



MALTA COMMUNICATIONS AUTHORITY

Strategy Update 2024 - 2026

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1 Purpose

This document provides a rolling update of the Malta Communications Authority's (MCA) strategic direction for the period 2024 - 2026. It contains a validation of established strategic thrusts and includes any new developments that are envisaged as having a significant impact during the plan period.

The sectors that are addressed in this document are the ones under the MCA's regulatory responsibility, encompassing the electronic communications, postal and eCommerce sectors, as well as an increasing number of activities within the broader scope of the 'Digital Environment'. These sectors are collectively referred to as the 'Communications Sector'.

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

The content of this Strategy Update is aligned with the MCA's visibility of its official mandate as at date of presentation.

2 Contextual Background and Sectoral Outlook

Background

Introduction

The contextual background of this year's Strategy Update revolves around three main themes: international developments, policy direction at both European Union (EU) and national level, and sectoral activities on the ground. These dynamic areas collectively shape and influence the strategic direction of the MCA to varying degrees.

Geopolitical events coupled with high levels of inflation continue to impact economies, across the globe, in one way or another. At the same time, the situation with climate change remains a pressing concern with the transition to a low-carbon economy a global priority. In addition to these global events, which inevitably impinge on the Maltese economy, other developments that have a bearing on this Strategy Update, albeit rather less dramatic in nature, exert a more immediate impact on the MCA's charted course.

These developments can be broadly classified as 'Top-down' and 'Bottom-up' developments. 'Top-down' has to do with developments of a policy nature arising mainly from EU and Malta Government policy initiatives and direction. 'Bottom-up' developments, essentially have to do with the regulatory implications of relevant activity that occurs 'on the ground'. At times, these developments necessitate policy and regulatory review on the part of the MCA.

The European Electronic Communications Code¹ (EECC), as well as the Digital Services Act² (DSA) remain pivotal 'top-down' developments for the MCA, demanding careful interpretation and implementation. The EECC is considered a central piece of legislation to achieve Europe's Gigabit society and ensure full participation of all EU citizens in the digital economy and society. Meanwhile the overarching objective of the DSA is to foster safer online environments.

An important 'top-down' development that took place in February 2023 relates to the European Commission's (EC) set of actions aimed to make Gigabit connectivity available to all citizens and businesses across the EU by 2030, and to enable the transformation of the connectivity sector in the EU.³ Firstly, the EC adopted a proposal for a 'Gigabit Infrastructure Act (GIA)', to enable faster, cheaper and more effective rollout of gigabit networks. Secondly, it published a

¹ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code.

² Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC (Digital Services Act).

³ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_985

draft Gigabit Recommendation to provide guidance to national regulatory authorities (NRAs) on the conditions of access to telecom networks of operators with significant market power (SMP). Thirdly, the EC launched an exploratory consultation on the future of the connectivity sector and its infrastructure in order to gather data and views on the technological and market developments, measures regarding fairness for consumers, barriers to the European single market, and the question regarding a fair contribution by all digital players benefitting from the digital transformation.

In October 2023, the EC released the findings of the exploratory consultation. These findings were summarised into three main takeaways, namely: the need for innovation and efficient investment; the need to leverage the single market to boost investment and innovation; and the need to secure connectivity infrastructure. In response to this, the EC announced that it is preparing a white paper with initial proposals to overhaul the regulatory framework for electronic communications. The white paper, which is expected to be published in the first half of 2024, should lead to a legislative proposal on a Digital Networks Act.

While an immediate review of the European Postal Services Directive is not on the horizon, the EC, following a request by the Member States, is undertaking a forward-looking prospective study of the European postal sector. The study, which is expected to be completed in the second half of 2024, will assess the possible evolutions of the postal sector in the wake of recent crises (such as the Covid-19 pandemic, and the war between Russia and Ukraine) and long-term structural trends. Furthermore, the study will seek to analyse the possible effects of changes to the current regulatory framework.

As regards ‘bottom-up’ developments, it is fair to say that at the current level of visibility, new or renewed thrusts during the strategy period will be mainly forthcoming as a result of such developments. Changes in the competition dynamic in the electronic communications sector, the continued proliferation of very high capacity networks (VHCNs); the importance of safe, secure and resilient electronic communications networks; an increasingly complex spectrum management environment; ensuring that customers are treated fairly and are empowered to make choices that are right for them and are protected; combating electronic communications-based scams; fostering safer online environments; and addressing the financial sustainability of the universal postal service are the main examples of the bottom-up developments that will continue to characterise the forthcoming plan period.

This year’s Strategy Update can be seen as one characterised by continuity in relation to last year’s Update. Thus, the general scenario, strategically speaking, should continue to remain rather stable over the forthcoming plan period. Even so, the MCA’s programme of works is no less challenging from an operational point of view.

External & Policy Developments

The Global Environment

The COVID-19 pandemic, which had been on a downward trend since 2022, was officially declared to be over by the World Health Organisation (WHO) in May 2023. This positive development paved the way for most countries to gradually return to pre-Covid-19 norms. Nonetheless, it is important to note that the global environment continues to remain complex, and certain challenges persist.

Geopolitical events, alongside high levels of inflation, have introduced new layers of uncertainty to the global landscape. Ongoing conflicts, such as the war between Russia and Ukraine, and more recently the conflict between Israel and Palestine in the Middle East, not only pose immediate threats to the affected regions but also reverberate across international borders, causing disruptions to existing geopolitical balances. These tensions have far-reaching implications, extending into the realm of communications networks and cybersecurity. In particular, the communications sector, including cybersecurity and internet governance, continues to face heightened scrutiny and potential vulnerabilities in the wake of these ongoing geopolitical conflicts.

As the world navigates through this evolving landscape, it is crucial to monitor and address these challenges to ensure stability and security in the communications and digital environment. The developments of the past years have, at the same time, driven greater integration of technology in both businesses and households, coupled with a heightened awareness of the value of resiliency and security at all levels of the value chain.

In relation to electronic communications, the revitalised post-COVID-19 travel and leisure industry has clearly resulted in a direct impact of a positive nature on both inbound and outbound mobile roaming. In addition, mobile data usage continues to see a substantial surge reflecting a growing reliance on mobile connectivity and data-based services and applications.

The growth of eCommerce and widespread adoption of online payments reflect enduring shifts in consumer behaviour, driven by the recognised convenience of digital transactions. However, the situation as regards incoming eCommerce took a rather peculiar twist, influenced by a host of unrelated events that have occurred over the past few years. The COVID-19 pandemic, Brexit, changes in the Universal Postal Union (UPU) terminal dues, EU regulations on electronic advance data and changes in EU taxation policies for various international mail classes were already mentioned in last year's Strategy Update, with the proviso that it would take time before the actual impact could be assessed more accurately. As things stand the negative effects of these events continue to linger on, although there are indications that incoming eCommerce mail volumes have now started to stabilise. On the other hand, local eCommerce activity continues to increase, as a result of a structural shift on the part of an increasing number of businesses.

Another characteristic feature of the past couple of years has been an endemic shortage of skilled human resources. Labour and skills shortages remain the primary limiting factors for the Maltese economy. The human resource problem is being partly offset by an influx of expatriate labour, which resolves matters in part. Meanwhile, other resource bottlenecks and inflation point to rising costs and scarcities that affect a large number of economic sectors, including the communications sector addressed in this Strategy Update.

Therefore, the resultant impact continues to be a mixed one. On the one hand, the retail market, particularly in electronic communications, continues to grow. On the other hand, inflation is expected to continue to affect prices for goods and services, although Government intervention in key areas such as energy continue to cushion the impact. Government's subsidy on electricity and petrol prices has been an important stabiliser to promote economic growth and safeguard businesses, customers and families.

Last but certainly not least, lies the grave risk posed by climate change with increasingly alarming signs, year on year. It is recognised that communications networks and services stand as a key enabler in the reduction of carbon emissions, as we aim for a more environmentally sustainable society.

Overall, the electronic communications sector in Malta continues to fare well even though progress continues to take place in a situation of global uncertainty. However, the postal sector continues to suffer from the negative impact of the above-mentioned events. Thus, the impact of the overall international context on the Maltese communications sector and its consumers is anticipated to maintain a degree of uncertainty for some time to come.

