



Malta Communications Authority **Annual Plan 2010**

14th January 2010

Malta Communications Authority
Valletta Waterfront, Pinto Wharf, Floriana
Tel: (356) 21 336 840. Fax: (356) 21 336 846
Website: www.mca.org.mt
e-mail: info@mca.org.mt

Table of Contents

	Page
1. Introduction.....	2
1.1 Mission Statement	2
1.2 Strategic Objectives	2
2. Detailed Work Programme	4
2.1 Electronic Communications.....	4
2.2 E-Commerce	10
2.3 Postal Services	11
2.4 Information Society	13
3. Programme of Work	15
4. Finance and Effectiveness	16
4.1 Finance	16
4.2 Evaluating our Effectiveness	18

Appendix 1 – Programme of Works 2010

1. Introduction

This document represents the Malta Communications Authority's (MCA's) Annual Plan for the period 2010. It focuses on the work-streams and related individual tasks that the MCA intends to undertake during 2010.

The Annual Plan is based on an understanding of the MCA's mandate, mission and strategic objectives as well as on an assessment of ongoing and envisaged trends in the sectors that the MCA regulates, namely, electronic communications, radio-communications, radio spectrum management, postal services and e-commerce - at both national and international levels. The Annual Plan also deals with non-regulatory work-streams within its mandate, such as the Information Society (IS) initiatives emerging from the National ICT Strategy.

The Annual Plan is reflective of the MCA's Strategic Plan Update covering the period 2010 – 2012.¹

1.1 Mission Statement

The mission of the MCA is:

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

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

1.2 Strategic Objectives

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

Electronic Communications	
T1	Regulating an electronic communications environment that is capable of sustaining competition among existing providers while ensuring ease of entry to new undertakings.
T2	Ensuring that electronic communications undertakings provide a transparent, value for money service to users whilst adhering to incumbent social obligations.
T3	Contributing to the ongoing discussion at an international level, on the consistent development of the electronic communications regulatory framework and related issues.
T4	Facilitating innovation in the provision of broadband and other services, via ongoing research and the continued development of the policy and regulatory environment.
e-Commerce	
E1	Facilitating e-Commerce uptake and the use of electronic signatures, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.

¹ Refer to <http://www.mca.org.mt/infocentre/openarticle.asp?id=1379&pref=15>

Postal Services	
P1	Attaining the target, within envisaged timeframes, of a liberalised postal services environment that ensures ease of entry to new undertakings and sustainable competition.
P2	Ensuring that postal undertakings provide a transparent, value for money service to users whilst adhering to incumbent social obligation.
P3	Contributing to the ongoing discussion, at an international level, on the consistent implementation and ongoing development of the postal regulatory framework and related issues.
Information Society	
IS1	Achieving widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens, in particular, disadvantaged groups.
IS2	Encouraging the use of e-Business models by local enterprises as a means to improve competitiveness.

2. Detailed Work Programme

What follows is an overview of the activities, projects and work streams to be carried out during the Annual Plan period grouped by the MCA's strategic objectives.

2.1 Electronic Communications

2.1.1 Strategic Objective T1

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

Market Review and Analyses

The MCA will continue to monitor the application of the imposed 'ex-ante' remedies resulting from the analysis of the relevant markets carried out during the past years. In addition, the MCA will continue with the 'second round' of market reviews in line with the EU Recommendation on Relevant Markets.

Two of the markets to be reviewed, namely Markets 4 (Wholesale network infrastructure access – including unbundling access at a fixed location) and Market 5 (Wholesale broadband access) bear significant importance in the context of their implications on next generation access networks.

Meanwhile it is possible that 'ex ante' regulation may be rolled back from markets where competition has progressed adequately.

Ensuring that Barriers to Entry Remain Low

The MCA will continue to ensure that rights to access and interconnection will, within the boundaries delineated by regulation, be available to all service providers and that the MCA will have the necessary enforcement tools to ensure 'de facto' access and interconnection.

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

The MCA will finalise a detailed review of Go Plc's local loop unbundling (LLU) offer and pricing model as well as a review of the pricing model of high capacity leased lines as a means of promoting further competition in electronic communication services.

