

**Consultation on amendment to a decision entitled
"Universal Service Obligations on Electronic Communication
Services" published on the 15th April 2010**

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1 BACKGROUND TO THIS CONSULTATION

On the 15th April 2010 the Malta Communications Authority (hereinafter "MCA") issued a decision entitled "Universal Service Obligations on Electronic Communication Services" (hereinafter "the Decision"). The purpose of that Decision was to re-establish the individual universal services obligations (hereinafter "USOs") and their respective designations. These USOs include the provision of access at a fixed location, directories and directory enquiry services, public pay phones, measures for disabled users and provision of reduced tariffs and ensuring that users have the means to control expenditure. This document also covers the financing and designation criteria and processes.

As specified in the Electronic Communications Networks and Services (General) Regulations¹, if an undertaking deems that it has suffered an unfair burden as a result of providing all or part of the universal service, it may submit a written request for funding to the MCA. The decision establishes that such a request, which shall be accompanied by supporting information (also specified by the said Regulations²), shall be received in writing by the MCA by not later than six months following the end of the financial year pertaining to the claimed unfair burden. A timeframe needs to be established in order to enable the entities which are contributing towards such a fund to plan accordingly.

Although they are currently obliged to submit their audited and regulatory accounts within the same timeframe, GO plc is claiming that the period of six months following the financial year to submit a request for funding is unreasonably short, and that the quantification of intangible benefits go beyond the workstreams required to compile the above mentioned reports. The MCA has taken into consideration that GO plc has been providing various universal service obligations for a number of years, and also that one of the factors which was considered when establishing the length of the timeframe was specifically in order to compensate the designated undertaking suffering an unfair burden in the shortest time possible. However a timeframe still is required to be set in order to enable the entities which are contributing towards such a fund to plan accordingly.

To this effect the MCA is considering the feasibility or otherwise of revising the timeframe from **six** to **nine** months following the end of the financial year pertaining to the claimed unfair burden.

The MCA would like to highlight the fact that following a submission for funding, a complex workstream shall be initiated to assess justification on such a request as established in the Regulations³.

¹ SL 399.28 , Regulation 34(1)

² SL 399.28 , Regulation 34(2)

³ SL 399.28 , Regulation 34(3-7), 35, 36 & 37.

2 PROPOSED AMENDMENT TO THE DECISION

The MCA is inviting interested parties to comment if Decision 24 of the Decision entitled "Universal Services Obligations on Electronic Communications Services" published in April 2010 is substituted with the following text to read:

Decision 24

Any request for funding shall be received in writing by the MCA by not later than nine months following the end of the said financial year. The relevant period of assessing a request for funding shall be the most recent completed financial year of the undertaking.

The text found in the body related to the above decision shall be updated accordingly.

3 SUBMISSIONS

Interested persons are invited to forward their submissions by not later than close of business of **Friday the 18th February 2011**, addressing their submissions to:

The Chairman
(Attn: Chief of Operations)
Malta Communications Authority
Valletta Waterfront
Pinto Wharf
Floriana FRN 1913

Or by e-mail to coo@mca.org.mt

Ian Agius
Chief of Operations

18th January 2011