Policy Developments

From the MCA's perspective there are no significant changes to report relative to EU policy direction. Thus, what was noted in last year's Strategy Update remains relevant for the forthcoming plan period. There are, at the same time, a number of policy developments mentioned in last year's Strategy Update that have duly taken place and are worth noting.

In December 2022 the EC, the European Parliament and Council signed the 'European Declaration on Digital Rights and Principles'. The Declaration, put forward by the EC in January 2022, presents the EU's commitment to secure, safe and sustainable digital transformation that puts people at the centre, in line with the EU core values and fundamental rights. The Declaration reflects the shared political commitment of the EU and its Member States to promote and implement these principles in all areas of digital life, and to reach the objectives of the 2030 Digital Compass, which charts the path to the Digital Decade.

The 2030 Digital Compass emphasises four cardinal points for mapping the EU's trajectory, namely: a digitally skilled population and highly skilled digital professionals; secure and performant sustainable digital infrastructures; digital transformation of businesses; and digitalisation of public services.

To achieve the objectives of the 2030 Digital Compass, in January 2023 the European Parliament, Member States and the EC, jointly set concrete objectives and targets, encapsulated within the Digital Decade Policy Programme 2030 (DDPP). This strategic vision for the evolution of the digital economy delineates four key focus areas, with the aim to:

1. improve citizens' basic and advanced digital skills;
2. improve the take-up of new technologies in EU businesses, such as artificial intelligence, data and cloud;
3. further advance the EU's connectivity, computing and data infrastructure; and
4. make public services and administration available online.

The MCA is involved in each of the above 'cardinal points' of the DDPP albeit to varying degrees. The Authority's primary contributions lie in the second and third cardinal points, where it is involved by way of its mandates in electronic communications and digital regulation. Nonetheless, the MCA still provides an important, albeit 'softer', contribution to the first and fourth pillars.

The DSA was formally published on the 27th October 2022 and came into force on the 16th November 2022. On the 25th August 2023, the DSA came into effect for Very Large Online Platforms (VLOPs) and very large online search engines (VLSEs). It becomes fully applicable to other entities on the 17th February 2024. During the course of 2023 the MCA assisted Government in making the necessary adjustments to Maltese legal provisions in order to render effective the necessary executive requirements.

The majority of the DSA's provisions will apply as from 17th February 2024, by which time EU Member States need to appoint the Digital Service Coordinator (DSC) and to notify the EC accordingly. The MCA is expected to be officially designated as the DSC for Malta. This role assigns the MCA with the pivotal responsibility of ensuring that providers of intermediary services established in Malta adhere to the regulatory framework of the DSA. Moreover, as the DSC in Malta, the MCA will actively engage with European counterparts, promoting a harmonised approach to the implementation of the DSA. This collaborative effort is aimed at fostering consistency and cohesion in the enforcement of the DSA across the European landscape.

The Body of European Regulators for Electronic Communications (BEREC), of which MCA is a member, is entrusted with the development of various opinions, recommendations, guidelines and regulatory best practices in relation to how several measures, contemplated in the EECC, would be implemented in practice. Participation by the MCA in BEREC goes

beyond useful practice and is a legal requirement under article 3 of the BEREC Regulation.⁴ This takes the form of active engagement in the various structures (such as Expert Working Groups, Contact Network, Board of Regulators, etc.) tasked with the execution of the BEREC Work Programme. Due to its active participation in BEREC, the MCA is also well positioned in providing policy advice to the Government on the broader digital ecosystem.

Given the increasing uptake of advanced digital technologies, there is need for more bandwidth at faster speeds to enable smarter, more flexible and more innovative services for citizens, businesses and key public sectors, powered by the development and use of technologies, such as cloud, artificial intelligence (AI), data spaces, virtual reality and the metaverse and in which EU citizens enjoy their digital rights. In this context, as already mentioned, in February 2023 the EC adopted a proposal for a ‘Gigabit Infrastructure Act’, a regulation that will put forward new rules to enable faster, cheaper and more effective rollout of Gigabit networks. It will replace the 2024 Broadband Cost Reduction Directive (BCRD).

Other areas that are, or could be, of relevance to the MCA are:

- The transposition of the relevant provision of the Network and Information Security Directive 2 (referred to as ‘NIS2’), where these impact the MCA’s mandate. The security provisions for trust service providers laid down in the eIDAS Regulation and the security provisions in the EECC have been replaced by the NIS2 Directive.
- New qualified trust services related to electronic attestations of attributes, electronic archiving of electronic documents, electronic ledgers and management of remote electronic signature and seal creation devices management that are being proposed under the European Digital Identity Framework (referred to as ‘eIDAS2’).
- The EU Data Act, launched in February 2022 and formally adopted in November 2023, lays down harmonised rules on fair access to and use of data by imposing business-to-consumer and business-to-business data sharing obligations on manufacturers of products and related services, as well as business-to-government data sharing in exceptional circumstances. Amongst other norms, the rules allow for customers to effectively switch between different cloud and edge data-processing services providers.
- The envisaged proposal by the EC for a Digital Networks Act intended to overhaul the regulatory framework for electronic communications.

⁴ Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office).

- Space-related topics, notably Galileo and GovSatCom, in relation to which the MCA provides policy advice to Government.

Sectoral Outlook

Electronic Communications

Overall usage and revenue statistics continue to indicate that the electronic communications sector in Malta remains in a strong position despite the overarching global economic issues indicated previously.

The deployment of fixed broadband networks remains a prominent focus, with all three major electronic communications network operators continuing with their investments in VHCNs. GO has made significant strides in its FTTH deployment with 80% of businesses and 75% of homes covered by the end of the first half of 2023. GO intends to reach nationwide coverage of its FTTH network by the end of 2024. Meanwhile Epic has continued with the deployment of its FTTH network in various areas across Malta. Melita's hybrid fibre-coax network is capable of reaching 1.2 Gbps nationwide. Even so Melita continues to invest in its network to be in a position to deliver nationwide speeds of up to 10 Gbps.

The electronic communications market in Malta is in the midst of a significant shift in the way competition functions. It is transitioning from an emphasis on accessing pre-existing infrastructure to a new focus on competition through the replication and duplication of networks. Thus, competition involving fixed networks can be thought of as a continuum between service-based competition and infrastructure-based competition. This shift has the potential to bring about major changes in the electronic communications sector, creating more opportunities for investment, innovation, and choice. The current state of play presents a delicate balance between competition and regulated access. The MCA is obliged to move in step with market developments. A final decision on the regulation of the market for the provision of wholesale physical and virtual infrastructure access in Malta is expected early in 2024.

Physical infrastructure access continues to increase in profile given the ongoing fixed network deployments across Malta. The use of physical infrastructure access by operators contributes to the successful and timely rollout of networks. In addition, the use of physical infrastructure access provides a high degree of control over an operators' product features and technology choices when compared to other solutions such as the use of virtual unbundling. This has the potential to increase the dynamism of competitive forces, apart from producing positive environmental impacts and reductions in roads maintenance and urban disruption.

Over the past two years the MCA gathered a significant amount of information as regards physical infrastructure that is ideal for the deployment of electronic communications networks. The information serves as a good basis for establishing what actions may be required in order

to ensure that network distribution bottlenecks are minimised, and competition issues do not arise.

Beyond the adoption of a SMP based access requirement on the part of the MCA, an access seeking operator can always invoke the provisions of the Utilities and Services (Regulation of Certain Works) Act (Cap 81), which transposes the BCRD. This is one of the reasons why there is interest on the part of the MCA in the review of the BCRD on the part of the EC. As already stated, in February 2023, the EC published the proposal for a GIA that will replace the current BCRD. The GIA will align the rules to reach the EU 2030 connectivity targets set out in the DDPP,⁵ focussing strictly on the deployment of very high-capacity networks. The provisions relating to access to existing physical infrastructure, transparency of physical infrastructure, in-building physical infrastructure and fibre wiring, access to in-building physical infrastructure and the digitalisation of the single information points are of particular relevance to the MCA. Meanwhile, however, the provisions of the current BCRD continue to be followed and applied as necessary.