Following the new EU Commission Recommendation on Mobile Termination Rates (MTRs) published in May 2009 the MCA will finalise a review on the interconnection pricing strategic approach for both mobile and fixed termination rates (FTRs) which will define the methodology which will be used to calculate the MTRs and FTRs in the coming years.

Next-Generation Networks Access

The move to next generation access networks (NGA) - i.e. the provision of high speed broadband access via solutions such as fibre to the cabinet and to the home - presents opportunities for business and domestic users in terms of new applications and services with resultant socio-economic benefits. However these developments also bring about a number of new regulatory challenges.

The MCA will work towards facilitating the introduction of NGA's from a regulatory standpoint, whilst ensuring that their coming into existence does not result in competition bottlenecks. The MCA will produce a regulatory strategy that, among others, will lay out the main thrusts to be followed by the MCA in addressing all the regulatory implications that NGA's bring with them. The MCA will subsequently set out to address the action points set out therein.

Key tasks will include an in depth study, with the assistance of the Malta Information Technology Agency (MITA) and the Malta Transport Authority (ADT), on the deployment of fibre to all urban areas in Malta and Gozo, a review of access to the public rights of way and a framework for in-building wiring for fibre deployment.

The MCA will support the work that Government is carrying out in facilitating the path to next generation access deployment in Malta. The MCA will assist Government in the role of a regulatory and technical sounding board in facilitating the path to next generation access deployment in Malta.

In its role of policy adviser to Government, the MCA will address the identification of the infrastructural requirements and other elements that Government needs to address in its promotion of NGA deployment.

Developing the Potential of Frequency Spectrum

The MCA will continue with the process to reassign the currently licensed GSM spectrum in the 900 MHz band and 1800 MHz band (i.e. the Go Mobile and Vodafone GSM Licences for the rights of use of spectrum which expire in 2010) and the vacant spectrum in the said frequency band.

The MCA will also review the spectrum in the 800 MHz band that can be freed-up following digital switchover with the potential of being used for mobile broadband services in addition to broadcasting.

In line with the MCA's strategic plan for the management of radio spectrum² the MCA will examine how an element of spectrum trading can be developed within the ambit of the existing regulatory environment.

Furthermore, the MCA will continue to make available additional spectrum to enable new and innovative services subject to expressions of interest from the market (refer to Strategic Objective T4 below).

Emergent Competition Issues

The past few years have been characterised by an increasing trend towards 'ex post' competition issues in the electronic communications sector.

In 2007 the MCA, together with the Office of Fair Competition, laid the groundwork for concurrent jurisdiction in the relevant area. Pending

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

Government's decision relative to the assignment of concurrent jurisdiction in ex-post competition regulation, the MCA will continue to cooperate with the Office of Fair Competition to ensure a coherent regulatory approach.

2.1.2 Strategic Objective T2

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

Universal Services / Designation of Universal Service Provider(s)

The MCA will finalise a detailed review of the scope of the electronic communications universal service obligations in Malta taking into consideration the developments in competition and changing needs of users. This will be followed by the designation of the universal service provider(s) to carry out the universal service.

In addition, the MCA will review the benefits of defining broadband as a universal service.

Service Quality

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

In particular, the MCA will implement measures to prevent significant disparities between consumers' expectations of broadband performance and their actual experience and consider whether, and in what form, consumers should be provided with more information on the QoS broadband service provision.

Keeping the Radio Spectrum Free of Interference

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

The MCA will continue the monitoring of electronic magnetic emissions with a view to ensuring that levels of electromagnetic radiation are in conformity with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines. The MCA will also implement the recommendations made in a study carried out in 2009 on the various aspects related to the monitoring of electronic magnetic emissions.

The MCA will also together with other stakeholders, such as the Malta Environment and Planning Authority (MEPA), develop a national plan for telecommunications infrastructures / towers. This plan will include, amongst others, recommendations on infrastructure sharing and the technical specifications of antennas.

Licensing Access to the Radio Spectrum / Co-ordination

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

This year the MCA will be assigned full responsibility for the administrative requirements related to the issuing and managing of all radiocommunications equipment licences (excluding TV licences which will be retained by the Ministry). This function is currently carried out by the Ministry and a process was initiated last year to transfer this function to the MCA.

