the total administrative costs required to effectively regulate the postal sector, additional funds are catered for via the deduction of the necessary amounts from fees that are payable to Government.

The financial requirements with respect to regulating the e-commerce sector, monitoring of the radio spectrum and market surveillance of radio communications equipment are catered for via the deduction of the necessary amounts from fees that are payable to Government.

The financial requirements with respect to the management of radio communications equipment licences are catered for via the deduction of the necessary amounts from fees that are payable to Government.

Activities carried out by the MCA in relation to the IS initiatives are financed by Government via a yearly Government subvention.

The MCA's expenditure (by activity) for 2012 is expected to be as shown in the table overleaf:

Forecast By Activity - 2012	Postal	Radio Communications	Spectrum Managenent	E-Commerce	Electronic Communications	Information Society	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Staff Costs	145,904	59,426	251,872	36,265	1,575,694	335,892	2,405,054
Administrative Expenditure	17,582	13,699	75,899	4,395	338,774	51,365	501,714
Operational Expenditure	8,806	10,110	108,337	18,446	535,712	6,734	688,145
Projects/Ongoing Initiatives Expenditure	89,686	-	34,000	90,000	816,746	163,570	1,194,002
EU Related Project Costs	-	-	-	-	(304)	140,805	140,501
Depriciation charge					133,000	6,644	139,644
TOTAL PROJECTED RECURRENT EXPENDITURE	261,978	83,235	470,108	149,106	3,399,623	705,010	5,069,060