The MCA will continue to work with other competent authorities to further facilitate the deployment of very high-capacity networks. Among others, the Utilities Services Coordinating Committee (referred to as the 'Utilities Committee'), established under Article 22 of the Utilities and Services (Regulation of Certain Works) Act, Cap 81, is one of the ideal vehicles in terms of setting out the related policies for infrastructure access. The Utilities Committee serves as a catalyst towards the establishment and maintenance of a joined-up approach to passive infrastructure deployment. The MCA also intends to explore the opportunities afforded by the regulatory provisions set out in the EECC, as a complement to the SMP framework. These include obligations to provide 'symmetric' access to local facilities to avoid 'inefficient' duplication of network assets. The MCA may impose access to wiring, cables, and associated facilities inside buildings or up to the first concentration or distribution point.

In 2023 the MCA continued with the preparatory stages relative to the mapping of broadband infrastructures and services. The MCA's mapping platform will cater for information on services availability, investments, quality of service, speed coverage and available technologies down to street level. It will also help to identify concerns about redundancy and security of networks. This initiative, whilst not directly related to the availability of physical infrastructure, represents another step in establishing facts on the ground and in subsequent iterations would also be useful in the provision of field information to the single information point, which function is owned by the Authority responsible for transport in Malta (TM). It will therefore form a useful scalable platform to the benefit of all operators of electronic communications networks and other stakeholders.

⁵ [Decision \(EU\) 2022/2481](#)

A targeted initiative specifically focused on the quality of service (QoS) of fixed line networks and services should see a conclusion and relevant results in 2024. The initiative is in relation to the performance of operators in relation to both commercial and technical aspects. It will represent an important symmetrical measure that records comparative operator performance, to the benefit of both users and service-providers.

The mobile market in Malta has been competitive for a significantly long time now. Overall prices continue to maintain a constant downward trend, whilst products increase in attractiveness, mainly through improving data allowances. The results are clearly visible year-on-year through marked increases in mobile data consumption by users. Throughout, operators have continued to maintain their tempo of investments, backed by a healthy financial position. Thus, the statistics relating to the mobile market continue to remain positive throughout. All three major operators have now deployed their 5G networks nationwide, which may also present interesting possibilities for the eventual proliferation of Fixed Wireless Access (FWA) solutions, beyond the current niche presence.

The MCA remains committed towards supporting deployment of such infrastructures through the necessary regulatory facilitation and other interaction as necessary. Further oversight on the security of electronic communications infrastructure and the establishment of QoS measures will be carried out in 2024 following the full deployment of the 5G networks in 2023.

As mentioned in last year's Strategy Update, nationwide 5G coverage by the three mobile operators means that the concurrent running of four mobile networks by each operator (2G, 3G, 4G, 5G), raises questions of efficiency, manageability and environmental implications. The transitioning from legacy networks to more energy-efficient technologies is the next step to improve the environmental impact on Malta's electronic communications networks. A rationalisation exercise by phasing out one or more legacy networks present complexities well beyond what might seem evident at first glance. Nonetheless, a way forward on the matter should be established, to the benefit of all stakeholders involved. The MCA is intent on addressing this matter beyond the level of principle and has therefore started to engage with the operators concerned on the eventual migration of services over legacy bands to 5G, with a view to eventual switch-off of legacy networks.

The MCA continues to invest in the upgrading of radio spectrum management processes and monitoring equipment. The long-term investment initiative commenced in 2019 with the purchase of equipment to enhance the MCA's capabilities to remotely identify and locate interference to licenced frequency spectrum and continues through incremental additions to this state-of-the-art infrastructure along with the tools used by the MCA to measure electromagnetic fields (EMF).

Security and integrity of public electronic communications networks and services is another area of concern that is being addressed. The MCA has the powers to establish the minimum-security requirements which providers of electronic communications networks and services

would need to follow, to ensure that the security objectives and obligations set out in legislation are met. Having established the minimum-security requirements, the MCA shall then ensure that such measures are being implemented and adhered to by the providers of electronic communications networks and services. 2024 should see the formalisation of such measures together with the implementation of relevant processes and reporting requirements, in alignment with the eventual framework implementing the NIS2 Directive.

The review of licensing frameworks with respect to various radio spectrum bands will continue throughout 2024. In accordance with EU law these bands are suitable to support the deployment of terrestrial systems capable of providing 5G wireless networks, including fixed wireless links intended for the backhaul of 5G data where necessary. Moreover, the expiry of a number of radio spectrum licences throughout the plan period, which are used for wireless broadband networks, presents an opportunity to hold a multi-band spectrum assignment process. By doing so, the MCA can enhance the efficiency of how these spectrum bands are utilised. Having said this, it does not follow that market interest in these spectrum bands alongside other existing bands already available to market, will automatically be expressed. In this respect a study on how to best make productive use of unassigned spectrum commenced in 2023 and is expected to be completed in 2024.

Whilst the MCA is adhering to the obligation of making the relevant spectrum available as required, even with the intent of exploring alternative pricing and assignment models, it cannot guarantee take-up. In this respect the 26 GHz band, nominally available for 5G use, has been earmarked for possible uptake by private electronic communications networks, as a means of supporting the uptake of advanced applications and Internet of Things (IoT) for short-range industrial use. This is a future-looking measure which will not necessarily bear fruit in the near-term, however the relevant capacity requirements need to be planned beforehand. The establishment of a fee structure is another important step in the making available of this resource.

The MCA will continue to ensure consumers are treated fairly, are empowered to make choices that are right for them and are protected. The MCA will continue to ensure that the operators implement the required consumer protection measures relating to contracts and contract information. In addition, the MCA will put in place a set of consumer protection measures to be adhered to by providers when offering contracts which enable them to implement in-contract price rises linked to inflation and percentage changes. Customers need certainty and clarity about what they will pay over the course of their contract. The MCA will monitor and understand the impact of these consumer protection measures. The MCA will also focus on promoting effective compliance.

The proliferation of affordable technology has enabled a significant and growing volume of scam attempts conveyed by electronic communications services (such as phone calls and text messages), which disproportionately affect the most vulnerable individuals. In 2023, the MCA consulted on potential changes to existing rules aimed at mitigating number spoofing and

exploring further options to combat vishing (misrepresentation of locally known numbers for voice calls). The MCA aims to disrupt scams by encouraging operators to develop technical solutions and by enhancing their own rules to prevent the misuse of communications services. The MCA will continue to work closely with the electronic communications sector, the government, and other regulatory bodies to make scams harder to perpetrate. Additionally, the MCA will also play a proactive role in empowering consumers to evade scams by raising awareness and providing better information, enabling individuals to identify and respond to fraudulent activities more effectively.

Digital Services

The MCA will shortly have the formal mandate to administer the provisions of the DSA in addition to the Platform to Business (P2B) Regulation. The DSA introduces transparency and data access rights for business users of intermediary services, complementing existing rights under the P2B Regulation. The P2B Regulation sets the rules aimed at creating a fair, transparent, and predictable business environment for smaller businesses and traders on online platforms.

The DSA is clearly the most visible from an array of new legislative proposals that the MCA has had to tackle in the last couple of years. Whilst work on the internal organisation and process flows in relation to the DSA is well under way, there is still an element of policy input to Government that is taking place, as the inclusion of the necessary provisions into national law that give the MCA the necessary powers to implement the DSA may spill over into the first quarter of 2024. The MCA has also been following closely the EC in the setting up of the necessary processes and procedures to make the DSA effective 'on the ground'.

The MCA has entered into a Memorandum of Understanding (MoU) regarding cooperation relating to MCA's role as the DSC with three public entities: Office of the Information and Data Protection Commissioner (IDPC), Commissioner for Children and the Office of Consumer Affairs within the Malta Competition and Consumer Affairs Authority (MCCAA). The MCA is in the process of concluding an MoU with the Malta Police Force. The MCA is also compiling the enforcement and compliance processes and procedures to be in position to effectively oversee the DSA which will be applicable to all digital services as from February 2024.

The application of the Web Accessibility Directive has been successfully operational for the past three years. Since 2020, more than 300 simplified website assessments, more than 50 in-depth website assessments and almost 20 in-depth mobile app assessments have been carried out and as a result the web accessibility posture of the public sector has improved considerably. The MCA has also launched an ongoing public awareness campaign via its social media channels.

The regulation of trust services has also seen effective implementation. The MCA is assigned the role to oversee providers of trust services in Malta. The most secure trust services are

designated 'qualified' trust services and are subject to special requirements under eIDAS Regulation. The MCA also maintains and publishes a qualified trust service provider list and services established in Malta.