In addition, the MCA will continue to enhance the radio communications licensing regime (e.g. fixed radio links, amateur radio, citizens band, public mobile radio, aeronautical and maritime radio equipment licences).

Digital TV Switchover

As part of the smooth transition to digital television the MCA together with other stakeholders from the MITC, Broadcasting Authority (BA) and the Public Broadcasting Services (PBS) will during the course of 2010 steer the transition of free-to-air broadcasting meeting General Interest Objectives to a digital platform.

Among others the MCA will, in tandem with its institutional partners in the Digital Switchover initiative, carry out an extensive communications campaign and monitor the progress towards the transition to digital television by switchover (i.e. from analogue to digital) by the end of 2010.

Empowering Consumers

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

The MCA will continue to work to:

- Propose legislation to Government that will enhance the MCA's powers to intervene in consumer related matters.
- Further streamline its complaints handling and dispute resolution functions.
- Continuously update and enhance the information available to citizens and consumers via, amongst others, the MCA website, such as:
 - the choices as an electronic communications consumer with respect to products and services, prices and switching;
 - the specific rights and entitlements of consumers of electronic communications in relation to aspects such as universal service, billing, tariff transparency, contract terms as well as conditions for service termination, complaints handling, directory information services, access to emergency service and number portability;
 - information explaining the benefits and uses of new and innovative technologies; and

- information at each stage of the purchasing process including: choosing a provider, choosing a service plan, managing use of the service plan, and deciding whether and when to switch an existing provider or plan for all electronic communications services.
- Ensure that consumers are protected from a range of potential nuisances and that they are aware of their rights by:
 - addressing the problem of mis-selling through codes-of-practice;
 - disseminating information through a number of channels including, Consumer Guides, the MCA’s website and marketing campaigns; and by
 - ensuring information is accessible, appropriate to need, accurate and timely.
- Inform consumers via end-user surveys and research on the consumer attitudes to and use of communications technologies.

Ensuring Compliance

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

2.1.3 Strategic Objective T3

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

European / International Dimension

The MCA’s role of adviser to Government on the international dimension of the electronic communications regulatory framework is a key task that is incumbent on the MCA in achieving this objective. The MCA will continue to achieve this objective by means of the following key activities:

- The ongoing provision of advice to government on proposed EU legislative measures and other communications.
- The ongoing provision of advice to government on the interpretation and application of any new Directives, recommendations and other EU documents as well as any related issues and disputes arising.
- The active participation and contribution in EU organisations such as the Communications Committee (COCOM), the Radio Spectrum Committee (RSCOM), the Radio Spectrum Policy Group (RSPG), the European Regulators’ Group (ERG) and the European Network and Information Security Agency (ENISA).
- The active participation and contribution in other international fora such as the International Telecommunication Union (ITU), European

Conference of Postal and Telecommunications Administrations (CEPT), the International Regulators' Group (IRG) and related workgroups.

- The ongoing submission of accurate statistics and information to the EU and other international organisations.
- The collaboration on a one-to-one basis with peer regulators on a regular or one-off basis.

New European Regulatory Framework

The new European electronic communications regulatory framework was adopted towards the end of 2009. The new rules need to be transposed into national law by June 2011. The MCA will provide recommendations to Government on the transposition of the framework into local legislation focusing, amongst others, on the following key areas:

- the application of a common EU approach to spectrum management which is less restrictive and more responsive to increasing demands for this critical resource;
- the scope of the universal service; and
- other aspects such as consumer protection and security, which are becoming increasingly important in direct proportion with the increasing complexity of the electronic communications sector.

Pan-European Initiatives

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

- spectrum matters, such as Wireless Access Platforms for Electronic Communications Services (WAPECS) by means of the MCA's participation in the COCOM, RSPG and RSCOM; and
- the authorisation of pan-European services such as the European work on the authorisation of the two selected operators for mobile satellite services (MSS) in 2 GHz bands, the common European-wide telephone services of social value via the harmonised numbering range beginning with '116', the EU-wide approach to the digital dividend following analogue TV switch off, mobile television services and the harmonised approach to the authorisation of mobile services on vessels.

2.1.4 Strategic Objective T4

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

'Technology Watch' Function

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

Rollout of Wireless Broadband Infrastructures

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

New and Innovative Technologies

In order to encourage new and innovative technologies and services the MCA will, among others, promote the uptake of test and trial radio spectrum licences to encourage the development of innovative spectrum usage in a safe and technology-neutral environment.

Making Spectrum Available to Enable New Services

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

Band	Potential Uses
3400 – 3800 MHz band	Wireless Broadband technologies (WiMAX)
2.6 GHz band	Wireless Broadband technologies such as WiMax, UMTS, or LTE and wireless cameras

2.2 E-Commerce

2.2.1 Strategic Objective E1

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

Public and Service Provider Awareness / Confidence

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

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

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

Supervisory Regime for Certification Service Providers

The MCA will setup a supervisory regime for Certification Service Providers in light of the possibility of an accredited national certifications service provider issuing qualified certificates being launched in Malta.³

Monitoring Compliance

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

2.3 Postal Services

2.3.1 Strategic Objective P1

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

Development of a Competitive Environment

Full liberalisation of the postal sector is to take place by not later than the end of December 2012. Despite the reserved area restricted to Maltapost Plc a number of sector competition issues may still come to the fore in those areas of the universal service that are already open to competition. The MCA will therefore continue working on the setting up of the necessary regulatory provisions required for a fully liberalised environment. In addition, the MCA will make sure that proper systems are in place to deal with any 'overlaps' between operators so that users receive a good service.

Developing a Regulatory Approach Conducive to the Onset of Competition

The MCA will review the current postal regulatory framework and licensing / authorisation regime in order to develop a regulatory approach that is conducive to the onset of competition. Such a framework would essentially ensure a level playing field for all undertakings competing in the relevant postal markets. It will therefore be necessary to manage a transition from a framework that essentially centres around one universal service provider to one that deals with potentially a multi-player sector. In addition, it will be necessary to identify relevant postal markets and determine dominant (postal operators with significant market power⁴ and not subject to effective competition) and non-dominant (conduct subject to market forces) postal operators.

Express and Courier Services

The MCA will continue to retain light touch regulation in the wider competitive area. Express and courier services will in the main only be required to provide assurance as to their adherence to the essential requirements

³ Currently there exist no accredited national certifications service providers issuing qualified certificates in Malta.

⁴ An operator is said to have SMP if it has a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and ultimately consumers.

relating to mail integrity and to respect the area that is currently reserved for Maltapost.

2.3.2 Strategic Objective P2

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

Universal Service Obligations

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

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

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

Terminal Dues

In order to ensure the cross-border provision of the universal service, the respective universal service providers are encouraged to fix their agreements on terminal dues⁵ by respecting a series of principles and namely that:

- terminal dues are fixed in relation to the costs of processing and delivering incoming cross-border mail;
- the levels of remuneration are related to the quality of service achieved; and that
- they are transparent and non-discriminatory.

The implementation of the Universal Postal Union's (UPU) target based system in 2012, reflecting the above-mentioned principles, could result in the need to review the present outgoing cross-border tariff structure for some countries, thus potentially impacting the consumer. For such a tariff structure review to take place Maltapost will have to provide the MCA with all the relevant data and information to justify such a request. This exercise has a linkage to the tariff re-alignment exercise referred to under the previous work-stream.

Empowering Consumers

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

Ensuring Compliance

⁵ The remuneration of universal service providers for the distribution of incoming cross-border mail comprising postal items from another Member State or from a third country.

The MCA will continue to monitor compliance by the universal service provider and other service providers with requirements in relation to: protecting the integrity and security of mail, access to universal postal services, complaints handling and compensation schemes, as well as quality of service. In the later case a review of existing targets will be undertaken.

2.3.3 Strategic Objective P3

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

European / International Dimension

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

- Ongoing provision of advice to the government on the interpretation and application of any new Directives, recommendations and other EU documents as well as any related issues and disputes arising.
- Active participation in EU fora, European Committee for Postal Regulation (CERP) as well as in other international organisations. The MCA will strive to make a valid contribution to the discussion now that this organisation has reached a stage of maturity, where participation can make a valid impact.
- Ongoing submission of accurate statistics and information to the EU and other international organisations. Collaboration on a one-to-one basis with peer regulators on a regular or one-off basis.
- Ongoing monitoring of the development of competition in those Member States that have fully liberalised their postal market.