Moreover, the MCA has been providing feedback to Government in relation to the review of eIDAS. The revision of the European Digital Identity Framework (eIDAS2), proposed in June 2021, aims to ensure universal access for people and businesses to secure and trustworthy electronic identification and authentication by means of a personal digital wallet on a mobile phone. eIDAS2 comprises a proposal to extend the scope of the original eIDAS regulation.

The original eIDAS regulation ensures that people and businesses can use their own national electronic identification schemes (eIDs) to access public services available online in other EU countries. It also creates a European internal market for trust services by ensuring that they work across borders and have the same legal status as their traditional paper-based equivalents. Amongst others, the proposal for eIDAS2 aims to establish a framework for a European Digital Identity. It seeks to provide access to highly secure and trustworthy electronic identity solutions, ensure that public and private services can rely on trusted and secure digital identity solutions, and empower natural and legal persons to use digital identity solutions. These solutions are linked to a variety of attributes and allow for the targeted sharing of identity data limited to the needs of the specific service requested. The eIDAS2 proposal also puts forward the creation of a number of new trust services.

A series of MoUs have also been signed with various local organisations and associations that have an interest in the digital environment. The main reason behind these MoUs relates to sound policy development and general public awareness. Through these MoUs, the MCA is in a position to collaborate with various stakeholders and thus target their respective audiences in a more efficient manner. The MCA has also entered into a number of MoUs with its European counterparts, recognising the need for collaboration and the exchange of best practices, in view that digital markets span beyond national boundaries.

The public awareness and networking initiatives are a logical sequel to the establishment of these regulatory measures, given their relatively recent origin, and therefore lack of widespread visibility. In such manner the relevant beneficial outcome - that of increased public uptake - will be maximised.

With respect to eCommerce regulation, given the strong incremental growth of Maltese online services and their usage, the MCA will continue to perform market monitoring, thereby increasing certainty and transparency to buyers. Market monitoring also enables the MCA to assist information society service providers to comply with respective rules, and where necessary, pursue enforcement procedures.

Postal Services

The trends in postal services, as identified in previous strategy updates, continue to subsist as letter mail volumes decline. The decline in letter mail volumes is not limited to a local issue; in fact, it continues to be a global phenomenon, mainly driven by e-substitution. In addition, the convergence of a number of factors already mentioned above has contributed to a reduction in inbound postage of small packets and parcels.

The situation has led to a downward trend in postal volumes and revenue in the area of the universal postal service, particularly in relation to inbound eCommerce-related mail. The situation is further exacerbated by the increasing costs of transportation. Additionally, the trend of declining volumes has continued fuelled also by increased use of online communication tools, replacing traditional paper mail.

A reform of the minimum requirements of the postal Universal Service Obligation (USO) commenced in 2023. The parties involved, that is, the USP (MaltaPost), the MCA and the Government need to find the necessary balance between quality of service, the extent of the USO and the relevant operational costs. This balance is essential to ensure that the service aligns with current needs, remains cost effective, and at the same time sustainable over the longer term.

The USP has already initiated a number of measures aimed at increasing efficiency. Additional adjustments, in agreement with the other mentioned parties aim to put the service back to the desired rates of return. All parties are committed to achieving this outcome, and the current challenge is to come to a convergent plan of action that achieves this.

In 2024 the MCA will publish its decision on a review of the QoS performance targets to be achieved by the USP for the provision of the universal postal service. The revised QoS performance targets aim to ensure a satisfactory level of service for users while promoting the financial sustainability of the universal postal service. The MCA will also conclude the development of a price modelling tool for the universal postal service, referred to as an 'Automated Price Adjustment Mechanism'. This tool will specifically apply to services falling within the purview of the universal postal services which are subject to tariff regulation. This initiative underscores the commitment to fostering a pricing framework that aligns with the evolving landscape of postal services, ensuring fairness, transparency, and efficiency in service provision.

In 2024 the MCA will review the postal markets to assess whether the USP continues to hold SMP in any of the relevant markets falling within the universal postal service area. Should the USP no longer hold SMP in any of the relevant markets the MCA will, among others, withdraw ex-ante price control regulation (i.e., remove the need for the approval of tariffs).

Policy Shaping

Throughout 2023, the MCA continued to provide input to Government on a host of policy matters, notably EU-driven legislative initiatives as well as reviews of existing regulations and directives.

The EECC places a requirement on BEREC for the submission of various opinions in relation to how the obligations of the EECC are to be implemented in practice. A series of specific tasks have been assigned to BEREC, amongst which, the drafting of opinions to the EC expected to be delivered by BEREC in 2024, such as the Opinion on Article 123 (Specific review procedure on end-user rights) of the EECC, the Opinion on the national implementation and functioning of the general authorisation regime and the Opinion about the functioning of the Roaming Regulation. As an active member of BEREC, the MCA has the obligation, and an interest to participate in the drafting and adoption of these opinions.

The MCA will also contribute to BEREC's evaluation of the EECC (including the evaluation of the universal service) in view of the EC's review scheduled for the 21st December 2025. BEREC must review the national implementation status throughout the EU and start considering to what extent the new electronic communications framework is enabling the achievement of the EECC's objectives and whether the framework's provisions are effective to that end. The MCA will also contribute, via BEREC, to the EC's first assessment report on the functioning of the Roaming Regulation to be submitted to the European Parliament and to the Council by the end of June 2025. The MCA will also be participating in the processes undertaken by the EC, in relation to the potential review of wholesale voice call termination rates and of wholesale mobile roaming rates, that commenced in 2023.

The MCA is involved in providing the necessary input to Government during the Council discussions on the draft GIA replacing the current BCRD, together with Transport Malta and other stakeholders. The enhancement of the BCRD will also provide additional clarity in processes, measures, and relationships, to the benefit of all stakeholders concerned. It is expected that the GIA will be adopted in the first half of 2024, before the European Parliament enters recess ahead of election in June 2024.

The MCA is following other EU legislation that is already enacted but is in the process of being assigned by the Government to a representative institution. This is the case with the eventual implementation and operation in Malta of the Digital Identity Wallet, proposed under the eIDAS2 Regulation. Each Member State would have to notify at least one wallet as part of a national electronic identification system. The wallet would be voluntary and free of charge for individuals. The MCA, as the responsible entity for the supervision of qualified trust services providers, is currently following progress at the Maltese level, along with other stakeholders.

The EU Data Act is another important proposal by the EC intended to play a key role in Europe's digital transformation. It was launched in February 2022 and is intended for the

sharing of data by both government and private sectors to provide aftermarket or other-data driven innovative services, redress unfair situations in data-sharing contracts and enable the better sharing of data between public service national bodies. The EU Data Act also contains new rules that grant customers the freedom to switch between various cloud and edge data-processing services. For the enforcement and application of the Data Act, member states should designate one or more national competent authorities. Where a Member State designates more than one competent authority, it shall designate a Data Coordinator from among them to facilitate cooperation between the competent authorities and to assist entities within the scope of this Regulation on all matters related to its application and enforcement. As the NRA responsible for electronic communications services the MCA is well-placed to ensure the application and enforcement of specific provisions. The MCA's contribution would be relevant, for instance, in relation to switching between data processing services (such as cloud services), the monitoring of switching charges, interoperability, or complaints handling, IoT and more generally concerning the impact of such services and the Data Act obligations on the electronic communications sector. The EU Data Act was formally adopted in November 2023.

The MCA is following the proceedings involving the transposition NIS2 Directive. The NIS2 Directive entered into force on 16th January 2023 and is to be transposed into national legislation by the 17th October 2024. The transposition of the NIS2 Directive falls under the Ministry responsible for Home Affairs. The security provisions for trust service providers laid down in the eIDAS Regulation and the security provisions found in the EECR have been repealed and replaced by those in the NIS2. The MCA is expected to retain its current mandate regarding providers of publicly electronic communications networks, providers of publicly available electronic communications services and trust service providers. It is also envisaged that the MCA will be the competent authority for supervising providers of courier / postal services. The MCA may also have a role in the supervision of other digital infrastructure and digital providers.

The European Accessibility Act is a far-reaching regulation that addresses all forms of accessibility to the benefit of disadvantaged segments of society. Among these is the accessibility of websites. The MCA is already responsible for the monitoring of public sector websites and mobile apps under the Web Accessibility Directive and has already acquired a significant head-start in website auditing experience. The Government has assigned the website-related provisions of the European Accessibility Act to the Commission for the Rights of Persons with Disabilities (CRPD). The MCA is however expected to be involved in an advisory role via a MoU with the CRPD.