2.4 Information Society

2.4.1 Strategic Objective IS1

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

Public Awareness and Assistance

In fulfilment of this objective the MCA will:

- Provide ICT awareness and training to the elderly in public and private care residences through a special mobile Computer Training Learning Centre (CTLC) with assistive technologies that will be funded through a public-private model.
- Develop incentives to facilitate the purchase of assistive technologies by persons with disabilities, and their parents.
- Together with the local wireless broadband players proliferate free Wi-Fi access in public libraries and public spaces.

- Deliver focused and customized ICT awareness and education programmes and employability skills in underprivileged locations, communities or groups with particular disadvantages.

2.4.2 Strategic Objective IS2

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

Business and Consumer Take-Up of e-Commerce

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

- Support the development of a virtual collaborative structure through a local Business to Business (B2B) platform to establish common technology protocols and B2B and Government to Business (G2B) interoperability frameworks, National e-Invoicing platform and related electronic clearing house to allow cost-effective and simpler activity between online businesses.
- Develop a series of projects on how broadband can be exploited in the optimization of e-business and e-commerce activities, together with the broadband and content service providers.

3. Programme of Work

In line with the objectives mentioned in the previous section the MCA's Work Programme envisaged to be performed during the Annual Plan period is shown in [Appendix 1](#).

There are three main types of activities in the work programme:

- the ongoing implementation of past policy projects which are now in implementation mode, for example, the implementation of ex-ante remedies in markets having significant market power, work on the digital TV switchover, the implementation of the MCA's Spectrum Management Strategic Framework and the implementation of the various Information Society initiatives emerging from the National ICT Strategy;
- the planned policy development such as the review of the Digital Broadcasting Strategy and Digital Dividend and the review of the mobile and fixed interconnection charges; and
- the forward thinking areas of work to identify policy and regulatory issues - these include, amongst others, work on examining markets in relation to competition issues, the development of a strategy for the regulation of NGA's, the preparation for the new electronic communications regulatory framework and the development of a new regulatory approach for postal services conducive to the onset of competition.

It is noted that the major outputs listed in [Appendix 1](#) represent the MCA's current best view of the work that the MCA will be undertaking during the annual plan period. These are presented to provide as much clarity as possible. However, there are a number of factors that may impinge on the work programme and namely:

- external dependencies that may affect our timing;
- interdependencies between streams of work, that may entail knock-on effects in the event of delays; and
- external events that are difficult to predict and which we are required to respond to.

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

4. Finance and Effectiveness

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

4.1 Finance

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

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

The regulation of the electronic communications sector is funded on a self-financing base via the levying of administrative fees collected from the sector players.

The MCA's financial requirements with respect to regulating the postal and e-commerce sector, management of radiocommunications equipment licences, monitoring of the radio spectrum, market surveillance of radio communications equipment and the activities related to the transition to Digital TV are financed via the deduction of the necessary amounts from postal licence and authorisation fees, radiocommunications equipment licence fees and fees for scarce resources that are payable to Government.

Activities related to dealing with the Information Society (IS) initiatives are financed via a Government subvention.

For 2010, the MCA's expenditure (by activity) is expected to be as shown in [Table 1](#) overleaf:

Table 1: Projected 2010 Expenditure by Activity

	Electronic Comm. / Radio Spectrum	Postal	e-Commerce	Digital TV Switchover	Radio Equipment Licences	Information Society	Total
Staff Costs	1,821,413	79,740	31,896	-	22,036	224,582	2,179,667
Administrative Expenses	219,685	59,130	20,252	-	8,752	49,058	356,877
Operational Expenditure	1,202,717	91,130	88,252	160,000	13,834	152,495	1,708,428
Capital Expenditure	386,661	-	-	-	50,000	51,060	487,721
<u>Total Expenditure</u>	<u>3,630,476</u>	<u>230,000</u>	<u>140,400</u>	<u>160,000</u>	<u>94,622</u>	<u>477,195</u>	<u>4,732,693</u>

4.2 Evaluating our Effectiveness

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

- performance measurement and monitoring in line with the established key performance indicators identified in the MCA's Strategic Plan Update⁶;
- the publication of an Annual Report on its operations and performance for the preceding year; and
- through feedback which it seeks from stakeholders.

⁶ Refer to MCA's Strategic Plan Update covering the period 2010 – 2012.

Appendix 1 – Programme of Works 2010

Programme of Works 2010 (Electronic Communications)	
Project	Output
<i>Ex-ante Market Reviews and Analysis</i>	
Review of wholesale fixed termination market	Decision
Review of fixed retail access services market	Decision
Review of wholesale network infrastructure access (including unbundled access) market	Consultation Report on Consultation / Decision
Review of wholesale fixed transit market review	Consultation Report on Consultation / Decision
Review of wholesale broadband access market	Consultation Report on Consultation / Decision
Review of wholesale leased lines market	Consultation Report on Consultation / Decision
Review of wholesale voice call termination of individual mobile networks market	Revision of remedies
Review of wholesale mobile access and call origination market	Consultation Report on Consultation / Decision
<i>Ensuing that Barriers to Entry Remain Low</i>	
Review of Go Plc's Reference Unbundling Offer (RUO)	Report on Consultation / Decision
Development of subscriber ordering process to facilitate Local Loop Unbundling (LLU) access	Consultation Report on Consultation / Decision
Pricing review of Go Plc's (Higher Capacity) leased lines	Consultation Report on Consultation / Decision

Programme of Works 2010 (Electronic Communications)	
Project	Output
Review of interconnection pricing strategy for electronic communication services	Decision
Review of price control for mobile telephony termination rates (MTRs)	Consultation Report on Consultation / Decision
Review of price control for fixed telephony termination rates (FTRs)	Consultation Report on Consultation / Decision
Development of electronic communications services (ECS) and networks (ECN) inter-operator relationship guidelines	Consultation Report on Consultation / Guidelines
Review of regulatory accounts - operators having Significant Market Power (SMP)	Submission of Regulatory Accounts / Review / Feedback
Allocation of Numbers	
Review of numbering charging structure	Consultation / Recommendation to Government Revised numbering plan
Review of the framework for numbering of premium rate services	Consultation Report on Consultation / Decision
Review of numbering conventions	Consultation Report on Consultation / Information Notice
Review of number portability wholesale charging	Report on Consultation / Decision
Review of number portability specifications	Ongoing review
Developing the Potential of Radio Spectrum	
Implementation of secondary spectrum trading mechanisms as one method for managing the radio spectrum	Consultation Report on Consultation / Recommendation to Government
Revision of National Frequency Plan (NFP)	Update / Information Notice
Re-assignment of the rights of use of the 900 MHz and 1800 MHz spectrum bands	Policy Paper on the assignment process Expressions of Interest / Call for Applications

Programme of Works 2010 (Electronic Communications)	
Project	Output
Assignment of the rights of use of the 3400 – 3800 MHz spectrum band subject to expression of interest	Policy Paper on the assignment process Expressions of Interest / Call for Applications
Pan-European Assignment of 2GHz spectrum band for Mobile Satellite Services (MSS) in line with Commission Decision on the selection of operators of pan-European systems providing MSS	Assignment of 2 x Licences for the rights of use of spectrum for MSS
Identification of new spectrum allocations for wireless radio microphones	Identify new spectrum allocations Consultation Response to Consultation / Decision
Rollout and coverage obligations of current licensed operators	Ongoing monitoring of rollout and coverage obligations
Review of Fixed Radio Links licensing regime	Response to Consultation / Decision
Digital Terrestrial TV	
Renewal of Go Plc's radio spectrum licence for digital terrestrial television services in line with licence conditions	DTTV licence renewal review Licence renewal
Licence for digital TV network rollout for general interest objective (GIO) broadcasters	Issue of Licence
Review of TV must carry obligations	Consultation Response to Consultation / Decision
Review of Digital Terrestrial Broadcasting Strategy	Consultation Response to Consultation / Decision
Next Generation Core and Access Networks	
Study on the facilitation of next generation access in Malta	Study on the deployment of fibre Recommendations to Government
Development of a framework for sharing of network elements between operators - ducts and in-building wiring	Consultation Response to Consultation / Recommendations to Government