The MCA will continue to provide policy advice to the Government relative to Space-related topics, especially in relation to technical matters which fall within the MCA's remit. Another policy area on which the Authority provides advice to Government is that in relation to Internet Governance. In particular, the MCA has continued to represent Malta in the High-Level Group on Internet Governance (HLIG) which is an expert group comprising experts from European

member states with a view to ensure coordination at the European level and share expertise on internet governance related issues. On a related matter, the MCA will also continue to represent Malta on the ICANN Governmental Advisory Committee (GAC) which constitutes the voice of Governments and Intergovernmental Organizations (IGOs) in ICANN's multistakeholder structure.

In essence, most of the above-mentioned policy initiatives are known quantities and make for continuity from a strategic perspective. Having said this, the burden of following the relevant proceedings and translating the resultant policies into tangible outcomes, will be substantial. Above all, it necessitates an adequate number of knowledge workers who are both qualified and experienced in the required fields.

Research and Development

The MCA carries out an element of research to the extent that its human and financial resources allow. This research is necessary for staying up to date with relevant technological and policy developments. The MCA must be prepared to proactively respond to emerging trends in the event that they become mainstream.

In the process of conducting such research the MCA explores any funding opportunities that can be available, mainly at the EU level. Areas of interest include 5G, 6G, cybersecurity and the IoT. Participation in such initiatives, which are normally of a multi-national nature, enhances the MCA's exposure to new research and development, business innovations and initiatives in the areas that fall under its purview, notably the electronic communications sector.

In October 2023, the MCA published its perspectives on key issues and deliverables pertaining to the gradual achievement of carbon neutrality in the sectors it regulates. Whilst the MCA does not, so far, carry a specific legal mandate on the regulation of carbon emissions in these sectors, it envisages itself playing a role within its current responsibilities. It is encouraging to see that the communications sector in Malta is actively committing to net-zero plans by reducing their own environmental impact, while delivering services and networks that can contribute to Malta's ability to decarbonise and become more efficient. The MCA will continue to consider factors relevant to sustainability and climate change in undertaking its work on future technologies, including understanding the role that such technologies can play in reducing the impacts of climate change.

Next Steps

This outlook serves to set the scene for the MCA's strategic direction during the plan period. In general, the prevailing trend largely aligns with the existing strategic direction established by the MCA for all regulated sectors.

3 Key considerations

The underlying context to the Strategy Update for the period 2024 - 2026, provided in Section 2, effectively translates into a number of underlying key considerations:

- Facilitating the deployment of very high capacity fixed and mobile electronic communications networks remains a priority.
- A vibrant and competitive multi-player market remains the key driver for positive market developments.
- Competitive incentives facilitate efficient commercial investment in new and existing infrastructure and services.
- The MCA will maintain competitive stimuli in the respective sectors via the right mix of regulation, information dissemination, and facilitation.
- The nature and extent of commercial access agreements between operators is an indicator of competition in the respective markets and thereby influences the extent of regulation.
- Physical infrastructure access contributes to a competitive environment via efficiencies in network deployment, apart from producing positive environmental impacts and reductions in roads maintenance and urban disruption.
- Effective competition also depends on demand-side factors, such as the ability and willingness of customers to switch easily in response to a better deal in the marketplace.
- Increased dependence on the internet, by citizens and businesses alike, raises the stakes for the maintenance of the necessary levels of network and information security, resiliency and redundancy.
- Broadband as a universal service presents opportunities in bridging the digital divide.
- Initiatives which encourage people to boosting their digital skills is important to ensure people and businesses in Malta can maximise their use of available gigabit internet and digital services.
- A thorough, ongoing and joined-up assessment of quality-of-service delivery serves to give better all-round awareness of service levels, leading to lasting improvements.
- The MCA's broadband mapping platform will provide a capillary indication of user-experience, as well as providing a modular platform for incremental information on network deployment and access options.

- Wider end-user-related powers, as advocated by the EECC and as provided by EU rules such as the Consumer Protection Cooperation Regulation (referred to as the ‘CPC Regulation’), render the MCA more effective in the execution of its Mission, to the benefit of end-users.
- The MCA will continue to work to make sure consumers are treated fairly, are empowered to make choices that are right for them and are protected.
- Consumer protection will continue to be addressed through a mix of awareness-raising and regulatory intervention making use of new tools and powers for enforcement.
- Protecting consumers from unwanted or intrusive communications, phone-based scams and other trends that affect consumers will be addressed through a mix of awareness-raising and regulatory intervention.
- The monitoring of user quality of experience in the use of communications services is a valuable indicator of actual quality of service.
- Spectrum policy and management serves as a key tool in ensuring lasting efficiency, quality, safety and environmental awareness in electronic communications service delivery.
- Spectrum policy and management will be tailored to the needs of the national jurisdiction, within high level strategic and policy frameworks set at EU and international levels.
- The management of spectrum and numbers facilitates competition, enhances connectivity, and promotes efficient investment.
- The main challenge in a liberalised postal market will be ensuring the sustainability and currency of the universal postal service in the face of changing mail dynamics.
- The postal Universal Service Obligation (USO) should reflect users’ present-day needs.
- The MCA will continue to develop the potential of electronic signatures and other trust services in order to facilitate any type of electronic transaction between citizens, companies and public administrations.
- The regulation of digital services will be addressed through a mix of regulatory oversight, enforcement, and stakeholder awareness.
- Initiatives to strengthen awareness of rights and obligations on both the supply and demand sides of ever-increasing local eCommerce activity, are one such instance of the need for stakeholder awareness raising.

- The MCA will supplement its monitoring role relative to online accessibility via awareness-raising initiatives, thus contributing to the inclusion of disadvantaged segments of society.
- The digital regulation function will continue to be strengthened in line with new regulatory responsibilities assumed by the MCA.
- The MCA will leverage its expertise in the sectors on which it has oversight, in providing related policy advice to Government.
- Active participation in EU and international fora will remain high, in view of the need to consistently put forward Malta's position, particularly in areas which are of particular relevance to the domestic environment.
- Participation in BEREC assumes a higher profile in view of its advisory role to the EC under the EECC and as the guardian of internet openness, sustainability, and fair competition in digital ecosystems.
- Synergies with fellow institutional players will be continuously fostered and strengthened as necessary, also in light of new responsibilities assumed by the MCA under the Digital Services Act.
- Environmental considerations, in line with the principles set in the European Green Deal, will be gradually incorporated into MCA's work programme.

The above considerations effectively serve to shape the MCA Strategic Objectives and work-programme.

4 Mission and Underlying Principles

The MCA's mission statement is stated hereunder:

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

The Mission Statement reflects the MCA's commitment to bringing forward all forms of communications under its legal mandate, given also that all these constitute inter-related parts of the same ecosystem. The MCA's mission statement embodies a set of principles, which the MCA holds central to all the activities that it carries out, namely the following:

- The MCA views, in equal measure, all the communications sectors within its legal mandate as essential for the attainment of its Mission, given that the individual sectors form inter-dependent components of the same ecosystem.
- In striving towards the fulfilment of its Mission the MCA identifies a host of strategic objectives that it updates periodically in line with relevant developments.
- The relevant strategic objectives serve to provide the MCA with the necessary direction and focus on the fulfilment of its mission.
- The MCA ensures that communications markets operate in the interests of end-users and society.
- Through effective and relevant regulation, the MCA facilitates the development of a competitive communications sector in Malta that attracts investment, encourages innovation, and empowers consumers to choose and use communications services and applications with confidence.
- The MCA's activity serves to contribute to Malta's transition to a knowledge-based society and economy and to the maximisation of social and economic welfare.
- The MCA will serve as a focal point for policy shaping and implementation.
- The MCA's decisions will be transparent and duly motivated, such as to facilitate decisions by market players, policy makers and all other stakeholders.

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

- continue to maintain the required level of independence enshrined in EU and national law;

- consistently strive to co-ordinate its actions with Governmental and other stakeholders in the pursuit of its mandate;
- measure and review its performance on an ongoing basis; and
- ensure that it is sufficiently resourced with the right level and mix of expertise and adequately financed to carry out its mission and mandate at optimal levels.