Programme of Works 2010 (Electronic Communications)	
Project	Output
Electronic Communications – Strategic Objective T2	
Digital Terrestrial TV Switchover	
Together with the Broadcasting Authority (BA) and Public Broadcasting Services (PBS) programme manage the implementation of the GIO's policy and switchover to digital TV by 1 Jan 2011	Selection of GIO broadcasters Simulcast period Analogue switch-off
Digital TV switchover communications strategy, to ensure that the public has converted to digital television by the analogue switch off date set for 1 Jan 2011	Public information campaign
Universal Service Obligations	
Review of the existing universal service obligations	Decision
Designation of universal service provider(s) for the provision of universal electronic communication services	Call for applications Assessment of applications Universal service designations
Study on the benefits of defining broadband as a universal service obligation	Consultation Response to Consultation / Recommendation to Government
Management and monitoring of universal service providers obligations	Ongoing monitoring
Management and monitoring of universal service providers QoS obligations	Ongoing monitoring
Quality of Service	
Monitoring broadband quality of service	Response to Consultation / Decision Development of measurement methodology Measurement campaign Compilation of data / publication of report

Programme of Works 2010 (Electronic Communications)	
Project	Output
<i>Keeping the Radio Spectrum Free of Interference</i>	
Review of EMF monitoring process and facilitating the collocation of transmissions infrastructures	Revised EMF monitoring system Consultation on collocation / site sharing
Establishment of a national plan for telecommunications infrastructures (towers)	Consultation Report submitted to Government / MEPA
Monitoring radio and telecommunications terminal equipment in accordance with R&TTE regulations	Ongoing
Electromagnetic Field (EMF) emissions monitoring	Ongoing / Report
Market surveillance activities of radio and telecommunications terminal equipment	Ongoing
Licensing, monitoring and enforcement of radio communications equipment	Ongoing
<i>Empowering Consumers / Ensuring Compliance</i>	
Review of ECS contract terms and conditions	Consultation Response to Consultation / Decision
Ensuring tariff / product transparency for electronic communications services	Consultation Response to Consultation / Decision
e-mail portability	Consultation Response to Consultation / Decision
Biannual market review reports	June – December 2009 Market Review Report January – June 2010 Market Review Report
Consumer perception survey - Mobile services	Commissioning of survey and publication of results
Consumer perception survey - Businesses	Commissioning of survey and publication of results
Internet Health Monitoring System (IHMS)	Ongoing monitoring
Number portability management and operator specifications	Ongoing monitoring
Guidelines on good consumer practices	Development of Guidelines and ongoing monitoring
Compliance, Enforcement and Investigations	Ongoing monitoring

Programme of Works 2010 (Electronic Communications)	
Project	Output
Electronic Communications – Strategic Objective T3	
European Regulatory Framework	
Transposition of new EU electronic communications regulatory framework	Drafting of proposed amendments Recommendations to Government
EU mobile roaming regulations	Ongoing monitoring
European / International Dimension / Pan-European Initiatives	
Pan-European assignment of Mobile Satellite Service (MSS) providers	Assignment of 2 x MSS spectrum licences Ongoing monitoring of licence obligations
Participation and Contribution to EU / International Working Groups	Ongoing participation and contribution
Preparation for the World Radio Conference in 2012	Ongoing preparation
Electronic Communications – Strategic Objective T4	
Integrity of Key Infrastructures	
Audit of international connectivity and other key infrastructure contingency plans	Audit of contingency plans Review of guidelines
Technology Watch Function	
Forward looking technology research	Ongoing research
New and Innovative Technologies and Services	
Development of a test and trial licence regime	Response to Consultation / Decision
Promotion of test and trial spectrum licences	Ongoing promotion of licences
Authorisation framework of the use of mobiles on vessels (MCVs)	Development an authorisation framework for MCVs
Review of Digital Dividend (i.e. the use of the 800 MHz UHF band) following digital TV switchover	Consultation Response to Consultation / Decision