5 Strategic Objectives

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

The MCA's Strategic Objectives are the following:

1. Promoting and safeguarding competition in the electronic communications sector.
2. Ensuring that electronic communications undertakings provide a transparent, quality service to users in line with incumbent social obligations.
3. Maintaining open, safe and secure electronic communications.
4. Maximising the potential of radio spectrum.
5. Supervising the provision of relevant digital services.
6. Safeguarding sustainable competition in the postal sector.
7. Ensuring that postal undertakings provide a transparent, quality service to users in line with incumbent social obligations.
8. Contributing to the ongoing development and implementation of sector policy.
9. Conducting relevant research, exploring and developing emergent policy areas.
10. Maximising operational excellence to ensure regulatory effectiveness and relevance.

A new Strategic Objective 10 focuses on operational excellence and the importance of human capital in the context of a knowledge-based organisation. Such an inward-looking strategic objective will revolve around activities that enable the MCA to remain an effective, agile and relevant regulator.

The MCA's projects and ongoing tasks will all be targeted towards the achievement of any one of the above strategic objectives.

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

6 Individual Strategic Objectives - Outlook, Key Tasks and New Thrusts

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

Strategic Objective 1

Promoting and safeguarding competition in the Electronic Communications Sector.

Outlook

- Maintaining ideal conditions for a multi-player scenario in VHCNs
- Promoting a competitive sector that delivers efficient investment, innovation, and choice

Key Tasks

- Safeguarding a competitive environment
- Facilitating sharing of physical infrastructure for the roll-out of VHCNs
- Managing information as the means to promote competition
- Managing the compliance framework

New Thrusts

- Key thrusts are ongoing with emphasis on:
 - conclusion of the analysis of the market for the provision of wholesale physical and virtual access and the identification of related remedies
 - a consequent review of the virtual unbundled local access wholesale remedy

Key Performance Indicators

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

Strategic Objective 1 – Key Performance Indicators

- Movements in number and variety of market players, as well as relative market shares
- Price movements
- Turnover and profitability movements
- Availability of updated wholesale access reference offers
- New service offerings
- Overall sector indicators

Strategic Objective 2

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

Outlook

- Continue refining regulatory tools for users to choose and use electronic communications services with confidence

Key Tasks

- Enhancing quality in the provision of publicly available electronic communications services via effective monitoring
- Enhancing the MCA's capabilities vis-à-vis consumer protection
- Ensuring universal access to electronic communications services
- Improving consumer access to information

New Thrusts

- Key thrusts are ongoing, with emphasis on:
 - finalisation of QoS rules and relevant monitoring framework
 - ensuring that newly acquired regulatory tools and powers, such as conducting mystery shopping, are utilized to yield tangible and timely outcomes for consumers
 - protecting consumers from phone-based scams

Key Performance Indicators

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

Strategic Objective 2 – Key Performance Indicators

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

Strategic Objective 3

Maintaining open, safe and secure electronic communications.

Outlook

- Consolidation of initiatives to enhance the security, integrity and reliability of publicly available electronic communications networks and services
- End-users have widespread access to high-quality and secure communications networks, services, and applications

Key Tasks

- Monitoring security, safety and integrity of publicly available fixed and mobile electronic communications networks and services
- Mapping broadband services as an information tool relative to broadband network capabilities
- Continued oversight of net neutrality practices
- Participation in EU and global Internet Governance Fora
- Ensuring continued monitoring and respect of EMF thresholds

New Thrusts

- Key thrusts are ongoing, with emphasis on:
 - publication of network integrity and security measures and relevant implementation process
 - populating the broadband mapping solution with relevant data
 - continued EMF oversight

Key Performance Indicators

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

Strategic Objective 3 – Key Performance Indicators

- Extent of public confidence in the Internet
- Number and nature of incident reports
- Reports regarding Net Neutrality practices
- Network and Information security monitoring processes in place
- Number of ongoing inspections/site visits (interference, radiation, etc.)

Strategic Objective 4

Maximising the potential of Radio Spectrum.

Outlook

- Preparing for additional spectrum for 5G
- Continue updating monitoring mechanisms

Key Tasks

- Readying of additional spectrum for 5G use
- Rationalisation of mobile spectrum usage for efficiency and environmental purposes
- Ensuring efficient and effective use of spectrum and associated radiocommunications equipment
- Management of scarce resources used by space systems and for the provision of satellite communications services

New Thrusts

- Key thrusts are ongoing, with emphasis on:
 - rationalisation of mobile spectrum usage for efficiency and environmental purposes, notably engaging with electronic communications operators on mobile technology migration towards Voice-Over-LTE (VOLTE) and 5G Standalone (5G SA)
 - developing a framework for the assignment of available wireless broadband radio spectrum bands including those bands which licences for the rights of use will expire in 2025 and 2026

Key Performance Indicators

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

Strategic Objective 4 – Key Performance Indicators

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

Strategic Objective 5

Supervising the provision of relevant digital services.

Outlook

- Continue strengthening regulatory capacity vis-à-vis digital services
- Increasing public awareness, confidence and accessibility

Key Tasks

- Ensuring compliance with the Electronic Commerce Act, Digital Services Act and Platform to Business Regulation
- Organising stakeholder fora, commissioning of surveys of public usage and perceptions of eCommerce, implementing targeted information campaigns on various digital services
- Maintaining regulatory oversight on relevant activities
- Monitoring public sector websites and mobile applications accessibility

New Thrusts

- Emphasis on ongoing initiatives, namely:
 - setting up the organisational capacity and processes for the implementation of the DSA
 - co-ordination with other public authorities that have a role to play in the effective implementation of the DSA
 - continue to raise stakeholder awareness on digital services in order to maximise usage
 - building capacity to supervise new trust services that are planned through eIDAS2

Key Performance Indicators

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

Strategic Objective 5 – Key Performance Indicators

- MCA's regulatory functions, as the DSC, established within the set timeframe
- Changes in eCommerce uptake by businesses and consumers
- Public awareness of their rights with respect to eCommerce
- Service provider awareness of their legal obligations
- Public perception with regard to the security of eCommerce transactions
- Progress in website accessibility
- Progress in utilisation of trust services

Strategic Objective 6

Safeguarding sustainable competition in the postal sector.

Outlook

- Management of the competition regulatory framework

Key Tasks

- Continuing enhancements to the MaltaPost economic regulation model
- Analysing competition dynamics in specific postal markets
- Managing the postal compliance framework
- Monitoring performance via collection and analysis of data

New Thrusts

- Key thrusts are ongoing, with emphasis on the enhancement to the MaltaPost economic regulation model

Key Performance Indicators

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

Strategic Objective 6 – Key Performance Indicators

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

Strategic Objective 7

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

Outlook

- Supporting the continued sustainability, efficiency and quality of the postal universal service

Key Tasks

- Determining the ongoing feasibility of existing postal service obligations to reflect users' present-day needs
- Managing the compliance framework, with focus on quality service provision
- Ongoing management of the EU regulation on cross-border parcel delivery

New Thrusts

- Key thrusts are ongoing with emphasis on securing a universal postal service, having regard to financial sustainability and efficiency.

Key Performance Indicators

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

Strategic Objective 7 – Key Performance Indicators

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

Strategic Objective 8

Contributing to the development and implementation of Sector Policy.

Outlook

- Providing input to Government, notably on major EU proposals, as well as on national matters.
- Contributing to the work of relevant international bodies

Key Tasks

- Provision of input to EU-driven policy proposals
- Interaction with EU and related bodies
- Active involvement in regulatory and policy bodies where the MCA is a member
- Interaction with major non-EU bodies notably International Telecommunication Union (ITU), European Conference of Postal and Telecommunications Administrations (CEPT) and UPU
- Provision of ongoing policy advice to Government

New Thrusts

- Key thrusts are ongoing, with emphasis on:
 - Supporting Government in EU Council discussions on current and forthcoming policy proposals, notably the review of the BCRD (i.e., the proposed GIA)
 - Supporting Government in the transposition of the NIS2 Directive
 - Active participation in BEREC and European Regulators Group for Postal Services (ERGP) in the drafting of Opinions to the EU Commission, as well as in the delivery of its work programme
 - Active participation in the European Board for Digital Services established under the DSA

Key Performance Indicators

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

Strategic Objective 8 – Key Performance Indicators

- The MCA will, on an ongoing basis evaluate:
 - the effectiveness of its participation in EU and international fora
 - the extent, timeliness and quality of its advice to Government on relevant policy matters
 - trust placed in it through tasks and roles assigned to MCA staff and experts within EU and international bodies

Strategic Objective 9

Conducting relevant research, exploring and developing emergent policy areas.

Outlook

- Exploring emergent policy areas of relevance to the Authority's mandate

Key Tasks

- Supporting fixed and wireless broadband research and development
- Continue addressing the implications of the European Green Deal on relevant sectors and the MCA's regulatory mandate

New Thrusts

- Key thrusts are ongoing with emphasis on:
 - encouraging the communications sector to increasingly consider its environmental sustainability; and
 - promoting the role that the communications sector can play for connectivity to be an enabling factor in facilitating the carbon footprint of other sectors.

Key Performance Indicators

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

Strategic Objective 9 – Key Performance Indicators

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

Strategic Objective 10

Maximising operational excellence to ensure regulatory effectiveness and relevance.

The MCA operates within a dynamic and complex landscape, characterised by constant changes, both in terms of the sectors it regulates and the policy context. The MCA strives to be an active and agile organisation, capable of responding to the rapidly changing environment and effectively addressing challenges that affect the MCA's ability to fulfil its Mission in a timely manner.

The organisation's ability to deliver on its Mission hinges on four key drivers of organisational success: maintaining an informed regulator with a deep understanding of the sectors; fostering proactive stakeholder engagement; adapting to our evolving mandate; and optimizing our people and processes. In addition, regulation is only effective when regulated entities comply with their regulatory obligations.

Compliance and enforcement

In terms of compliance and enforcement, the MCA's statutory functions can be divided into two categories: to ensure that regulated entities comply with their regulatory obligations and to ensure that the radio spectrum is managed in an efficient and effective manner. The MCA's enforcement strategy focuses on a culture of compliance, active monitoring of regulatory obligations, targeted enforcement and effective deterrence. This includes supporting stakeholders to understand how to comply with their regulatory obligations.

Performance planning and review

The MCA is committed to maintaining efficient and effective strategic and business planning, along with the monitoring of actual performance against predetermined targets. Performance planning cascades from the strategic and business planning tier to individual staff performance planning programmes. All these components are co-ordinated and regularly reviewed and updated in a process of continuous improvement. The MCA consistently ascertains the validity of its performance by reviewing its activities on an ongoing basis, assessing whether outputs and outcomes are being attained and reviewing its plans accordingly.

Human resources

The MCA is committed to fostering a knowledge-based, well-structured workforce capable of effectively fulfilling its mission and mandate. For the MCA to be an informed regulator, in addition to access to high-quality and reliable data in a timely manner, it must have skilled staff who can undertake analysis to produce high-quality research and insights.

Performance-based activity permeates down to the individual level by means of individual performance assessments, which tie into the achievement of organisational goals. Staff

performance measurement is a reflection of the organisation's progress in meeting its strategic objectives.

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

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

Ongoing participation in BEREC and ERGP workgroups has also served its purpose as a highly valued means of investing in expertise. The MCA staff members eventually provide a return by contributing as co-drafters on a number of these workgroups. Various MCA representatives are also being nominated and considered as Co-Chairs of these expert workgroups.

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

The MCA will continue to focus on supporting and retaining its existing talent pool as it recruits additional staff to fulfil its Mission and evolving mandate. As new functions are added to its mandate, the MCA will continue to strike an appropriate balance between in-house resources and outsourcing.

Outsourcing of expertise

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

Organisation

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

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

Resources

For the MCA to function at desired levels and empower its staff members to achieve optimal performance, it needs to ensure that they are adequately equipped to carry out the task. In this respect this organisation is committed to providing the environment that is most conducive to productivity. This commitment is reflected in the provision of adequate premises and ICT resources as well as other logistical support necessary for the successful execution of tasks.

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

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

The MCA ensures that financial reporting reflects the various activities carried out and the related sources of funding. The MCA dedicates the necessary resources towards maintaining its accountability framework to the highest standards.

Financial autonomy by itself is not effective in achieving targeted objectives without equal autonomy in personnel recruitment and speed of procurement. Thus, in order to be able to deliver its programme the MCA requires the collaboration and timely input of other institutional players, not only in the area of finance but also in the case of recruitment and procurement. Such collaboration and input are to be seen in the context of the MCA's independence and accountability, as enshrined in law.

The MCA also considers timely collaboration from other institutional players as a critical input towards successful outcomes, particularly in instances where projects span a number of government bodies. In the same spirit the MCA is committed to providing timely and quality input to institutional players whenever such is reasonably required.

7 Key Priorities and Envisaged Outcomes

MCA Progress on 2023 Key Priorities

Insofar as the key strategic priorities that the MCA identified in its 2023 Strategy Update, it is good to note substantial progress on all fronts as indicated below:

MCA Priority: Finalise the analysis of Relevant Markets 1 and 2 and identification of relevant remedies.

Progress: The review of the wholesale dedicated capacity market (Market 2) was finalised at the end of 2022. In line with the MCA Decision the market is classified as being effectively competitive and therefore no longer necessitates *ex-ante* regulatory intervention. The existing regulatory obligations were withdrawn at the end of March 2023.

In addition, notable progress was made in relation to the review of the wholesale broadband access market (Market 1). The review re-evaluated the state and potential further development of infrastructure-based competition in Malta. A public consultation on the analysis of the market and proposed relevant *ex-ante* regulatory remedies was published in April 2023 and closed on the 14th July 2023. The final outcome of the exercise and the regulatory approach, expected in the first half of 2024, will shape the competition scenario for the provision of broadband services in Malta, for the coming years. This should not however preclude commercial initiatives for access to both virtual and physical infrastructure.

Priority partially addressed and will continue into 2024

MCA Priority: Finalise Decision Notice for relevant QoS rules for Electronic Communications Operators and set up monitoring framework.

Progress: A final decision on a host of QoS measurement parameters is expected in the first quarter of 2024 after engaging with the operators concerned. This will be followed with the articulation of QoS reporting and publication processes. Providers of internet access services and of publicly available interpersonal communications services will be required to publish comparable, reliable, user friendly and up-to-date information on the quality of their services. The information will, amongst others, ensure that people and businesses have the right information to make informed decisions about which electronic communications services are more suitable for them. The information will also serve to encourage the operators to improve their quality of service and customer experience.

Priority to continue into 2024

MCA Priority: Publish a final decision on Operator measures to safeguard network integrity and security and chart implementation process.

Progress: A review of the minimum security and integrity requirements and reporting obligations of the public electronic communications networks and service providers was finalised in the last quarter of 2022. A public consultation followed in the first quarter of 2023. A final decision on Operator measures to safeguard network integrity and security is expected early in 2024 after engaging with the operators concerned and taking stock of the national approach towards the NIS2 transposition.

Priority to continue into 2024

MCA Priority: Consolidate the Broadband Mapping Project via purchase of the relevant software and its population with relevant data.

Progress: The obligation emerging from the EECC regarding a geographical survey on the reach of electronic communications networks capable of delivering broadband services will be completed by the end of 2023. The exercise leading to the geographical mapping of information on each fixed and mobile broadband network and related services across Malta and Gozo continued with the procurement of a broadband mapping software platform in the first half of 2023. The mapping platform will enable the MCA to geographically map information on fixed and broadband networks and related services across Malta and Gozo. It is the intention of the MCA to enhance the use of the platform to enable consumers to be in a position to check coverage and availability of fixed and wireless broadband infrastructures, information on the operators, service and technology availability, available bandwidths and quality of public electronic communications networks and services. This initiative will continue in 2024 with the population of the mapping platform with relevant data.

Priority partially addressed and will continue into 2024

MCA Priority: Consolidate EMF oversight initiatives and oversee the implementation of the EMF guidelines.

Progress: The monitoring of electromagnetic fields (EMF) emissions with a view to ensuring that levels of electromagnetic radiation do not exceed the levels established by the ICNIRP continued in 2023. In addition, the EMF oversight initiatives continue to be further consolidated via further investment in equipment and ongoing updating of its methodology.

Priority to continue into 2024

MCA Priority: Maximise the efficient use of spectrum in support of 5G and other applications via review of authorisation processes and licence conditions of relevant spectrum bands.