Programme of Works 2010 (Postal)	
Project	Output
Electronic Communications – Strategic Objective P1	
Development of a Competitive Environment	
Developing a new regulatory regime in view of full liberalisation in 2013	Consultation Report on Consultation / Decision Notice
Tariff Reviews / Realignment	
Review of Maltapost Plc's tariff review requests (ordinary mail, registered mail and parcel post)	Decision
Development of a postal tariff realignment framework to ensure cost orientation of universal services	Consultation / Decision
Review of cross border terminal dues	Consultation / Decision
Maltapost's annual regulatory accounts	Review of Regulatory Accounts / Analysis of Accounts Compliance statement
Licensing and general authorisations	Ongoing management, monitoring and enforcement
Electronic Communications – Strategic Objective P2	
Ensuring a Universal Postal Service	
Review of Maltapost Plc's Quality of Service (QoS) three year targets for ordinary mail, registered mail, parcel post and bulk mail	Consultation Response to Consultation / Decision
Maltapost Plc's Postal Service Schemes	Ongoing monitoring of postal service schemes
Maltapost Plc's Universal Service Obligations	Ongoing monitoring of universal service obligations
Maltapost Plc's Integrity of Mail	Ongoing monitoring of the integrity and security of mail
Maltapost Plc's Quality of Service	Ongoing QoS monitoring

Programme of Works 2010 (Postal)	
Project	Output
<i>Empowering Consumers / Ensuring Compliance</i>	
Market Review – Bi-Annual Reports	June – December 2009 market review report January - June 2010 market review report
Consumer guidelines on postal services	Development of guidelines
Monitoring mail integrity procedures of postal operators	Ongoing monitoring and enforcement
Compliance, Enforcement and Investigations	Ongoing monitoring and enforcement
Electronic Communications – Strategic Objective P3	
<i>European / International Dimension</i>	
Participation and contribution to EU / International Working Groups	Ongoing participation and contribution

Programme of Works 2010 (e-Commerce)	
Project	Output
e-Commerce Strategic Objective E1	
Public and Serve Provider Awareness / Confidence	
e-Commerce - Awareness / Educational Campaign	Implement communication initiatives Analyse results Implement strategy
e-Commerce - Household Survey	Analyse results Revisit Communications Plan and amend initiatives Implement Communication Initiatives
Monitoring Compliance	
e-Commerce – Establishment of a supervisory regime for certification service providers	Research on an appropriate supervisory regime Setup of a supervisory regime
e-Commerce – Monitoring and Enforcement	Ongoing monitoring and enforcement

Programme of Works 2010 (Information Society)	
Project	Output
Information Society – IS1	
e-Inclusion	
Community Technology Learning Services (CTLCS) to address the digital divide by increasing IT literacy training	New Training Programme / Awareness Campaign Establishment of new CTLCS
Increase inclusion of aging citizens and people with disability in society through the application of ICTs	Expression of Interest / Request for Proposals Launch 'Ageing Well' Package
Connectivity	
Proliferation of free Wi-Fi in Public Places (schools, libraries, public gardens, local councils) to promote emerging devices and their applications	Setting up additional free Internet Wi-Fi Points
Mobile Internet Scheme for students to proliferate usage of mobile broadband	Launch Mobile Internet Scheme
Building Confidence	
Expanding the e-Trust Mark	Consultation Code of Conduct
Awareness	
Broadcasting of ICT awareness programmes aimed to raise awareness on ICT technologies and encourage people to make use of technology	Initiation of second series of features Dissemination of DVD
Micro Enterprise	
ICT and Entrepreneurship Training (subject to the award of EU funds)	Micro entrepreneurs receiving training
Internet Safety	
Safer Internet Programme to increase public awareness	Safer Internet initiatives

Programme of Works 2010 (Information Society)	
Project	Output
Information Society – IS2	
<i>Innovation</i>	
E-Commerce Supply Chain Study	Data Collection / Interviews Publish Reports (e-Commerce Forum)
B2B and Interoperability	Scoping Document Tender for Consultancy Services

Programme of Works 2010 (Internal / Corporate)	
Project	Output
Corporate Initiatives	
Implementation of a statistical analysis modular system (SAMS)	Development and implementation of system Ongoing Monitoring
MCA website revamp	Website Re-design
Development of MCA's rolling Strategic and Business Plan	Publication Annual Plan 2010 Review of MCA's Strategic Plan 2011 - 2013 Business and Financial Plan 2011 - 2013
Performance Measurement and Monitoring	Ongoing quarterly performance monitoring and reporting - 2010
MCA Annual Report / Performance Measurement	Publication of MCA's Annual Report 2009