Progress: The rights of use of radio spectrum in the 2 GHz band will expire in August 2025. The rights of use of radio spectrum in the 900 MHz / 1800 MHz band will expire in August 2026. Spectrum in the 700 MHz and 26 GHz bands remains unassigned.

Discussions on a ‘multi-band’ assignment framework of the radio spectrum commenced in the second half of 2023 and will continue in 2024.

Priority to continue into 2024

MCA Priority: Issue and award tender for the digitisation of the radiocommunication licensing function.

Progress: This initiative is currently on hold until there is clarity on the way forward regarding the potential need to replace the MCA’s Enterprise Resource Planning (ERP) system. The current on-premises ERP system will no longer be supported beyond early 2025 triggering the need to commence with a plan to migrate the current ERP system to an alternative solution that meets our requirements. The digitisation of the radiocommunication licensing function will be linked with the new ERP system.

Priority put on hold in 2023

MCA Priority: Engage Electronic Communications operators on mobile technology migration towards Voice-Over-LTE (VOLTE) and 5G Standalone (5G SA).

Progress: An exercise to better understand the operators’ plans on the migration of mobile technology towards VOLTE and 5G SA commenced in 2023. The MCA is engaging with the operators concerned on the eventual migration of services over 2G/3G networks to newer and more efficient technologies with a view to eventual switch-off of legacy networks. While the migration from legacy networks is ultimately the responsibility of the operators, this will require extensive consultation and planning in order to ensure an efficiently managed transition and that competition and end-users (including vulnerable end-users) are protected at all stages of the process.

Priority to continue into 2024

MCA Priority: Raise Stakeholder awareness on Digital services such as accessibility of Public Sector websites and mobile applications to enhance usage.

Progress: Various initiatives on raising awareness on digital services including accessibility of public sector websites and mobile applications continued in the first half of 2023 with the objective to enhance usage and awareness of accessibility measures. Such awareness raising initiatives will continue during the course of 2024.

Priority to continue into 2024

MCA Priority: Enact relevant legal provisions and set up the organizational capacity and processes for the Digital Services Act (DSA), including co-ordination with other public authorities that have a role in the effective implementation of the DSA.

Progress: In the first half of 2023 the MCA proposed legislative provisions to Government needed to effectively implement the DSA and to formally designate the MCA as the DSC responsible for matters relating to the supervision of the DSA. Meetings commenced with various public authorities that have a role in the effective implementation of the DSA. The MCA entered into an MoU regarding cooperation relating to the MCA's role as the DSC with four public entities - IDPC, Commissioner for Children, DG Consumer Affairs (MCCAA). The MCA also plans to enter into an MoU with the Malta Police Force. The MCA is compiling the enforcement and compliances processes and procedures to be in position to effectively oversee the DSA which will be applicable to all digital services as from 17th February 2024.

Priority partially addressed and will continue into 2024

MCA Priority: Finalise a review of the Sustainability of the Postal USO to identify required structural changes.

Progress: In 2022 it was evident that a review of the Postal USO in order to continue to ensure a sustainable universal postal service of high quality that meets the reasonable needs of users of postal services had become more pressing. The parties involved, that is, MaltaPost, the MCA and the Government need to find the necessary balance between quality of service, the extent of the USO and the relevant operational costs involved, so as to ensure that the service is attuned to today's needs, is cost effective, and at the same time sustainable over the longer term. In 2023 work continued together with Government in order to identify the structural changes required to the MaltaPost's USO in light of market changes and evolving user needs with the objective of the universal postal service continuing to be financially sustainable. Work to ensure the long-term sustainability of the universal postal service will continue in 2024.

Priority partially addressed and will continue into 2024

MCA Priority: Participate in the EU debate relative to the review of Broadband Cost-Reduction Directive and the Postal Services Directive.

Progress: In February 2023, the EC published a proposal for a Gigabit Infrastructure Act (GIA) that will replace the Broadband Cost Reduction Directive (BCRD). The GIA aims to fast-track the deployment of very high-capacity networks across the EU. Contribution to the EU debate relative to the draft GIA commenced in 2023 and is to continue in the first half of 2024.

The EC has delayed a review of the Postal Services Directive last updated in 2008. The EC has instead opted for a prospective study which will be built around a number of scenarios for the possible developments in the postal sector in the next 10 years to 20 years. The results of the study will be delivered in the second semester of 2024. It is yet unclear whether there will be a review of the current Postal Services Directive in the near future.

Priority to continue into 2024

MCA Priority: Engage with CEPT and other relevant stakeholders to secure an active and fruitful contribution to the ITU WRC-23.

Progress: The MCA actively engaged with CEPT and other stakeholders in order to be in a position to contribute to the ITU World Radiocommunication Conference 2023 (WRC-23) being held from 20 November to 15 December 2023. The conference will identify new bands for International Mobile Telecommunications (IMT, the ITU terminology for 3G/4G/5G) and will decide on the future of the 470–694 MHz band, which is currently allocated to broadcasting. Many agenda items address spectrum and procedures for satellites.

Priority addressed for 2023

MCA Priority: Participate in BEREC and ERGP and in the delivery of the respective work programmes including in the drafting of Opinions to the EU Commission.

Progress: Active participation in all BEREC and ERGP working groups is essential as it provides the opportunity to develop and share knowledge on the regulation of the communications sector (telecommunications, radio spectrum management, postal and the wider digital ecosystem). Dedicated teams within the MCA contribute to the development of various Opinions, Report and Guidelines. Via its participation in such fora the MCA is well positioned provide advice to Government to ensure that new areas of communications and digital regulation have a positive outcome for Malta.

Priority to continue into 2024

MCA Priority: Finalise the document identifying the potential contribution of the MCA and the communications sector towards the attainment of the European Green Deal target.

Progress: The MCA has in recent years sought to build knowledge on the role that the communications sector plays in terms of its relationship to climate change. The MCA is now better informed on how the communications sector can assist in facilitating decarbonisation across the economy, how it can reduce its own carbon footprint, and how it can adapt to a changing climate. A discussion paper that outlines the contribution of the communications sector and some ideas on how the MCA, in tandem with electronic communications service providers, may contribute towards achieving Malta's environmental sustainability goals was published in October 2023.

Priority addressed for 2023

List of 2024 Key Priorities

The MCA, as part of its strategic planning exercise, has identified the following priority tasks for 2024 composed of tasks spilling over from 2023 in addition to new identified tasks that are considered as the top priority areas for the MCA to achieve its objectives:

- Publish Decision on the analysis of the market for the provision of wholesale physical and virtual infrastructure access and identification of relevant remedies.
- After reaching a final Decision on the analysis of the market for the provision of wholesale physical and virtual infrastructure access, in line with the procedures delineated in the EECC for the consistent application or remedies, carry out a review of current wholesale remedy for virtual unbundled local access.
- Publish Decision for relevant QoS rules for electronic communications operators and set up monitoring framework.
- Publish Decision on preventive measures to mitigate calling line identification spoofing and vishing scams.
- Raise consumer awareness on how users of electronic communication services can protect themselves from scams.
- Publish Decision on operator measures to safeguard network integrity and security and chart the implementation process.
- Population of the broadband mapping solution with relevant data as an information tool for consumers, industry and the MCA.
- Continue EMF oversight and overseeing the implementation of the EMF guidelines.
- Publish a framework for the assignment of available wireless broadband radio spectrum bands including those bands which expire in 2025 and 2026.
- Continue engaging with electronic communications operators on mobile technology migration towards Voice-Over-LTE (VOLTE) and 5G Standalone (5G SA).
- Continue to set up the organisational capacity and processes for the DSA, including co-ordination with other public authorities that have a role in the effective implementation of the DSA.
- Continue to raise awareness on digital services such as accessibility of Public Sector websites and mobile applications, and trust services to enhance uptake and usage.

- Review of the postal markets to assess whether the USP continues to hold SMP in any of the relevant markets falling within the universal postal service area.
- Continue to identify required structural changes to the USO in order to adapt to changes in the postal market and user needs together with relevant stakeholders.
- Participate in the EU debate relative to the review of the Gigabit Infrastructure Act (GIA) and the envisaged Digital Networks Act (DNA).
- Participate in BEREC and ERGP and in the delivery of the respective work programmes including in the drafting of Opinions to the EU Commission.

The above tasks are also listed under the individual Strategic Objectives that they address.



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